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engro powergen qadirpur

power for life

Annual Report 2019

about the cover

To recognize the relentless efforts of Engro Powergen Qadirpur Limited (EPQL) to sustain the energy security and economic fabric of Pakistan, the theme of our report highlights how we are striving towards an energy secure Pakistan whilst depicting the crucial role energy plays in our lives.

A dream of shining Pakistan has come closer to reality as the country overcomes the severe energy crisis it faced a few years ago – affecting a multitude of individuals, households and lives across the length and breadth of the country. As a driver of growth, energy continues to power each sector, industry, households and individual; hence in its all-encompassing form it truly interacts with each one of us and continues to power life around us.

This year's report is a testimony that, through its transformative power, energy continues to significantly enhance and uplift lives around it thereby providing us all with a host of socio-economic opportunities. So, at EPQL, we say, more power to you – more power for life!

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Board of Directors
Ahsan Zafar Syed - Chairman
Shahab Qader - Chief Executive Officer
Fauzia Viqar
Hasnain Moochhala
Shabbir Hashmi
Kaiser Bengali
Vaqar Zakaria

Board Audit Committee
Kaiser Bengali - Chairman
Shabbir Hashmi
Hasnain Moochhala

Company Secretary
Sameen Asad

Chief Financial Officer
Rabia Wafah Khan

Corporate Audit Manager
Syed Zaib Zaman Shah

Bankers / Development Finance Institute
Albaraka (Pakistan) Bank Limited
Allied Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habibsons Bank Limited, London
National Bank of Pakistan
MCB Bank Limited
Pak Kuwait Investment Company (Pvt) Limited
Soneri Bank Limited
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

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

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 a 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 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.

- Maintain highest workplace safety standards
- Continue with our commitment towards education, health and infrastructure in areas in which we operate
- Continue to benchmark performance against acclaimed environmental practices as per World Bank and National Environmental Quality Standards
- Ensure reliability and sustainability of operations and business processes
- Explore options on alternate sources of fuel supply for future needs
- Develop and retain talent

group corporate structure – a snapshot

- Engro Corporation
  - Engro Fertilizers (56%)
    - EFert Agritrade (Pvt) Ltd (100%)
  - Engro Eximp FZE (100%)
  - Engro Polymer (56%)
    - Engro Polymer Trading (100%)
  - Engro Foods (40%)
  - Elengy Terminal (56%)
    - Engro Elengy Terminal (Pvt) Ltd (100%)
  - Engro Vopak (50%)
  - Engro Infiniti (100%)
    - Engro Digital (100%)
      - Enfrashare (Private) Limited (100%)
  - Engro Eximp Agriproducts (100%)
  - Engro Energy (100%)
    - Engro Powergen Thar (51%)
    - Engro Powergen Qadirpur (69%)
    - GEL Utilities Nigeria (45%)
    - Sindh Engro Coal Mining (12%)
      - Thar Power Company (100%)
      - Thar Foundation (100%)
    - Siddiqsons Energy (19%)
    - Engro Energy Services Limited (100%)
    - Kolachi Portgen (Pvt) Ltd (100%)
    - Engro Power International Holding BV Netherlands (100%)

group portfolio

Fertilizers

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

Dairy

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

Telecom Infrastructure

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

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

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

our milestones

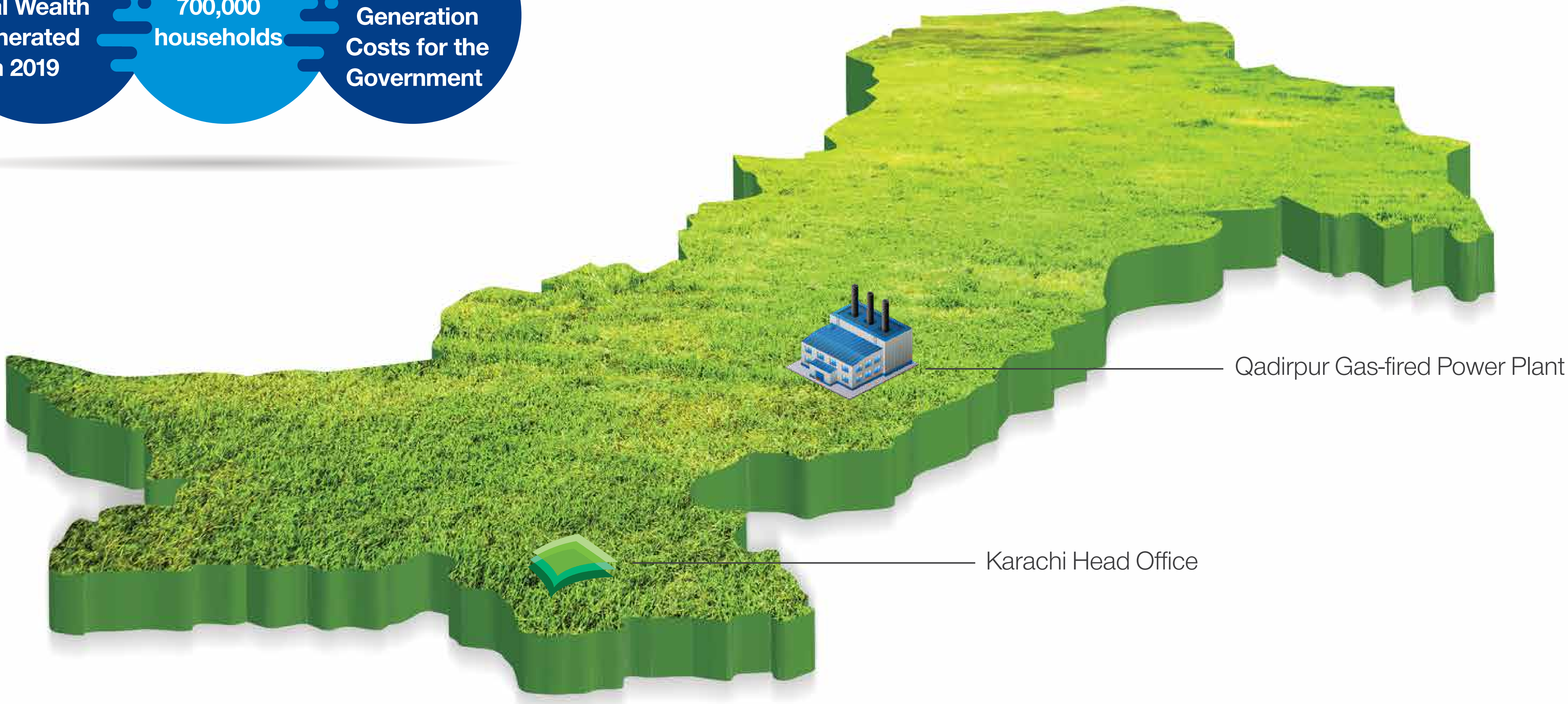
January & September 2005	Proposal submitted to PPIB for setting up permeate gas power plant. Permeate gas allocation from Qadirpur Gas field approved
February 2006	Engro Energy (Private) Limited was incorporated
July 2007	Tariff determined by National Electric Power Regulatory Authority (NEPRA)
October 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
November 2017	Successfully conducted OHIH second party Audit
January 2018	Received Environmental Stewardship Award from the National Forum for Environment & Health (NFEH)
2019	Received the prestigious ISO 55001:2014 certification for effective asset management for EPQL Recognized at the CSR Awards 2019 by National Forum for Environment & Health (NFEH)

our footprint in pakistan

PKR 4.5 Bn Total Wealth Generated in 2019

Benefitting 700,000 households

~PKR 19 Bn Savings in Generation Costs for the Government



organizational structure

- CEO
  - Deputy CEO
    - Secretary
    - CFO
      - Finance
      - Commercial & Planning
      - Accounts
    - Manager Internal Audit
    - Plant Manager
    - HR Business Partner

power for change

Corporate Governance

our core values

At Engro, we support our leadership culture through unique systems and policies, which ensure open communication, foster an environment of employee and partner privacy, and guarantee the well-being and safety of our employees.

Our core values form the basis of everything we do at Engro: from formal decision making to how we conduct our business to spot awards and recognition. At Engro, we never forget what we stand for. Following are our core values:

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

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

Cares deeply about environmental impact and safety of people.

board of directors

Left to Right

Mr. Shabbir Hashmi
Mr. Hasnain Moochhala
Mr. Shahab Qader (CEO)
Mr. Ahsan Zafar Syed (Chairman)
Ms. Fauzia Viqar
Mr. Kaiser Bengali
Mr. Vaqar Zakaria

directors' profile

Ahsan Zafar Syed

Chairman

Ahsan Zafar Syed is the 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 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. 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

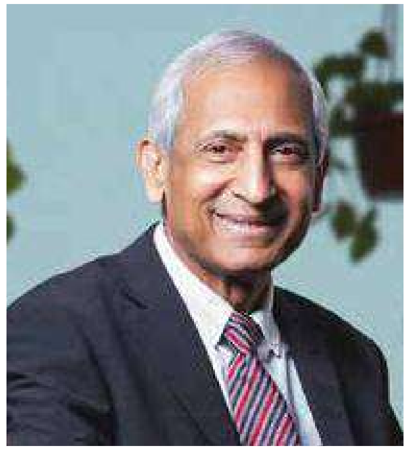
Director

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.

Hasnain Moochhala

Director

Hasnain Moochhala joined Engro Corporation Limited as Chief Financial Officer in June 2017. Prior to that he has had a career in Commercial Finance, M&A, Corporate Governance, Treasury and Audit over 30 years across Europe and Asia. The last 20 years of his career was with Royal Dutch Shell in various roles including Finance Director Shell Pakistan, Head of Finance for Shell Lubricants Asia Pac, Head of Downstream M&A East and Finance Manager Upstream Joint Ventures. Hasnain has partnered with businesses of significant size across China, South and East Asia, delivering turnaround business performance whilst ensuring robust business controls and compliance in matrixed organizations. His key achievements in prior roles include the delivery of material M&A transactions, the formulation of global best practice in Joint Venture Governance, cost leadership and the building of strategic partnerships with various stakeholders. Hasnain has also led, coached and mentored teams in Singapore and Pakistan, as well as virtual teams across Asia Pacific and Europe.



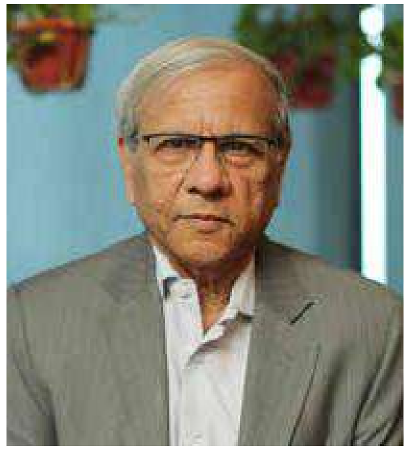
Vaqar Zakaria
Director

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. 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 (formerly Board Compensation 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 twice during the year and was also reconstituted in 2019.

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 2019.

Committee Members:

Mr. Javed Akbar*	Chairman
Mr. Kaiser Bengali**	Chairman
Ms. Aliya Yousuf*	Member
Mr. Shabbir Hashmi	Member
Mr. Hasnain Moochhala**	Member

* Retired on completion of tenure on October 14, 2019

** Elected on October 14, 2019

The Secretary of the Committee is Syed Zaib Zaman Shah

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

Mr. Shahab Qader	CEO
Mr. Zeshan Taj Khan	Member (VP HR)
Mr. Atif Muhammad Ali	Member (Deputy CEO)
Ms. Rabia Wafah Khan	Member (CFO)

The Secretary of the committee is Mr. Atif Muhammad Ali

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:

Mr. Shahab Qader	Chairman
Mr. Zeshan Taj Khan	Member
Mr. Atif Muhammad Ali	Member
Ms. 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 elected Directors and to acquaint them 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 2017-18, 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, nonexecutive 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 it's 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 (through a Document Management Solution) 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). Concerns can be raised at "Speak Out" hotline +9221-35296012, email to speakout@engro.com or written to P.O. Box 3851, Clifton Post Office, Karachi.

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 it's understanding of social and environmental impacts of it's business and it will quantify the impact on the lives of it's 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
- ‘ Corporate Social Responsibility' 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 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 (www.engroenergy.com) 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 March 25, 2019, queries and clarifications were sought on the Company's financial statements, which were resolved to the satisfaction of the Shareholders.

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 is in detail is explained in note 3 of annexed consolidated financial statements.

Integrated Reporting

The Company is committed towards adoption of International Integrated Reporting (IR) Framework to give an overview of how the Company's strategy, governance, performance and prospects, in the context of its external environment, leads to the creation of value over the short, medium and long term. The Company has considered the following content elements of IR Framework in this report:

·Organizational overview and external environment

- Governance
- Business model
- Risks and opportunities
- Strategy and resource allocation
- Performance
- Outlook
- Basis of presentation

In addition, EPQL's detailed data as per the Integrated Reporting Framework is also documented in the group's consolidated IR Report which is published by third quarter of every year.

Efforts to Implement Governance Practices Exceeding Legal Requirements

With a strong legacy system spanning over five decades, Engro Powergen Qadirpur 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. Following additional governance practices implemented by the management include:

- Voluntary disclosure of additional corporate and financial information in this annual report for the year ended 2018, 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 work place environment for employees, workers and surrounded community.
- Implementation of various social projects for welfare of the community as part of it's 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, 2019 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 later 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 6 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, 2019

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 (7) as per the following:
   a Male: Six (6)
   b Female: One (1)

2 The composition of the Board of Directors (the Board) is as follows:

Category	Name
Independent Directors	Mr. Kaiser Bengali Ms. Fauzia Viqar
Non-Executive Directors	Mr. Ahsan Zafar Syed (Chairman) Mr. Shabbir Hashmi Mr. Vaqar Zakaria Mr. Hasnain Moochhala
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 the Extraordinary General Meeting was approved by the Board and published on the website of the 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 was 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 prior to the 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 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, 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 and, in his absence, by a director elected by the Board for this purpose. 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 have already completed the Directors' Training Program in previous years;

10. The Board has approved appointment of Chief Financial Officer and Company Secretary during the year ended December 31, 2019. There was no change in the position of Head of Internal Audit. The Board has approved the 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. Hasnain Moochhala; and
Mr. Shabbir Hashmi.

b) The Board People's Committee i.e. the Human Resource 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 committees for compliance;

14. The frequency of meetings of the committee were as per following:-

    a) The Board Audit Committee (4 meetings)
    b) The Board People's Committee (2 meetings)

15. The Board has set up an effective internal audit function which is 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

Shahab Qader
Chief Executive Officer

Karachi
Date: February 07, 2020

report of the audit committee

Composition

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

Mr. Kaiser Bengali- Chairman
Mr. Shabbir Hashmi - Member
Mr. Hasnain Moochhala – Member

Mr. Kaiser Bengali holds a master's degree in economics from Boston University, USA and a PhD in economics from University of Karachi.

Mr. Shabbir Hashmi hold a master's degree in business administration from J.F. Kennedy University, USA.

Mr. Hasnain Moochhala is a Chartered Accountant from the Institute of Chartered Accountants in England & Wales (ICAEW).

The Head of Internal Audit of the Company, functions as the Secretary to the Committee.

The names and profiles of the Audit Committee members are given in the Corporate Governance section of the Annual Report 2019.

Charter of the Committee

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:

- To recommend to the Board the appointment and removal of external auditors;
- To review quarterly, half-yearly and annual financial statements;
- To review the internal control systems and internal audit function;
- To monitor management's compliance with all Company's policies including complaints received through the Speak Out – Whistle Blower Policy; and
- To monitor compliance of statutory requirements.

Meetings during 2019

The Committee met four times during the year. The attendance of the members at these meetings is stated in the Director's Report. The Chief Financial Officer and the Head of Internal Audit attended all meetings. The BAC meets external auditors at least once a year, without CFO and Head of Internal Audit being present and when matters pertaining to their functions come up for consideration. The BAC met external auditors once in 2019.

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 responsibilities to the full, in accordance with Terms of Reference approved by the Board. Evaluation of the Board performance, which also included members of the Audit Committee was carried out separately.

The Audit Committee has ensured the achievement of operational, compliance, risk management, financial reporting and control objectives, safeguarding of the assets of the Company and the shareholders' wealth maximization at all levels within the Company.

The Committee has concluded its annual review of the operations of the Company for the year ended December 31, 2019 and reports that:

- The Committee reviewed the quarterly and annual financial statements of the Company and recommended them for approval of the Board;
- The financial statements of the Company for the year ended December 31, 2019 have been prepared on a going concern basis under requirements of Companies Act 2017, incorporating the requirements of the Code of Corporate Governance, International Financial Reporting Standards and other applicable regulations;

- These financial statements present a true and fair view of the Company's state of affairs, results of operations, profits, cash flows and changes in equity of the Company for the year under review;

- Appropriate accounting policies have been consistently applied and all applicable accounting standards were followed in preparation of the financial statements for the year ended December 31,2019;

- The Chairman of the Board, Chief Executive Officer, a director and the Chief Financial Officer have endorsed the financial statements of the Company, while the Directors' Report is signed by the Chairman and the Chief Executive Officer. They acknowledge their responsibility for true and fair presentation of the Company's financial condition and results, compliance with regulations, applicable accounting standards and establishment and maintenance of system of internal controls of the Company;

- Accounting estimates are based on reasonable and prudent judgment. Proper and adequate accounting records have been maintained by the Company in accordance with the Companies Act, 2017. The financial statements comply with the requirements of the Fourth Schedule to the Companies Act, 2017 and the external reporting is consistent with management processes and adequate for shareholder needs;

- Proper, accurate and adequate accounting records have been maintained by the Company;

- The Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy;

- The Company has issued a "Statement of Compliance with the Code of Corporate Governance" which has also been reviewed and certified by the External Auditors of the Company;

- Understanding and compliance with Company codes and policies has been affirmed by the members of the Board, the Management and employees of the Company. Equitable treatment of shareholders has also been ensured;

- The Committee has reviewed all related party transactions and recommended them for approval of the Board;

- Trading and holdings of Company's shares by Directors & executives or their spouses were notified in writing to the Company Secretary along with the price, number of shares, form of share certificates and nature of transaction which were notified by the Company Secretary to the Board within the stipulated time. All such holdings have been disclosed in the Pattern of Shareholding. The Annual Secretarial Compliance Certificates are being filed regularly within stipulated time;

- Closed periods were duly determined and announced by the Company, precluding the directors, executives and all employees of all Engro companies from dealing in the shares of the Company, prior to each Board meeting involving announcement of interim / final results, distribution to shareholders or any other business decision which could materially affect the share price.

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 Company's approach towards risk management has been disclosed in the risk assessment portion of the Annual Report in the Business Performance Overview section. The types and detail of risks along-with mitigating measures are disclosed therein.

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, 2019 and shall retire on the conclusion of the 14th 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;

- The performance, cost and independence of the external auditors is reviewed annually by the Committee. 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 2020. A resolution to this effect has been proposed at the forthcoming Annual General Meeting.

Annual Report 2019

- The Company has issued a very comprehensive Annual Report which besides presentation of the financial statements and the Directors' Reports of the Company, also discloses other information to offer an in depth understanding about the management style, the policies set in place by the Company, its performance during the year, and future prospects to various stakeholder of the Company.

- The information has been disclosed in the form of ratios, trends, graphs, analysis, explanatory notes and statements etc., and the Audit Committee believes that the Annual Report 2019 gives a detailed view of how the Company evolved, its state of affairs and future prospects.

Kaiser Bengali
Chairman, Audit Committee
February 06, 2020

power for excellence

Business Performance Overview

chairman's review

Dear Shareholders,

As the year 2019 came to an end and we stepped into another decade of the century, Engro Powergen Qadirpur Limited (EPQL) too entered its 10th year of safe and sustainable operations. Deeply rooted in the energy and social fabric of the country, EPQL's journey over the past decade has remained intertwined with the various challenges and accomplishments that Pakistan has seen.

Over the course of the past few years the energy landscape of Pakistan has witnessed a significant transformation. The crippling energy crisis which the country faced a few years ago, has been effectively arrested closing down the demand-supply deficit to approximately 3,000MW at peak demand level. Consequently, we now face an over-supply situation with new projects on RLNG, coal fuel sources, and hydel coming online. While we expect this trend to continue; it is imperative that we now focus on instituting broader, more long-term solutions to the issues faced by the industry. If we are to effectively and efficiently address the challenges of the energy sector, the government along with the private sector needs to focus on resolving the circular debt and improving the energy ecosystem through improvements in the transmission network & infrastructure.

Whilst the challenges of circular debt and T&D losses remained during the course of 2019, EPQL remained committed to providing the nation with affordable, sustainable and available energy. Synergizing our engineering capabilities with our capital strength throughout 2019, we implemented the alternate fuel strategy to ensure sustainability of plant operations and provision of electricity to the grid; demonstrated a billable availability factor of 99.9%; and prudently managed our financial and liquidity issues, massively reducing our foreign loan components to USD 5.7 million against the total project loan of US$ 144 million.

Last year we communicated to you – our investors – that the Company had undergone a stellar turnaround to balance its operational excellence and adopt a proactive outlook towards the future. The year 2019 was the year we continued to realize the benefits of this strategy & our newly adopted business framework by maintaining a firm focus on digitization and adoption of industrial internet technologies – to imbue technical efficiencies in our operations – and, secondly by further optimizing our costs to ensure competitiveness. Consequently, it gives me distinct pleasure to share that our Company – EPQL – has entered the new decade with a fresh outlook and perspective.

During the year we continued to remain a force for good in the communities that host us. This year, we spent a significant amount on various purpose-inspired programs and initiatives that focused on high-impact areas such as health, education and skills development. From managing school networks to hosting medical camps to promoting girl-child education, our social and community work continued to inspire us to do more and do better for the various individuals who interact in some way with our business – whether directly or indirectly. As we go forward, we will continue to work with a wide variety of stakeholders to ensure that we do more for our shareholders, our partners, our people and our communities.

For my final thoughts, I would like to iterate that the future is a truly volatile phenomenon; and, more so in today's age and time where we see the fourth industrial revolution reshaping individuals, communities and businesses alike – and it is only through engineering excellence, deep domain knowledge, agility and creating alliances that we would be able to forge a future of shared prosperity for 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,
The sustained and persistent profitability of any organization or entity is inextricably linked to the prosperity of its wider surroundings, be it economic conditions and financial dynamics or political climates and governmental actions and policies. Through our purpose-inspired strategy, Engro Powergen Qadirpur Limited (EPQL) aims to not only fuel inclusive growth for our broader community at large but also create unique and environmentally viable solutions to alleviate the nation's energy dilemma.

Building on our long-term growth strategy, the year 2019 was no different in terms of our sustainable performance. The Company demonstrated a billable availability factor of 99.9% in 2019, same as last year and dispatched a total net electrical output of 1,097 GwH to the National Grid demonstrating a load factor of 58.8%. The decrease in load factor this year was primarily due to lower merit order ranking and consequently lower dispatch. Sales revenue for the year 2019 was PKR 13,201 million as compared to PKR 11,874 million last year. The increase in sales revenue is mainly attributable to a higher USD indexation and higher gas price vs last year. Notably, improvement in working capital position, lower running finance costs and timely payments to the fuel supplier all helped to reduce financing cost this year which ties into our model of sustainability. The Company earned a net profit of PKR 3,403 million for 2019 as compared to PKR 2,628 million for 2018 which resulted in earnings per share of PKR 10.51 for 2019 vs PKR 8.11 for 2018.

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. We held true to our commitment to safety by completing 7.2 million man-hours in 2019 without any Lost Workday Injury (LWI) raising the count to 3200 days without any LWI from Commercial Operations Date (COD) in March 2010 to year end 2019. In our pursuit for excellence at all levels EPQL was also awarded the prestigious ISO 55001:2014 certification for asset management standards, awarded by the British Standards Institute (BSI) – making EPQL the first subsidiary in the group to achieve this certification.

I believe that if we are to remain dedicated to our purpose of delivering impact at the national level then we must continue to evolve and transform as an organization. To this end in 2019, we amplified our focus on employee development, trainings and wellness initiatives. Throughout the year, we continued to care for the communities that host us and initiated various programs that increased livelihood opportunities for the local residents whilst also enhancing the outreach of our educational and health programs.

As we embrace the times ahead, I am convinced in my belief that we are strategically and critically postured to provide innovative and cutting-edge solutions for the Country's growing energy needs. Sustainable, and continuous energy supply is the need of the hour and EPQL will remain resolute in its vision and ambition to help deploy this ambition. I strongly believe that we have the requisite expertise to leverage our position as a profitable power generation and solutions provider to make a difference and create sustained value for Pakistan at large.
But as I say, for that to happen – together, let's keep the conversation going.

Shahab Qader

Shahab Qader
Chief Executive Officer

the pressing issues of our time

Global challenges have the potential to translate into an existential threat for Pakistan

Impact of climate change coupled with inefficient practices can have a catastrophic impact

Ever rising population and a growing middle class will result in a strain on resources

The imbalance between domestic output and consumption will continue to put pressure on Balance of Payments

Solutions will have to be innovative and beneficial for all socio-economic classes

Availability of Affordable Energy

Water Scarcity

Food Security

Underdeveloped Storage & Logistics

Balance of Payments Crisis

Growing Digital Divide

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.

organizational highlights

7.2 mn
Man-Hours without LWI till December 2019

99.9%
Billable Availability Factor in 2019

1,097
GwH Electrical Output in 2019

58.8%
Load Factor in 2019

100%
National Environmental Quality Standards and World Bank guidelines compliance

external overview

Political
Possibility of short, medium and long-term policy interventions by the regulatory authorities, 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.

Economic
Any changes 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 affects the profitability of the company with changes in cost of short-term financing. Circular debt is a major issue affecting the power sector, which affects the liquidity profile of the Company.

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.

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 possibility 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 have 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 alternate fuel options for base load plant operations	The Company has engaged with stakeholders and prepared and submitted a draft gas depletion mitigation plan to PPIB. Efforts are underway to bring it to a meaningful conclusion.	Finalization of chosen alternative.
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.
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.

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, various management 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, 2019.

- 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:

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

Risk Type	Description
Accept Risk	• Retain risk at its present level, taking no further action
Avoid Risk	• 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	• 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 an 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	• 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
Strategic Risk	Likelihood	Impact	
Reduction in Company's Net Electrical Output Source of Risk: External	Medium	High	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.
Rising Circular Debt with increasing capacity payments on the back of new IPPs. Source: External	Medium	High	The Company has developed liaison with relevant stakeholders for clearance of outstanding dues and recovery profile is closely monitored for any advance triggers. Liquidity is being managed through enhancement of working capital facilities.
Reduction in gas supply from Qadirpur Gas Field Source of Risk: Internal	High	High	The Company's management has evaluated options and submitted a draft gas depletion mitigation plan to PPIB

Commercial Risk

Depletion of gas affecting generation capacity of the Plant. Source of Risk: Internal	High	High	The Company presented Gas Depletion Mitigation Plan (GDMP) to key stakeholders and discussions are ongoing with regards to the way forward.
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 be able to secure financing facilities

Operational Risk

Risk Type	Risk Assessment		Mitigation Strategies
Strategic Risk	Likelihood	Impact	
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
Strategic Risk	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.

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.

Key Opportunity	Impact Area	Way Forward
Development of Horizontal/Vertical Integration	Financial Capital	The Company identified a need for optimized manning, and in 2019 outsourced the Operations and Maintenance of the Plant to Engro Energy Services Limited (EESL), a subsidiary of EEL, benchmarked with the O&M industry and structure. The Company continues to identify opportunities to develop and maintain a lean organizational structure, resulting in cost 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.

Forward-looking Statement

The Company remains wary of the gas situation in the country and has been taking measures to efficiently use its allocated share. Any disruption in availability of gas poses a threat to the Company's profitability.

During the year, the Company faced decline in supply of permeate gas from Qadirpur Gas field and based on profile shared by the gas supplier, the Company declared gas depletion phase and made its plant available in mixed mode. The Company has engaged with all stakeholders and prepared and submitted a draft 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 2019

2019 Revenue
PKR 13.2 Bn

10-year Growth
Over 2X

Credit Rating
AA-

2019 Dividend
PKR 971.4 Mn

Market Capitalization
PKR 8.5 Bn

Total Assets
PKR 27.5 Bn

Total Electricity Generated
1,097 GwH

Employee Engagement Index
88%

Community Investments
PKR 18 Mn

our value chain process

Upstream	Midstream	Downstream
Generation Engro Powergen Qadirpur Limited	Transmission NTDC	Distribution DISCOs
Electricity generated is dispatched to CPPA-G.	NTDC through CPPA-G transmits the electricity to DISCOs	Distribution to end users

Customers/Consumers
Manufacturing Companies
Service Companies
Domestic Consumers

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 awith whether it be our customers, suppliers, communities or the government.

our integrated value creation model

Shareholder, Investors and Lenders

Funds injected

capital injection (shareholding)

Dividend and Royalty

Engro Energy Limited (EEL)	Engro Energy's role in the affairs of group companies	EPQL (& Other Energy Subsidiaries)	Value Creation
Engro Energy acts as the ultimate parent/holding company of EPQL. EEL explores investment opportunities in business ventures and forms a corporate model of the businesses in the energy vertical of the group.	Governance · Oversight on group companies' business performances · Executive committee of Engro Energy consists of Group CEO, direct holding companies' CEOs, HR & CFO · CEO of Engro Energy is the Chairman of the Board of all energy vertical companies with majority shareholding. · All energy companies' CEOs report to Engro Energy CEO Strategy · Group level strategy formulation (business and high level functional) · Provide visionary direction, support and guidance on company level business strategies Financial Capital · Financial capital allocation · Group level portfolio management · Debt raising activities · New investment opportunities and project expansion outside and in-between existing portfolio Intellectual capital · Setting up group wide standards and policies · Instilling spirit of common brand identity of 'One Engro' and uniformity of vision, mission, ethics and core values etc. · Group's public relations and brand management (patent, license of Engro brand) Human Capital · Managing Top Talents (i.e. employees having high potential to progress at the executive level) · Rewards, career & development and succession management of executives, senior management and Board members Ethics and compliance · Providing legal and company secretariat support · Shareholder audits, review companies' internal audits and group-wide corporate ethics & compliance management	Group companies of Engro Energy – including EPQL - extend their own business strategies at more detailed level and execute and implement the same in alignment with high level strategy driven by Engro Energy. EPQL and other group companies enjoy independence and autonomy in financial, operational, business and performance management and take consent from EEL on strategic matters (above a certain threshold).	Value creation for · Investors and shareholders · Human Capital · Customers and Suppliers · Regulators · Society and community (Social and relationship capital) · National Economy · Natural Capital (Environment)

our integrated business approach

Inputs

social
- key stakeholder and community relationships
- organization's social license to operate
- stakeholder trust and willingness to engage engro
- shared norms, common values and behaviors (engro foundation manages community interventions on behalf of all group companies)

human
- competencies, capabilities and experience of human resource
- motivations to innovate and loyalties
- ability to lead, manage and collaborate

natural
- air, water, land, minerals, energy and forests
- biodiversity and eco-system

finance
- shareholders investments and funding from financial institutions

manufactured
- buildings
- equipment
- infrastructure

intellectual
- engro brand
- intellectual property (patents, copyrights, software, rights and licenses)
- tacit knowledge, systems, procedures and protocols

Business Engine

energy
- thermal energy from natural gas is converted into electrical energy
- electricity

Outcomes

social
- improved facilities for customers & communities
- strong value chains
- collaborative partnerships

human
- employee satisfaction
- talent development

natural
- reduction in emissions and waste water
- conservation of energy, water and other natural resources

finance
- financial growth
- investment growth
- shareholder's return
- contribution to gdp

manufactured
- improved processing facilities

intellectual
- improved brand reputation and penetration

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 load factor and capacity utilization factor. 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 deploy its resources to ensure availability and efficient utilization of local resources and to eliminate dependence, if any, on imported fuel.

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 continue operating its plant at load.

Significant Plans and Decisions

With the current situation of gas depletion from Qadirpur plant, the Company has formulated a Gas Depletion Mitigation Plan (GDMP) including different mitigation options available to the Company. The Company plans to explore alternate fuel options that allow it to economically supplement its fule supply in the back drop of gas depletion.

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 strategy in place. Cash generation realized through collection from CPPA-G and 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 (long-term and short-term).

Treasury Management

The Company operates its treasury with a focus to enhance profitability, increase shareholder return and preserve invested capital. The Company endeavors to maintain a diversified portfolio of investment by placing funds in government securities/money market, TDRs and other investment schemes.

Key objectives of the Treasury Management System are as follow:

- Based on cashflow projections, surplus funds are identified for investment by matching maturity dates of investments with working capital/ other funding requirements of the Company, to ensure sufficient liquidity to meet operational needs of the Company

- Such investments are placed in short term securities to ensure optimal returns with highly credible institutions to curtail credit risk

- Investment portfolio is adequately diversified to earn maximum returns while maintaining prudent level of risk and exposure

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 and maximizing its financial income. Working capital requirements are met through internal cash generation and short-term borrowing whereas long-term borrowing is availed to meet capex requirements (if required) and 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.

Significant Changes from Prior Year

During the year, the company faced decline in supply of permeate gas from Qadirpur Gas field and based on profile shared by the gas supplier, the Company declared gas depletion phase and made its plant available in mixed mode. The Company has engaged with all stakeholders and prepared and submitted a draft gas depletion mitigation plan to PPIB. The Company will continue to actively work towards finalizing the same.

With effect from January 03, 2019, the Company has entered into a long-term Operation and Maintenance Agreement with Engro Energy Services Limited (EESL) under the terms of which the Company is obtaining services from EESL for operations of its plant in Gothki.

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. While the Company has strategies in place to cover for commercial risks arising due to shortage of availability in gas, the Company did not shift on mixed mode in the outgoing year. Hence, the composition of raw material for the Company is 100% local.

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, 2019.

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. This unique fuel usage makes Engro Powergen Qadirpur Limited one of the lowest opportunity cost thermal power plants in the country. 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 power sector of Pakistan has witnessed a major transformation over the last few years with commissioning of capacities of up to 13 GW. This has not only closed down the demand-supply deficit of ~3,000 MW at peak demand levels but has also resulted in an over-supply scenario. The new projects are based on Hydro, RLNG, local and imported coal fuel sources.

The newly commissioned power plants are based on technologies that either run out of merit order or rank above EPQL, thereby affecting dispatch for the plant. EPQL has witnessed curtailment in the out-going year and dispatch remains a challenge going forward.

Another crucial challenge for the industry is to upgrade the current transmission infrastructure to handle this additional power generation as well as to improve the distribution network to bring down losses. To overcome this challenge, the National Transmission and Dispatch Company (NTDC) is working to improve the current transmission network by upgrading existing transmission infrastructure and introducing new circuits.

Circular Debt

During the year the total overdue receivables of the Company increased from PKR 6,043 million as on December 31, 2018 to PKR 9,161 million as on December 31, 2019. Similarly, the total overdue receivables of the energy sector has increased from PKR 808 billion as on December 31, 2018 to PKR 1,051 billion as of December 31, 2019. 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 and power theft and expensive fuel mix. Although the Government has made considerable strides towards improving the fuel mix, it has not been able to resolve other issues. With new power projects coming online, capacity payments continue to increase while growth in demand remains low. During the year, the Government provided relief to power producers by giving subsidy. Circular debt remains a challenge for the federal government and the energy sector in the medium term, despite measures being taken by the Government to control the issue. Although the Company's performance and profitability remains robust, the buildup of overdue receivables has adversely impacted the liquidity of the Company. The Company has always strived to smoothly manage its finances and ensure timely payments to all stakeholders. It is expected that Government will again take short term measures to bring down the level of energy sector overdues, which may provide financial space to the Company.

99.9%

Billable Availability Factor in 2019

Operational Overview

The Company demonstrated a billable availability factor of 99.9% in 2019. However, it dispatched a total net electrical output of 1,097 GwH to the national grid demonstrating a load factor of 58.8% compared to 81.9% last year. The decrease in load factor this year was primarily due to lower merit order ranking and consequently lower dispatch.

Financial Review

Sales revenue for the year 2019 was PKR 13,201 million as compared to PKR 11,874 million last year. The increase in sales revenue is mainly attributable to a higher USD indexation and higher gas price vs last year. Gross profit for the year was PKR 3,624 million against PKR 3,036 million last year. During the year, two senior lenders' installments aggregating US$ 21.4 million (principal repayment US$ 20.2 million) were paid. As a result, total foreign loan balance now stands at US$ 5.7 million against the total project loan of US$ 144 million.

Overdues from NTDC stood at PKR 9,161 million as on December 31, 2019 vs PKR 6,133 million as on December 31, 2018. Similarly, overdue amount payable to SNGPL on December 31, 2019 was PKR 6,490 million vs PKR 3,605 million in 2018.

The Company earned a net profit of PKR 3,403 million for 2019 as compared to PKR 2,628 million for 2018 which resulted in earnings per share of PKR 10.51 for 2019 vs PKR 8.11 for 2018.

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 draft 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 doings 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 a non-profit entity which strives to improve the lives of people living in low-income communities by providing improved services 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, housing 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. 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 2019, we focused our efforts on health and education programs – in particular on promoting girl-child education and furthering the agenda of providing access to quality healthcare.

EPQL runs one of the largest katcha school networks in collaboration with Engro Foundation in district Daharki. The Company specifically manages 3 adopted schools namely Rasheed Ahmed Arain, Gul M Arbani, and Juma Khan Arbani in the Ghotki area educating approximately 800 students. However, over the years we have realized that a large number of girl-students could not get enrolled in senior classes due to non-availability of a female secondary school in the vicinity. Given cultural norms these girls would not be allowed to attend schools in far-flung areas. Cognizant of the importance of girl-child education, this year EPQL took the initiative of obtaining permission from the Education & Literacy Department, from the Government of Sindh for upgradation of 1 of the 3 adopted Schools to include a dedicated female school. After successfully convincing the government and the ground-breaking of Girls Middle School & the construction is ready. Moreover, during the year we also launched the Sabaq pilot project which was targeted at teachers' trainings on blended learning with digitized curriculum. Learnings from the program were deployed and implemented across all primary classes in the 3 adopted schools.

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. During the year we partnered again with Al Shifa trust for our flagship health event of the year – the eye camp where the communities in and around Ghotki were provided free of cost access to optical care. During the camp over 2500 patients were treated in the OPD whilst over 425 surgeries were carried out free of cost for the patients.

Our People

Time and again we have maintained that our continued success can be credited to our people. Our ability to create high performance teams in a culture of inclusiveness, professionalism and excellence is what drives our success. Throughout 2019, we reevaluated our HR strategy to integrate optimization efforts along with adopting industry best practices.

During the year, we further hashed out our focus on HR transformation to ensure sustainable business operations whilst remaining an agile and flexible organization. A need was identified to move to a system which was more performance drive, better aligned with the market and created opportunities for growth.

In a comparison of EPQL with IPPs, a need for optimized manning was identified. In the beginning of the year, EPQL decided to recalibrate its business model to outsource its Operations & Management (O&M) to Engro Energy Services Limited (EESL), a subsidiary of EEL, benchmarked with the O&M industry and structure. In the interest of both employees and company, successful change management was ensured which entailed discontinuing the housing colony and implementing a rotation-based employee manning with onsite accommodation.

In order to ensure that our talent remains equipped with the requisite skills set, we renewed our focus on improved talent management system based on training frameworks developed after performing training needs analysis (TNAs). The Company clocked in a total of over 500 training hours focused on both functional/technical skills and soft-skills throughout 2019. Furthermore, during the year EEL launched its first ever technical training framework which focused on building technical capability of its employees. In the framework, company-wide technical TNAs were completed, and via those, public technical trainings were offered by reputable institutes. The courses were meticulously selected to suit the business needs. The framework allowed employees to experience latest technical standards of their respective fields, which helped immensely in their professional growth.

We ensure that we recruit people from varying backgrounds – without bias on any parameters. In particular, we place emphasis on recruiting and retaining women, especially at higher levels of the organization. We also recognize that diversity comes in many forms. Engro deployed a policy that encouraged affirmative action with regard to recruiting differently abled people. However, we realized that in order to be truly inclusive and diverse we must all work together to be sensitive of the issues involved whilst working with individuals from different backgrounds and different skills-set. Consequently, to deploy an enabling environment, we conducted company-wide disability-equality training; sensitization sessions for workplace harassment; and also arranged accessibility audits at site.

Like past years, the company conducted an employee engagement survey, a practice that is conducted periodically, to determine how satisfied the workforce is with the firm and its policies. Such a survey allows management to determine the impact of their policies on employees, and if need be, introduce corrective measures. The goal is to make consistent and visible efforts to improve the existing Employee Engagement Index (EEI). During the year the Company continued to maintain a very healthy index of 88%.

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 successfully recertified ISO 14001 and OHSAS 18001 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.

0

loss work day injuries in 2019

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 7.2 million safe man hours & over 3200 days safely without LWI since Commercial Operations Date (COD) of the project. Our commitment towards providing a safe work place for our people was recognized by the National Forum for Environment and Health (NFEH), as we received the Fire Safety Award in 2018.

Commitment to environment is also an integral part of our HSE efforts. We have been successful in maintaining our Green Office recertification in 2019 whilst our efforts to minimize our environmental footprint have also been recognized by various local bodies.

Near Term Outlook

Given that the new commissioned power projects are based on technologies that either rank out of merit order or rank above EPQL in the merit order, EPQL's dispatch has been affected in the out-going year. Moreover, the growth in demand remained subdued, given the slowdown in economy as well as consumers moving to alternate options.

As mentioned earlier, the GoP has not been able to eliminate circular debt in the energy sector. We believe that in the absence of any concrete measures to address its root causes, circular debt will remain a challenge for the industry going forward.

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, 2019 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, Messers 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, 2020.

Dividend

During the year, the Company announced two interim dividends of PKR 1.50 per share each on 29th August 2019 and 20 December 2019.

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 (Rs. in million)	Engro Corporation* Gratuity Funds (Rs. in million)
Total Assets	4,725	2,248
Saving Schemes	1,502	984
Government Securities	522	563
Sukuk Certificates	132	55
Listed Securities	931	450
Balance with Banks and Term Deposit Receipts	973	166
Others	665	30
Total	4,725	2,248

**Unaudited*

Composition of the Board of Directors and Board Committees as on December 31, 2019

- 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. Hasnain Moochhala Mr. Shabbir Hashmi Mr. Vaqar Zakaria

- The Composition of the Board Audit Committee is as follows:

Director's Name
Mr. Kaiser Bengali
Mr. Hasnain Moochhala
Mr. Shabbir Hashmi

- The Composition of the Board People's Committee (formerly Board Compensation Committee) is as follows:

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

Directors' Renumeration

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 2019, 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 2019, the Board of Directors held 6 meetings. The attendance record of the Directors is as follows:

Director's Name	Meetings Attended
Mr. Ahsan Zafar Syed (re-elected)**	5
Mr. Shahab Qader Khan (re-elected CEO)**	6
Mr. Shabbir Hashmi (re-elected)**	6
Mr. Vaqar Zakaria (re-elected)**	3
Mr. Hasnain Moochhala (re-elected)**	6
Mr. Kaiser Bengali (elected)**	3
Ms. Fauzia Viqar (elected) **	3
Mr. Mohsin Ali Mangi*	1
Mr. Javed Akbar***	3
Mr. Shahid Hamid Pracha***	3
Ms. Aliya Yusuf***	3
Mr. Mohammad Saqib****	1

**Resigned from the Board on August 02, 2019.*
***Election of Directors held on October 14, 2019*
****Retired on completion of tenure on October 14, 2019*
*****Casual vacancy filled and retired on completion of tenure on October 14, 2019*

In 2019, 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. Javed Akbar**	3
Ms. Aliya Yusuf**	3
Mr. Kaiser Bengali*	0
Mr. Shabbir Hashmi	4
Mr. Hasnain Moochhala*	1

** Appointed to BAC on October 14, 2019*
***Retired on completion of tenure on October 14, 2019*

In 2019, the Board People's Committee held 2 meetings. The committee was re-constituted during the year. The attendance record of the Directors is as follows:

Director's Name	Meetings Attended
Mr. Ahsan Zafar Syed*	1
Mr. Hasnain Moochhala*	2
Ms. Fauzia Viqar**	0
Mr. Javed Akbar***	2
Mr. Vaqar Zakaria*	2
Mr. Shahab Qader Khan**	0

** Re-elected in Election of Directors held on October 14, 2019*
***Appointed on BPC on October 14,2019*
****Retired on completion of tenure on October 14, 2019*

Hasnain Moochhala
Director

Shahab Qader
Chief Executive Officer

quarterly analysis

Quarter 1

Operating Performance

The EPQL Plant demonstrated a billable availability factor of 99.8% in the 1Q compared to 100% in the same period last year. It dispatched a total Net Electrical Output (NEO) of 313 GwH to the national grid with a load factor of 67% compared to 89% in Q1 2018. The decline in load factor this quarter was primarily on account of lower offtake from the Power Purchaser due to low winter demand, coupled with increase in capacity available in the system.

Financial Performance

Sales revenue for the period was PKR 3,299 Mn compared to PKR 2,843 Mn in the same period last year. The increase in sales revenue is mainly attributable to higher gas prices in Q1 2019 with a corresponding increase in the cost of generation.

Gross profit for the period stood at PKR 792 Mn as compared to PKR 761 Mn in the same period last year. This increase in gross profit is primarily on account of better absorption of operational & maintenance costs due to higher indexation this quarter vs the same period last year. Net finance cost for the period stood at PKR 41 Mn vs PKR 40 Mn in Q1 2018.

The Company earned a net profit of PKR 713 Mn in Q1, 2019 as compared to PKR 669 Mn in Q1, 2018. While profitability remained robust, the buildup of overdue receivables negatively impacted the liquidity of the company.

Quarter 2

Operating Performance

The EPQL Plant demonstrated a billable availability factor of 100% in 2Q 2019 and dispatched a total Net Electrical Output (NEO) of 348 GwH to the national grid with a load factor of 75% compared to 84% in 2Q 2018. The decline in load factor this year was primarily on account of gas supplier's compressor issues which resulted in supply disruptions and Gas curtailment due to depletion of Qadirpur Gas Field.

Financial Performance

Sales revenue for 2Q 2019 was PKR 3,935 Mn compared to PKR 3,190 Mn in the same period last year. The increase in sales revenue is mainly attributable to a higher USD indexation and higher gas price vs last year.

Gross profit for the period stood at PKR 1,278 Mn as compared to PKR 1,044 Mn in the same period last year. Net finance cost for the period stood at PKR 31 Mn vs PKR 70 Mn in 2Q 2018. The decrease in net financing cost is on account of higher interest income billed to the Power Purchaser on account of rising circular debt.

The Company earned a net profit of PKR 1,154 Mn in 2Q 2019 as compared to PKR 921 Mn in Q2 2018.

Quarter 3

Operating Performance

The EPQL Plant demonstrated a billable availability factor of 100% in 3Q 2019. It dispatched a total Net Electrical Output (NEO) of 309 GwH to the national grid with a load factor of 66% compared to 76% in 3Q 2018. The decline in load factor this year was primarily on account of lower demand and Gas curtailment due to depletion of Qadirpur Gas Field.

Financial Performance

Sales revenue for the period was PKR 3,602 Mn compared to PKR 2,375 Mn in the same period last year. The increase in sales revenue is mainly attributable to a higher USD indexation and higher gas price vs last year.

Gross profit for the period stood at PKR 724 Mn as compared to PKR 438 Mn in the same period last year. The company earned higher interest income on receivables from Power Purchaser on account of rising circular debt. The Company earned a net profit of PKR 743 Mn in Q3 2019 as compared to PKR 334 Mn in Q3 2018.

Quarter 4

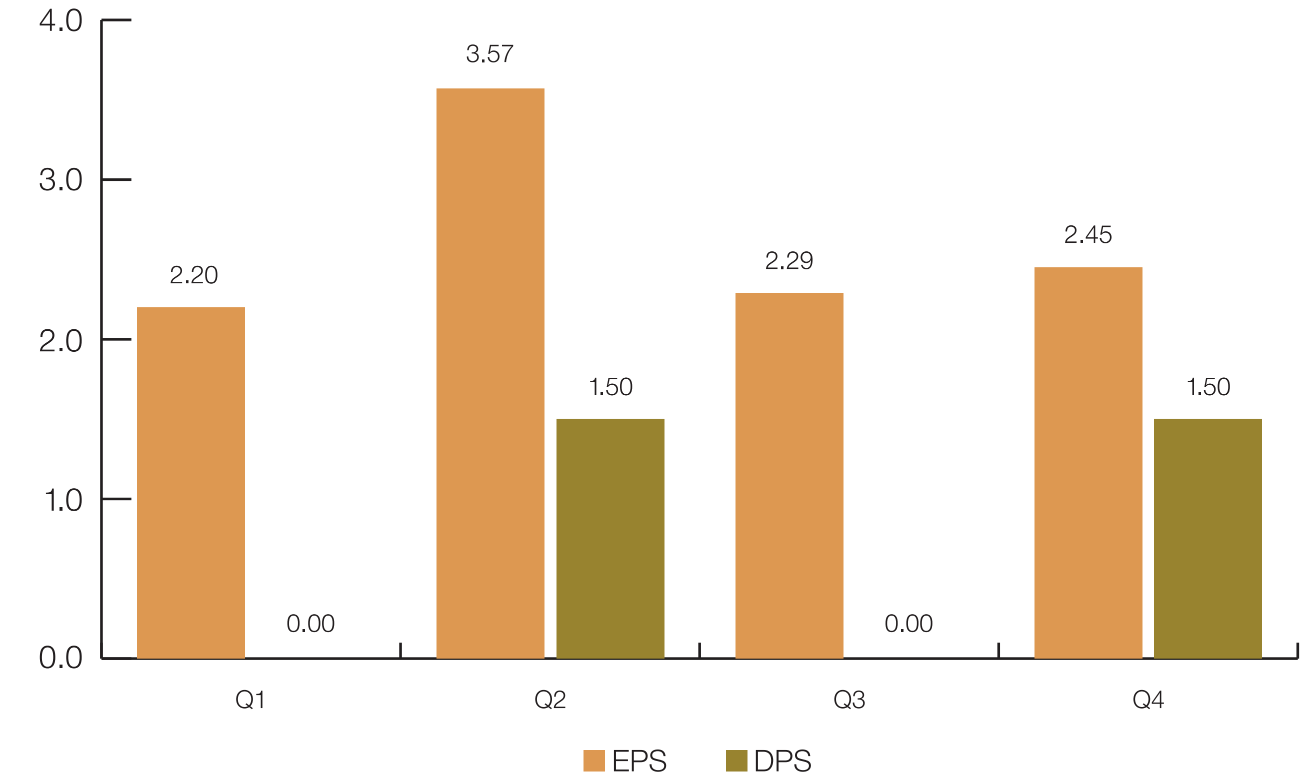
Operating Performance
The EPQL Plant demonstrated a billable availability factor of 100% in 4Q 2019. It dispatched a total Net Electrical Output (NEO) of 127 GwH to the national grid with a load factor of 27% compared to 51% in 4Q 2018. The decline in load factor was primarily on account of lower dispatch from EPQL plant as new capacities come online.

Financial Performance
Sales revenue for the period was PKR 2,366 Mn compared to PKR 3,467 Mn in the same period last year. The decrease in sales revenue is attributable to lower dispatch during the quarter.

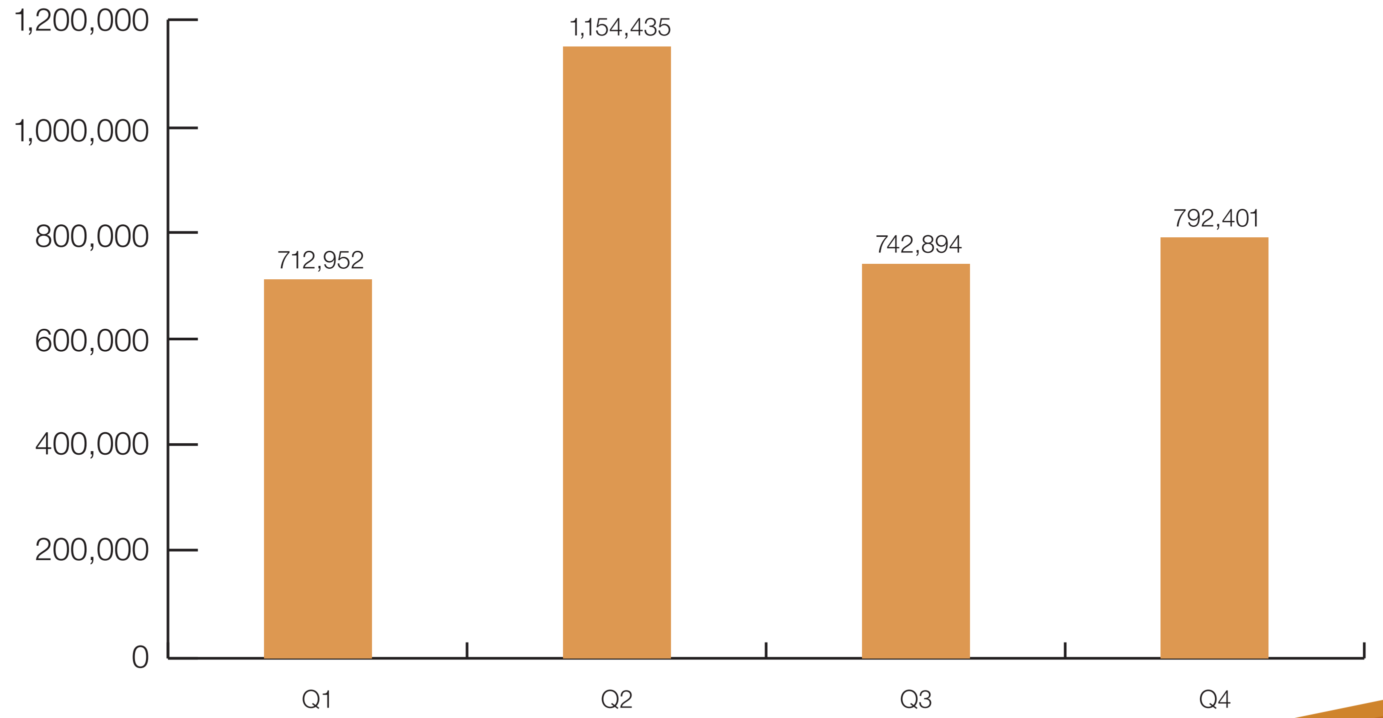
Gross profit for the period stood at PKR 830 Mn as compared to PKR 767 Mn in the same period last year. The company earned higher interest income on receivables from Power Purchaser on account of rising circular debt. The Company earned a net profit of PKR 792 Mn in Q4 2019 as compared to PKR 704 Mn in Q4 2018

(Amounts in thousand)	Q1	Q2	Q3	Q4	FY 2019
Net Sales	3,298,774	3,934,954	3,601,656	2,365,710	13,201,094
Cost of Sales	(2,507,265)	(2,657,006)	(2,877,167)	(1,535,215)	(9,576,653)
Gross Profit	791,509	1,277,948	724,489	830,495	3,624,441
Administrative expenses	(21,859)	(14,360)	(24,330)	(26,822)	(87,371)
Other expenses	(13,671)	(78,945)	(13,272)	30,851	(75,037)
Other income	257	1,192	52,272	(52,088)	1,633
Profit from operations	756,236	1,185,835	739,159	782,436	3,463,666
Finance cost	(41,026)	(30,996)	3,735	10,624	(57,663)
Profit before tax	715,210	1,154,839	742,894	793,060	3,406,003
Tax	(2,258)	(404)	0	(659)	(3,321)
Profit after tax	712,952	1,154,435	742,894	792,401	3,402,682
EPS	2.20	3.57	2.29	2.45	10.51

Earnings / Dividend Per Share



Profit After Tax (Rs. in 000's)



horizontal analysis

Statement of Financial Position

(Amounts in thousand)	2019 Rs.	19 Vs. 18 %	2018 Rs.	18 Vs. 17 %	2017 Rs.	17 Vs. 16 %	2016 Rs.	16 Vs. 15 %	2015 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	13,325	(6)	14,199	(129)	(49,606)	(29)	(69,416)	18	(58,750)
Unappropraited profit	10,403,899	30	7,972,617	26	6,316,404	27	4,979,272	24	4,001,084
Remeasurement of retirement benefit obligation - actuarial (loss) / gain					-	(100)	(1,163)	(344)	477
Total equity	13,963,183	21	11,532,775	18	9,812,757	16	8,454,652	13	7,488,770
NON-CURRENT LIABILITY									
Borrowings	-	(100)	758,568	(73)	2,819,315	(39)	4,610,647	(28)	6,394,878
CURRENT LIABILITIES									
Trade and other payables	8,406,839	60	5,241,411	57	3,346,430	47	2,277,448	24	1,836,482
Unclaimed dividend	23,002	(4)	23,933	17	20,528	55	13,249	52	8,706
Accrued interest / mark up	92,640	72	53,892	74	30,942	25	24,708	(30)	35,165
Short term borrowings	3,712,840	(1)	3,758,495	17	3,208,672	10	2,919,000	37	2,136,842
Current portion of borrowings	857,047	(69)	2,804,531	37	2,051,918	14	1,792,353	9	1,650,776
Unpaid dividend	485,700	100	-	-	-	-	-	-	-
Total current liabilities	13,578,068	14	11,882,262	37	8,658,490	23	7,026,758	24	5,667,971
TOTAL EQUITY AND LIABILITIES	27,541,251	14	24,173,605	14	21,290,562	6	20,092,057	3	19,551,619

Note: Commercial operations commenced from March 27, 2010

	2019 Rs.	19 Vs. 18 %	2018 Rs.	18 Vs. 17 %	2017 Rs.	17 Vs. 16 %	2016 Rs.	16 Vs. 15 %	2015 Rs.
ASSETS									
NON-CURRENT ASSETS									
Property, plant and equipment	13,299,480	(3)	13,664,179	4	13,169,212	(3)	13,524,720	(4)	14,078,859
Intangible assets	68,651	(3)	70,945	(8)	77,044	(5)	80,740	(3)	83,381
Long term loans and advances	34,659	(65)	100,057	155	39,243	(0)	39,412	14	34,674
Long term deposits	2,574	-	2,574	3	2,491	-	2,491	-	2,491
Total non-current assets	13,405,364	(3)	13,837,755	4	13,287,990	(3)	13,647,363	(4)	14,199,405
CURRENT ASSETS									
Inventories	863,183	(4)	895,149	2	881,182	5	843,008	2	826,259
Trade debts	9,806,697	29	7,601,705	36	5,571,570	43	3,896,828	41	2,760,311
Short term Investment	49,963	(0)	50,004	0	50,000	-	50,000	-	50,000
Loans, advances, deposits and prepayments	113,298	(9)	125,059	35	92,400	16	79,524	(11)	89,619
Other receivables	3,225,441	103	1,587,041	19	1,335,280	(9)	1,473,386	(5)	1,556,805
Taxes recoverable	64,919	1	64,152	(1)	64,731	4	62,325	13	55,067
Balances with banks	12,386	(3)	12,740	72	7,409	(81)	39,623	180	14,153
Total current assets	14,135,887	37	10,335,850	29	8,002,572	24	6,444,694	20	5,352,214
TOTAL ASSETS	27,541,251	14	24,173,605	14	21,290,562	6	20,092,057	3	19,551,619

vertical analysis

Statement of Financial Position

(Amounts in thousand)	2019		2018		2017		2016		2015	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
EQUITY AND LIABILITIES										
EQUITY										
Share capital	3,238,000	12	3,238,000	13	3,238,000	15	3,238,000	16	3,238,000	17
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	13,325	-	14,199	-	(49,606)	-	(69,416)	-	(58,750)	-
Unappropraited profit	10,403,899	38	7,972,617	33	6,316,404	30	4,979,272	25	4,001,084	20
Remeasurement of retirement benefit obligation - actuarial (loss) / gain	-	-	-	-	-	-	(1,163)	-	477	-
	13,963,183	51	11,532,775	48	9,812,757	46	8,454,652	42	7,488,770	38
NON-CURRENT LIABILITY										
Borrowings	-	-	758,568	3	2,819,315	13	4,610,647	23	6,394,878	33
CURRENT LIABILITIES										
Trade and other payables	8,406,839	31	5,241,411	22	3,346,430	16	2,277,448	11	1,836,482	9
Unclaimed dividend	23,002	-	23,933	-	20,528	-	13,249	-	8,706	-
Accrued interest / mark up	92,640	-	53,892	-	30,942	-	24,708	-	35,165	-
Short term borrowings	3,712,840	13	3,758,495	16	3,208,672	15	2,919,000	15	2,136,842	11
Current portion of borrowings	857,047	3	2,804,531	12	2,051,918	10	1,792,353	9	1,650,776	8
Unpaid dividend	485,700	2	-	-	-	-	-		-	
	13,578,068	49	11,882,262	49	8,658,490	41	7,026,758	35	5,667,971	29
TOTAL EQUITY AND LIABILITIES	27,541,251	100	24,173,605	100	21,290,562	100	20,092,057	100	19,551,619	100
ASSETS										
NON-CURRENT ASSETS										
Property, plant and equipment	13,299,480	48	13,664,179	57	13,169,212	62	13,524,720	67	14,078,859	72
Intangible assets	68,651	-	70,945	-	77,044	-	80,740	-	83,381	-
Long term loans and advances	34,659	-	100,057	-	39,243	-	39,412	-	34,674	-
Long term deposits	2,574	-	2,574	-	2,491	-	2,491	-	2,491	-
Total non-current assets	13,405,364	48	13,837,755	57	13,287,990	62	13,647,363	68	14,199,405	73
CURRENT ASSETS										
Inventories	863,183	3	895,149	4	881,182	6	843,008	4	826,259	4
Trade debts	9,806,697	36	7,601,705	31	5,571,570	26	3,896,828	19	2,760,311	14
Short term Investment	49,963	-	50,004	-	50,000	-	50,000	-	50,000	-
Loans, advances, deposits and prepayments	113,298	1	125,059	1	92,400	-	79,524	-	89,619	-
Other receivables	3,225,441	12	1,587,041	7	1,335,280	6	1,473,386	7	1,556,805	8
Taxes recoverable	64,919	-	64,152	-	64,731	-	62,325	-	55,067	-
Balances with banks	12,386	-	12,740	-	7,409	-	39,623	-	14,153	-
Total current assets	14,135,887	52	10,335,850	43	8,002,572	38	6,444,694	32	5,352,214	27
TOTAL ASSETS	27,541,251	100	24,173,605	100	21,290,562	100	20,092,057	100	19,551,619	100

horizontal and vertical analyses

Statement of Profit or Loss

(Amounts in thousand)	2019 Rs.	19 Vs. 18 %	2018 Rs.	18 Vs. 17 %	2017 Rs.	17 Vs. 16 %	2016 Rs.	16 Vs. 15 %	2015 Rs.	15 Vs. 14 %
Horizontal Analysis										
Sales	13,201,094	11	11,874,365	2	11,589,512	1	11,451,782	(14)	13,353,543	11
Cost of Sales	(9,576,653)	8	(8,837,993)	-	(8,863,784)	(4)	(9,194,925)	(15)	(10,870,981)	17
Gross profit	3,624,441	19	3,036,372	11	2,725,728	21	2,256,857	(9)	2,482,562	(8)
Administrative Expenses	(87,371)	(30)	(125,582)	8	(116,754)	(18)	(143,187)	4	(138,187)	4
Other expenses	(75,037)	(15)	(87,894)	49	(58,835)	(7)	(62,998)	(44)	(111,674)	(15)
Other income	1,633	(9)	1,785	(98)	110,224	12	98,761	1,301	7,050	(95)
Profit from operations	3,463,666	23	2,824,681	6	2,660,363	24	2,149,433	(4)	2,239,751	(14)
Finance cost	(57,663)	(71)	(196,005)	(27)	(269,221)	(25)	(361,088)	(18)	(441,492)	(24)
Profit before taxation	3,406,003	30	2,628,676	10	2,391,142	34	1,788,345	(1)	1,798,259	(11)
Taxation	(3,321)	212	(1,063)	114	(497)	(24)	(657)	(15)	(771)	1,144
Profit for the year	3,402,682	29	2,627,613	10	2,390,645	34	1,787,688	(1)	1,797,488	(11)

	2019		2018		2017		2016		2015	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
Vertical Analysis										
Sales	13,201,094	100	11,874,365	100	11,589,512	100	11,451,782	100	13,353,543	100
Cost of Sales	(9,576,653)	(72)	(8,837,993)	(74)	(8,863,784)	(76)	(9,194,925)	(80)	(10,870,981)	(81)
Gross profit	3,624,441	28	3,036,372	26	2,725,728	24	2,256,857	20	2,482,562	18
Administrative expenses	(87,371)	(1)	(125,582)	(1)	(116,754)	(1)	(143,187)	(1)	(138,187)	(1)
Other expenses	(75,037)	(1)	(87,894)	(1)	(58,835)	(1)	(62,998)	(1)	(111,674)	(1)
Other income	1,633	-	1,785	-	110,224	1	98,761	1	7,050	-
Profit from operations	3,463,666	26	2,824,681	24	2,660,363	23	2,149,433	19	2,239,751	17
Finance cost	(57,663)	-	(196,005)	(2)	(269,221)	(2)	(361,088)	(3)	(441,492)	(3)
Profit before taxation	3,406,003	26	2,628,676	22	2,391,142	21	1,788,345	16	1,798,259	14
Taxation	(3,321)	-	(1,063)	-	(497)	-	(657)	-	(771)	-
Profit for the year	3,402,682	26	2,627,613	22	2,390,645	21	1,787,688	16	1,797,488	14

summary

(Amounts in thousand)	2019	2018	2017	2016	2015	2014
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	13,963,183	11,532,775	9,812,757	8,454,652	7,488,770	6,509,319
Long term borrowings	857,047	3,563,099	4,871,233	6,403,000	8,045,654	9,172,969
Capital employed	14,820,230	15,095,874	14,683,990	14,857,652	15,534,424	15,682,288
Property, plant & equipment	13,299,480	13,664,179	13,169,212	13,524,720	14,078,859	14,217,020
Long term assets	13,405,364	13,837,755	13,287,990	13,647,363	14,199,405	14,329,310
Net current assets (liabilities) / Working capital	1,414,866	1,258,119	1,396,000	1,210,289	1,335,019	1,352,978
Summary of Profit or Loss						
Sales	13,201,094	11,874,365	11,589,512	11,451,782	13,353,543	12,041,151
Gross profit	3,624,441	3,036,372	2,725,728	2,256,857	2,482,562	2,710,815
Profit from operations	3,463,666	2,824,681	2,660,363	2,149,433	2,239,751	2,600,178
Profit before taxation	3,406,003	2,628,676	2,391,142	1,788,345	1,798,259	2,020,883
Profit for the year	3,402,682	2,627,613	2,390,645	1,787,688	1,797,488	2,020,821
EBITDA	4,799,969	3,859,641	3,562,175	2,932,463	2,986,138	3,264,896
Summary of Cash Flows						
Net cash flow from operating activities	4,234,290	3,376,823	3,051,685	2,311,283	2,861,624	1,849,382
Net cash flow from investing activities	(114,387)	(162,582)	(83,532)	(179,401)	(263,016)	(172,011)
Net cash flow from financing activities	(4,124,606)	(3,758,729)	(3,290,039)	(2,888,570)	(2,768,969)	(2,914,904)
Changes in cash & cash equivalents	(4,703)	(544,488)	(321,886)	(756,688)	(170,361)	(1,237,533)
Cash & cash equivalents at year end	(3,700,454)	(3,695,751)	(3,151,263)	(2,829,377)	(2,072,689)	(1,902,328)
Summary of Actual Production						
Maximum Generation Possible - MWh	1,867,043	1,863,724	1,869,812	1,881,005	1,855,782	1,860,135
Declared Capacity Billable - MWh	1,865,583	1,862,203	1,874,511	1,886,110	1,850,050	1,859,061
Net Electrical Output - MWh	1,097,427	1,526,309	1,737,346	1,264,667	1,424,015	1,721,959

cash flow statement - direct method

(Amounts in thousand)	2019	2018
Cash Flows From Operating Activities		
Cash receipts from customers - net	11,085,519	10,056,788
Cash paid to suppliers / service providers and employees - net	(6,667,293)	(6,571,169)
Payment to Workers' Profit Participation fund - net	(179,849)	(108,312)
Income tax paid	(4,088)	(484)
Subsidy received from Government		
Net cash generated from operating activities	4,234,290	3,376,823
Cash Flows From Investing Activities		
Purchase of property, plant and equipment	(29,860)	(158,849)
Purchase of intangible assets	(34,564)	(3,733)
Purchase of short term investments	(49,963)	-
Net cash utilised in investing activities	(114,387)	(162,582)
Cash Flows From Financing Activities		
Repayments of long-term borrowings	(3,106,359)	(2,422,778)
Derivative settled - net	-	64,679
Finance cost paid	(531,616)	(432,635)
Dividends paid	(486,631)	(967,995)
Net cash utilised in financing activities	(4,124,606)	(3,758,729)
Net decrease in cash and cash equivalents	(4,703)	(544,488)
Cash and cash equivalents at beginning of the year	(3,695,751)	(3,151,263)
Cash and cash equivalents at end of the year	(3,700,454)	(3,695,751)

Free Cash Flows

	2019	2018
	Rupees in 000's	
Net cash generated from operating activities	4,148,570	3,460,127
Capital expenditures - net	(64,424)	(162,582)
Free cash flows	4,084,146	3,297,545
Net repayment of borrowings	(3,106,359)	(2,422,778)
Free cash flow available to equity shareholders	977,787	874,767

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)		2019	2018	2017	201	2015	2014
Profitability Ratios:							
Gross profit to sales	%	27%	26%	24%	20%	19%	23%
Net profit to sales	%	26%	22%	21%	16%	13%	17%
EBITDA Margin to Sales	%	36%	33%	31%	26%	22%	27%
Return on Equity	%	24%	23%	24%	21%	24%	31%
Return on Capital Employed	%	23%	18%	16%	12%	12%	13%
Operating leverage ratio	Times	2.6	4.0	23.1	0.2	(1.1)	0.6
Liquidity Ratios:							
Current ratio	Times	1.04	0.87	0.92	0.92	0.94	0.98
Quick / acid test ratio	Times	0.98	0.79	0.82	0.80	0.80	0.82
Cash and cash equivalents to Current Liabilities	%	(27%)	(31%)	(36%)	(40%)	(37%)	(40%)
Cash flow from Operations to Sales	%	32%	28%	26%	20%	21%	15%
Activity / Turnover Ratios:							
No. of days in receivables	Days	241	202	149	106	68	40
Debtors turnover ratio.	Times	1.52	1.80	2.45	3.44	5.39	9.02
No. of days in payables	Days	194	111	41	11	5	6
Credit turnover ratio.	Times	1.88	3.28	8.82	32.17	69.79	58.55
Total assets turnover ratio	Times	0.48	0.49	0.54	0.57	0.68	0.63
Fixed Assets turnover ratio	Times	0.98	0.86	0.87	0.84	0.94	0.84
Operating cycle	Days	47	91	108	95	62	34
Activity / Turnover Ratios:							
Earnings per share	(PKR)	10.51	8.11	7.38	5.52	5.55	6.24
Price earnings ratio	(Times)	2.49	3.51	4.47	6.33	6.16	6.59
Price to book ratio	(Times)	0.61	0.80	1.09	1.34	1.48	2.05
Dividend payout ratio	(%)	29%	18%	44%	54%	63%	49%
Dividend cover ratio	(%)	350%	541%	227%	184%	159%	205%
Dividend yeild ratio	(%)	11%	5%	10%	9%	10%	7%
Market value per share at the end of the year and	(PKR)	26.19	28.50	33.02	34.95	34.18	41.15
high during the year	(PKR)	30.45	35.50	38.25	35.47	46.50	44.55
low during the year	(PKR)	18.93	28.00	30.55	28.55	34.00	38.21
Breakup value per share	(PKR)	43.12	35.62	30.30	26.11	23.13	20.10
Cash dividend per share	(PKR per share)	3.00	1.50	3.25	3.00	3.50	3.04
Capital Structure Ratios:							
Financial leverage ratio	(Times)	0.06	0.31	0.50	0.76	1.07	1.41
Weighted average cost of debt	(%)	8%	6%	5%	4%	4%	3%
Debt to Equity ratio (as per book)	(Times)	0.06	0.31	0.50	0.76	1.07	1.41
Debt to Equity ratio (as per market value)	(Times)	0.10	0.39	0.46	0.57	0.73	0.69
Interest cover ratio	(Times)	19.61	10.61	9.83	7.24	7.19	7.64

statements of analysis

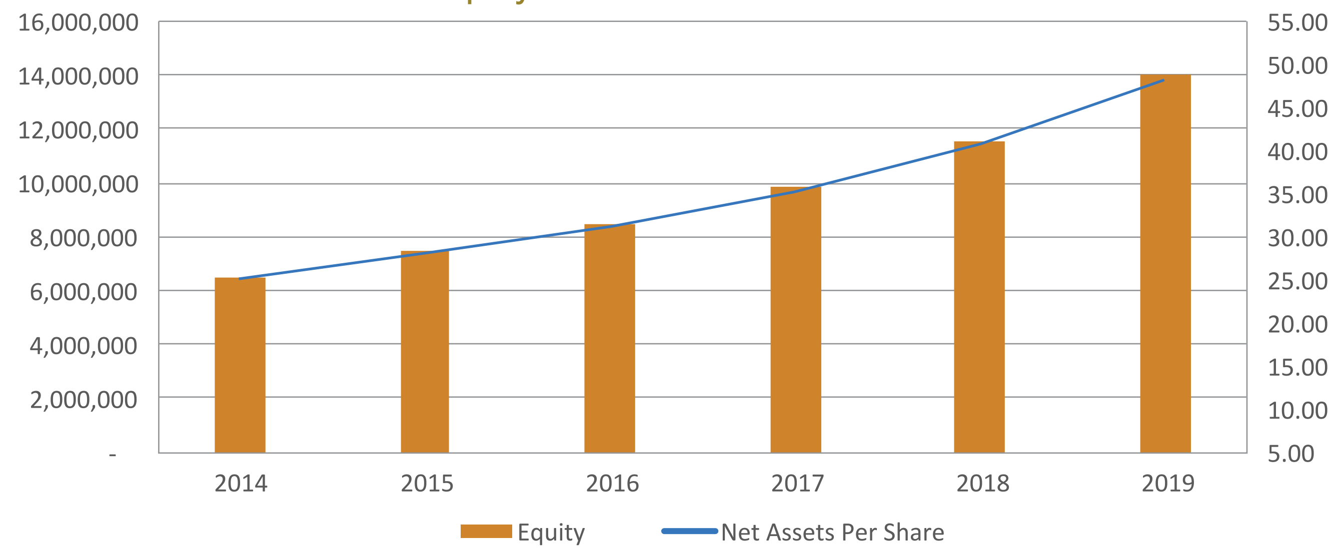
The gross profit margin of the Company this year has increased compared to 2018 on account of higher tariff indexation as a result of steep depreciation of the Rupee versus the US dollar this year.

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.

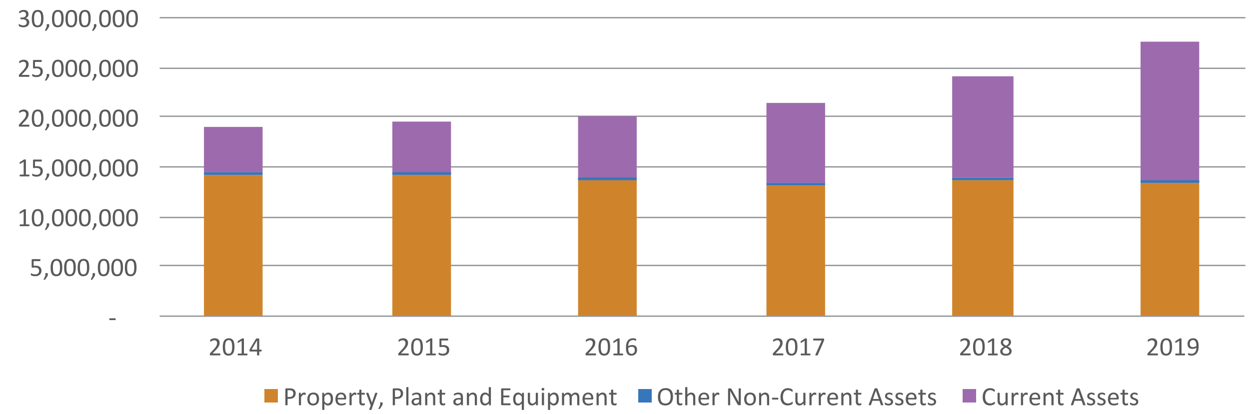
Strong Operational performance and effective working capital management have helped to improve the interest coverage ratio to around 20 for the year; demonstrating the Company's ability to fulfill its commitment towards its lenders.

snapshots

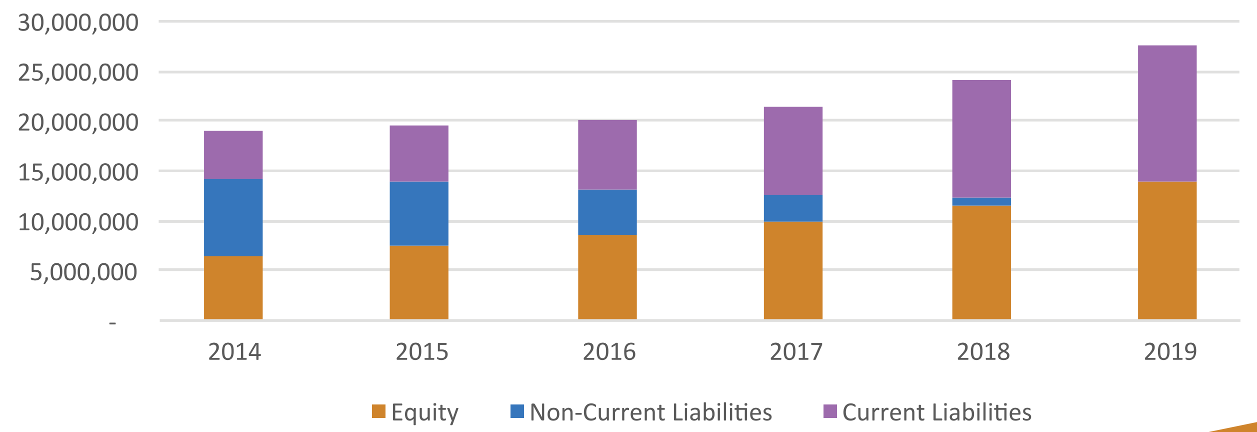
Equity and Net Assets Per Share



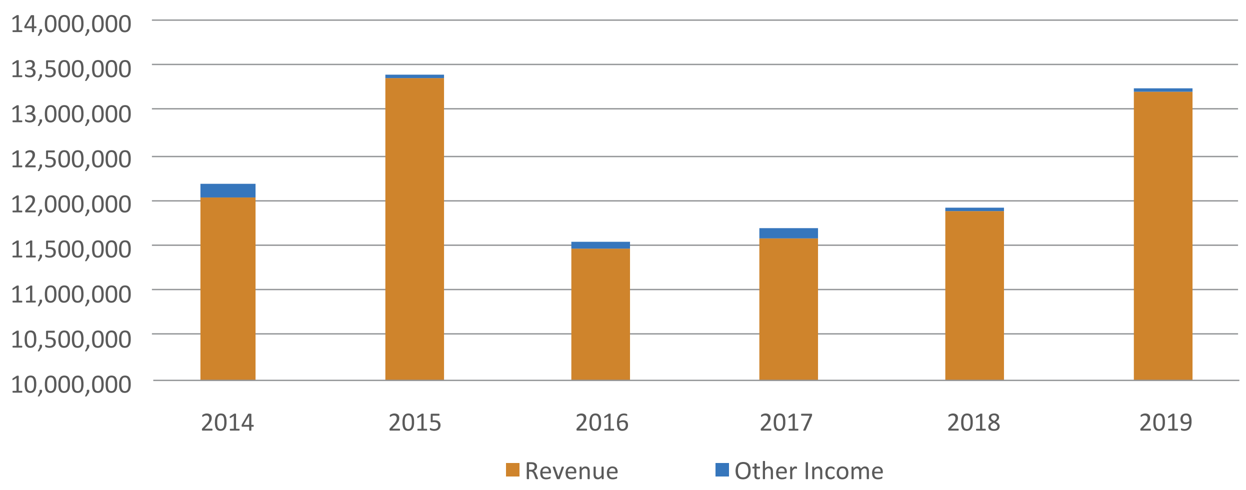
Balance Sheet Analysis (Assets) (Rs. 000's)



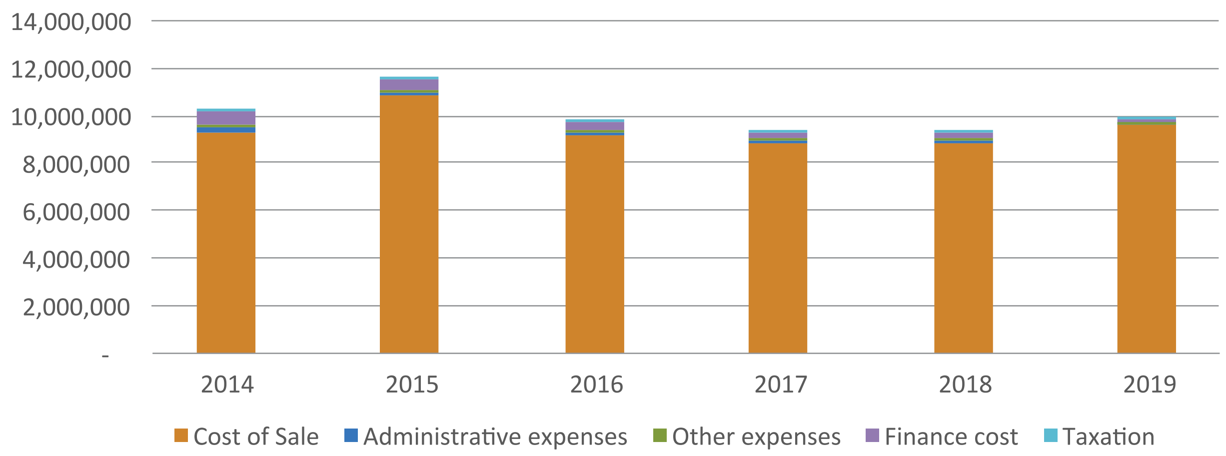
Balance Sheet Analysis (Equity and Liabilities) (Rs. 000's)



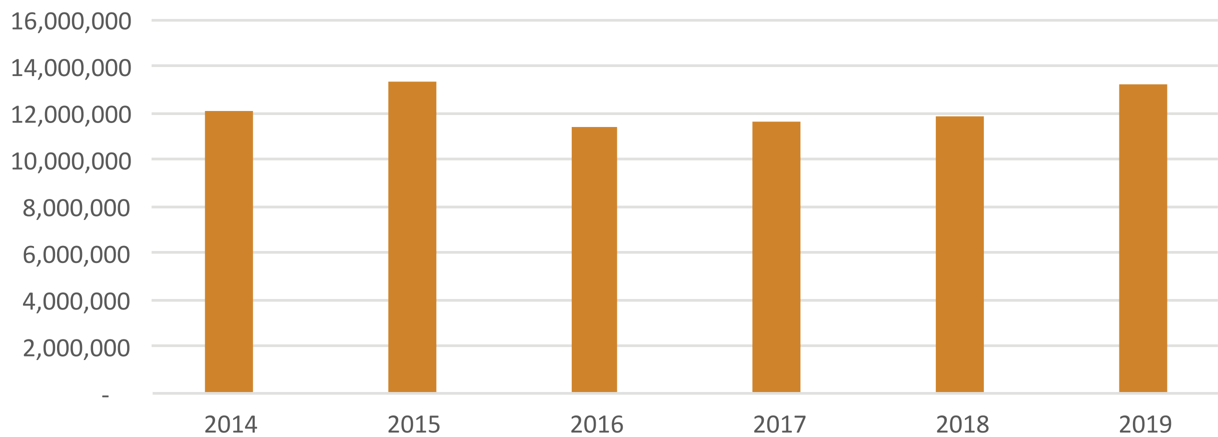
Profit and Loss Analysis (Income) (Rs. 000's)



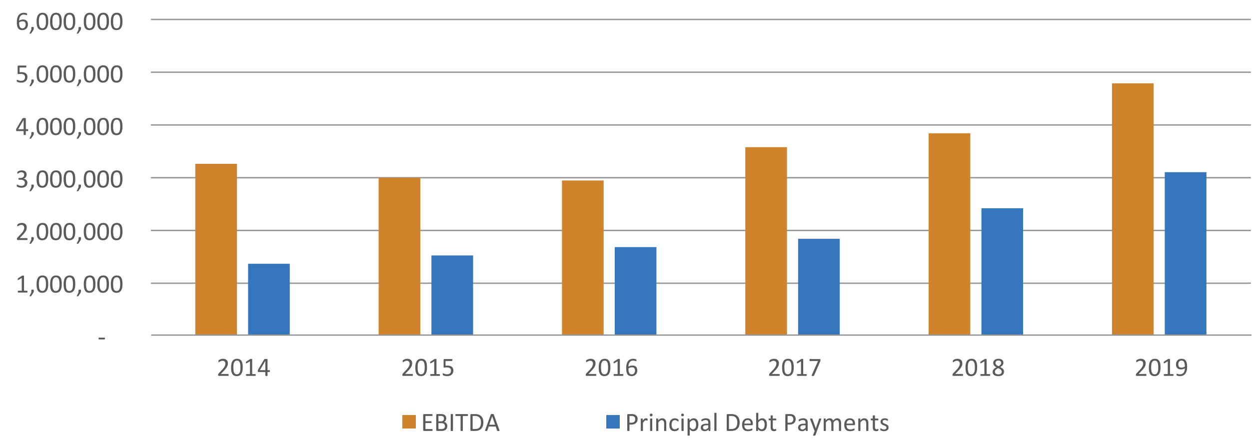
Profit and Loss Analysis (Expenses) (Rs. 000's)



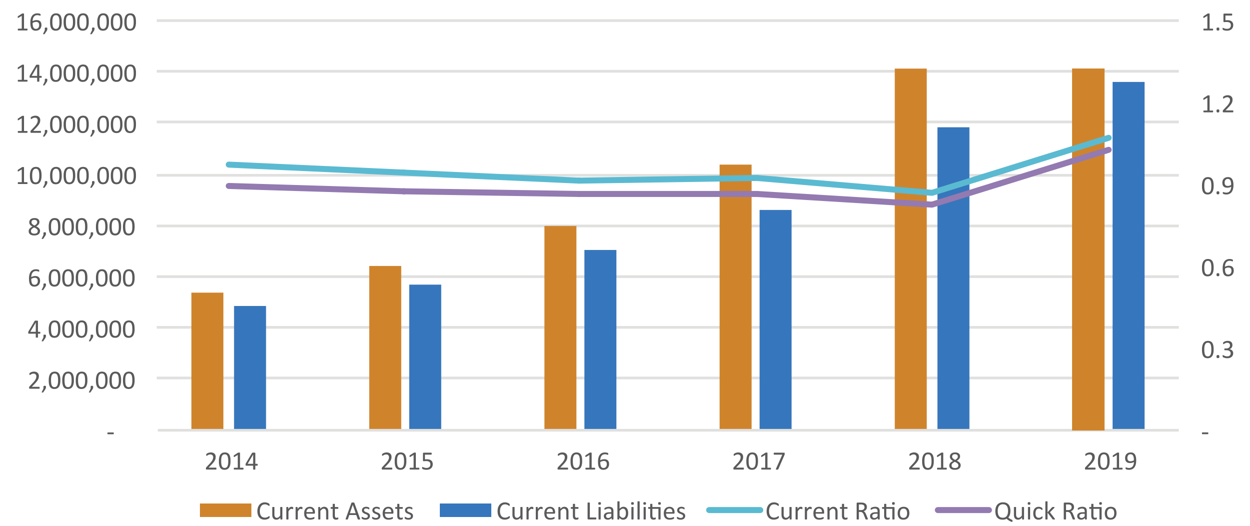
Sales (Rs. in 000's)



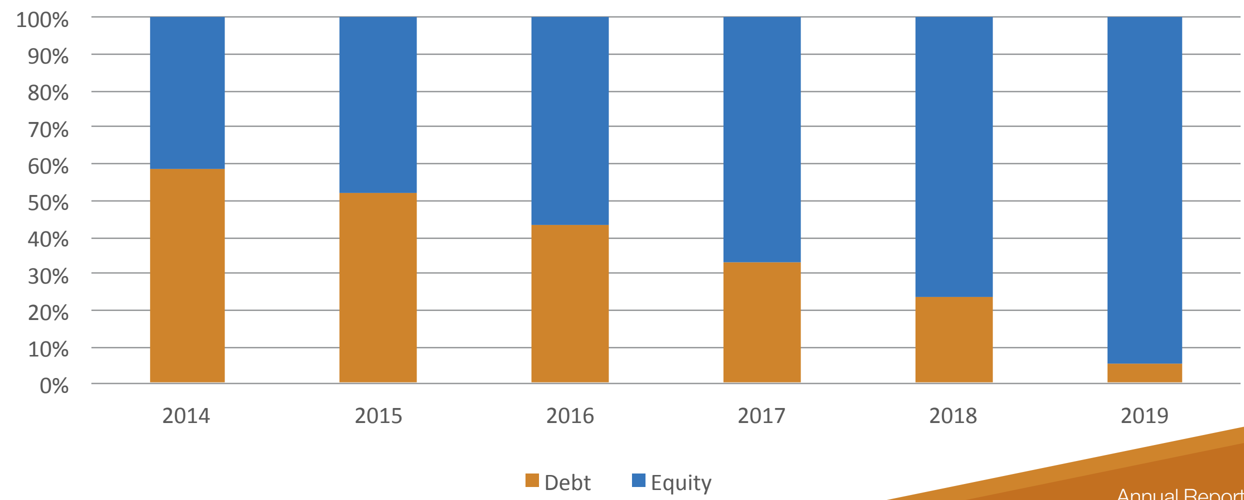
EBITDA and Principal Debt Repayments (Rs. in 000's)



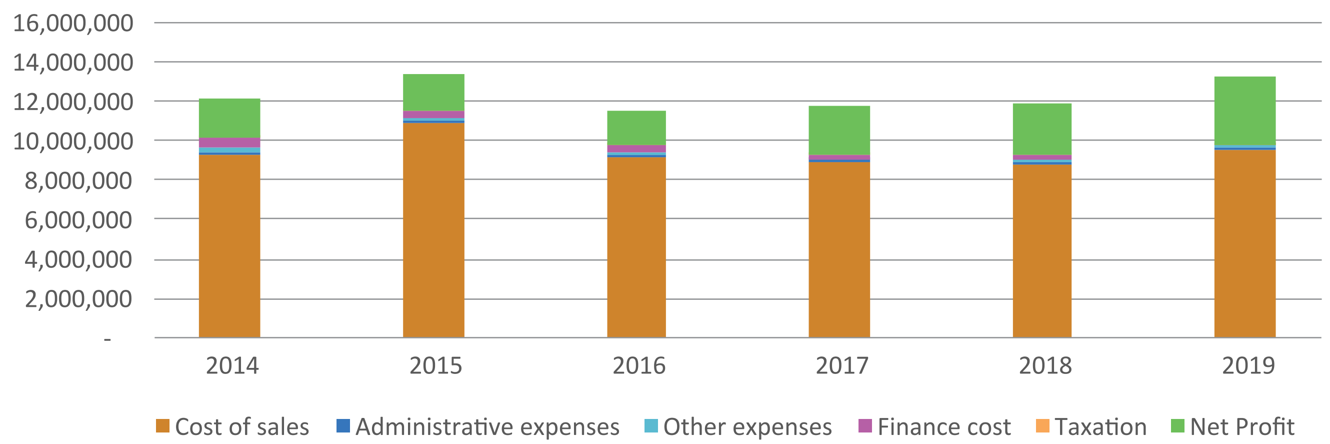
Liquidity Analysis (Rs. in 000's)



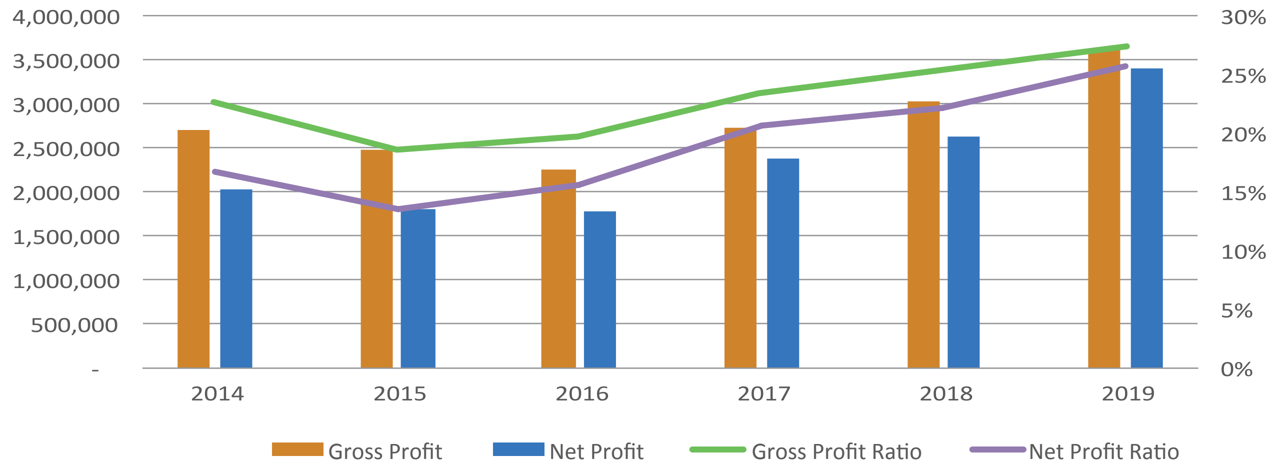
Capital Structure



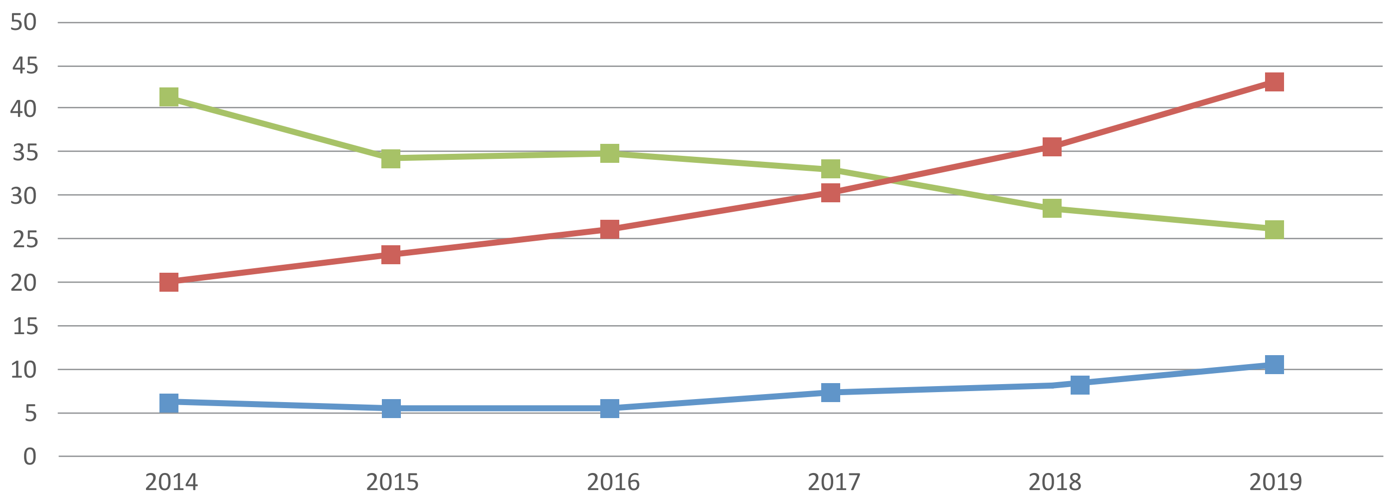
Revenue Analysis (Rs. in 000's)



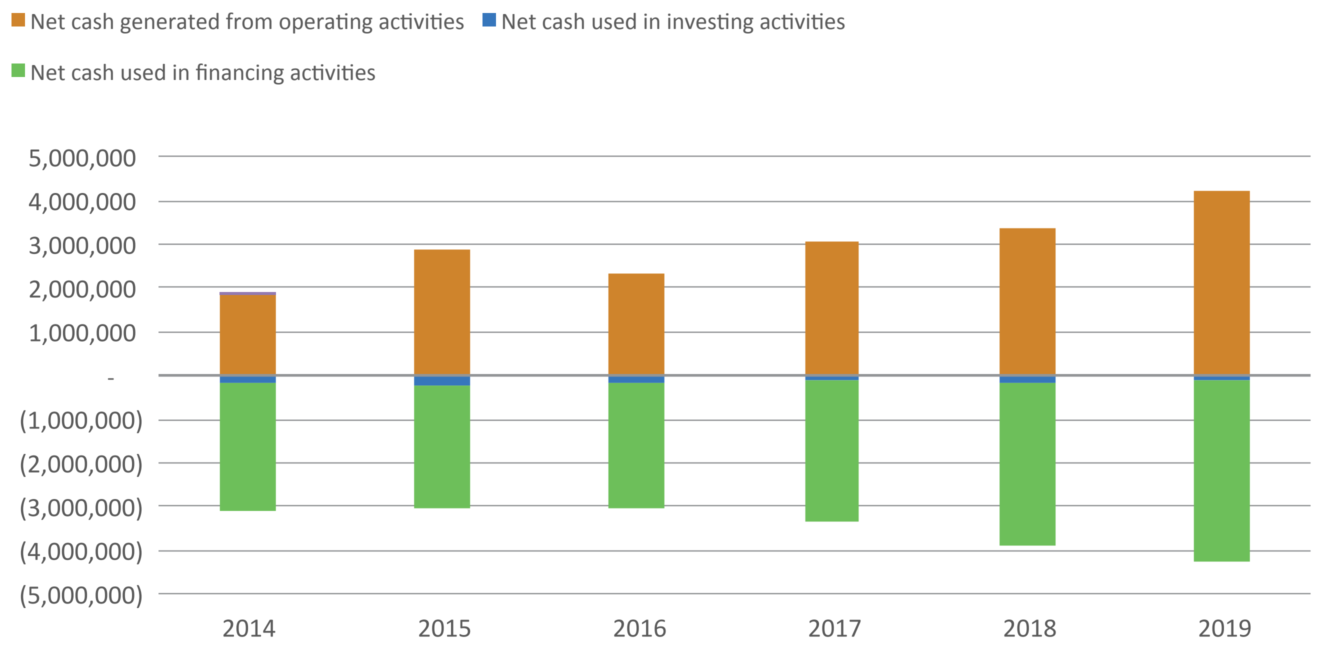
Gross Profit and Net Profit (Rs. in 000's)



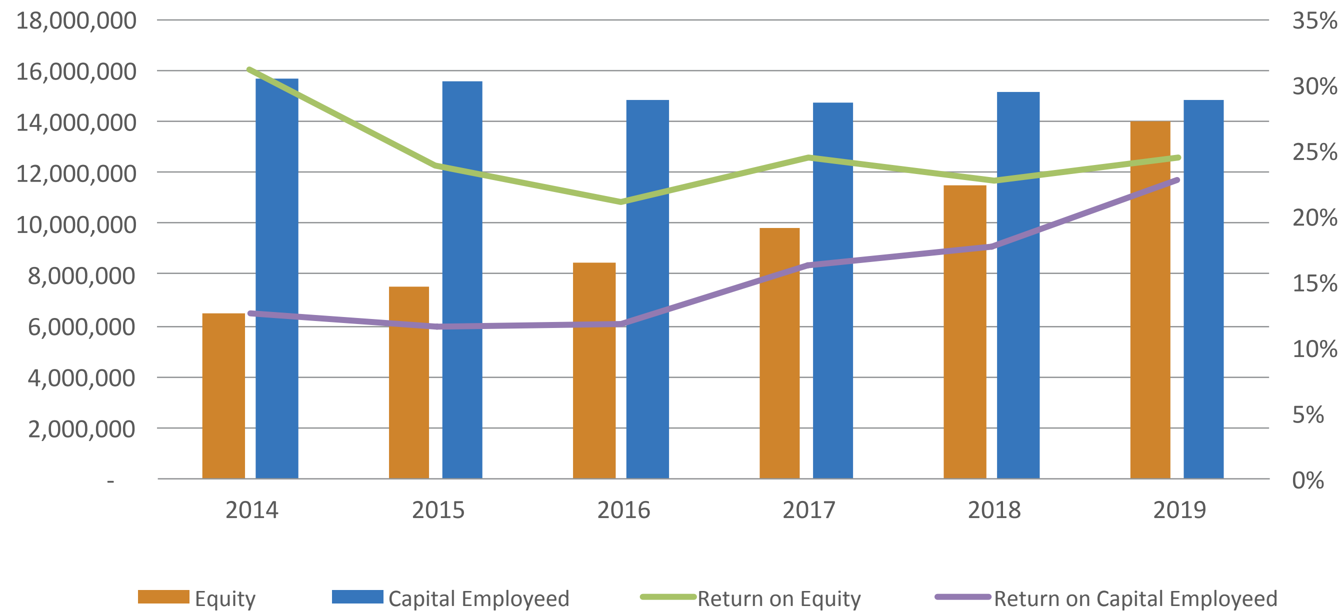
Earnings, Break Up Value and Market Value (in Rs.)



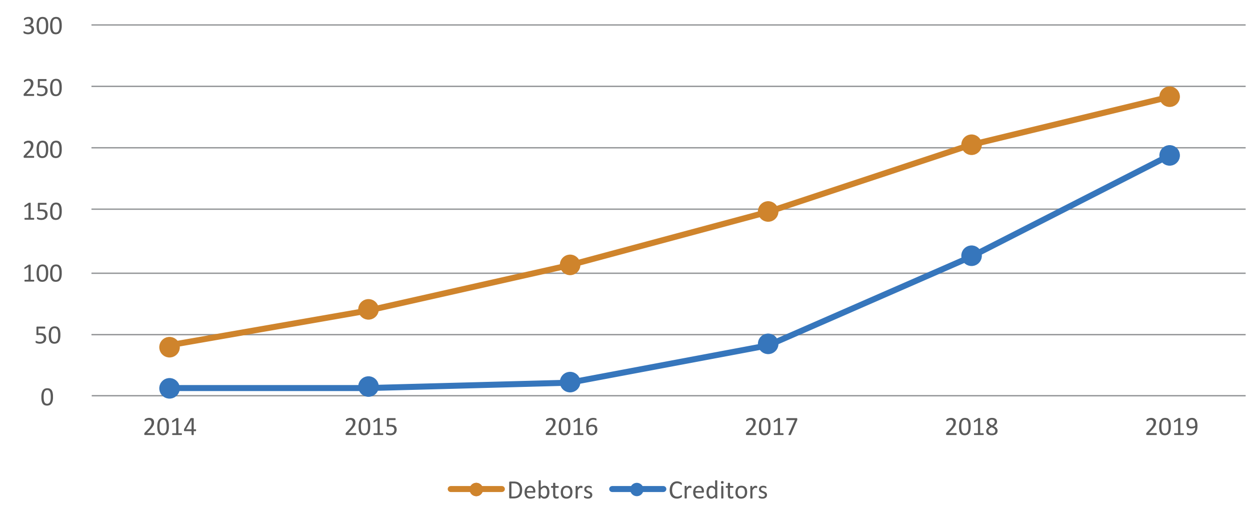
Cash Flow Analysis (Rs. in 000's)



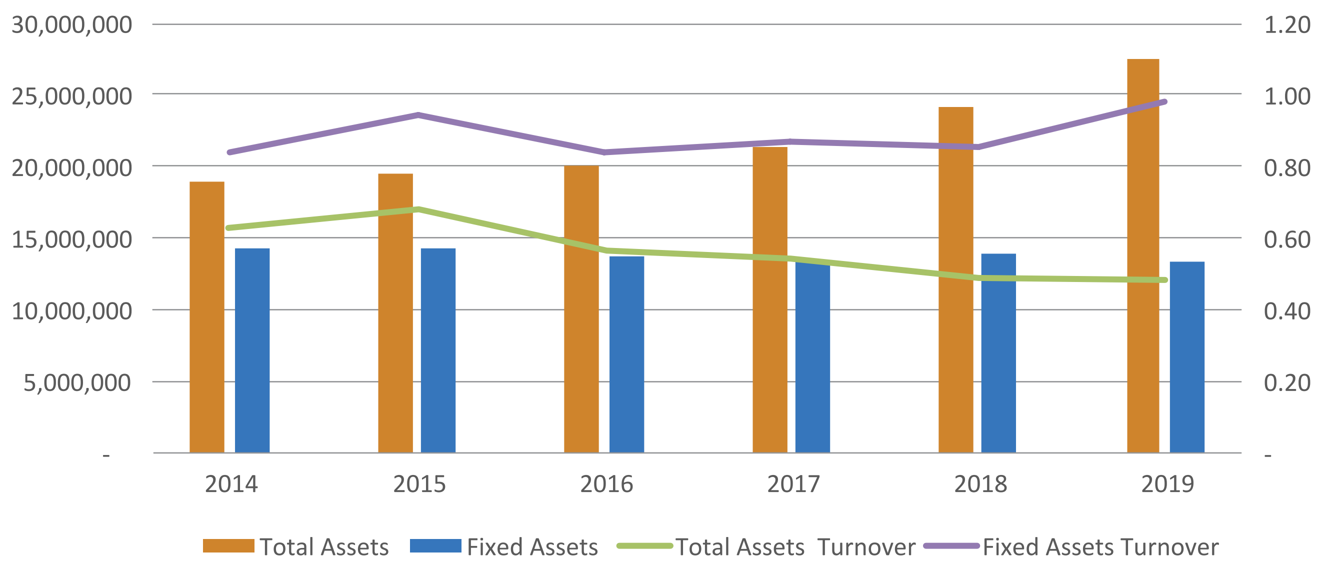
Return on Equity & Capital Employeed (Rs. in 000's & in Percentage)



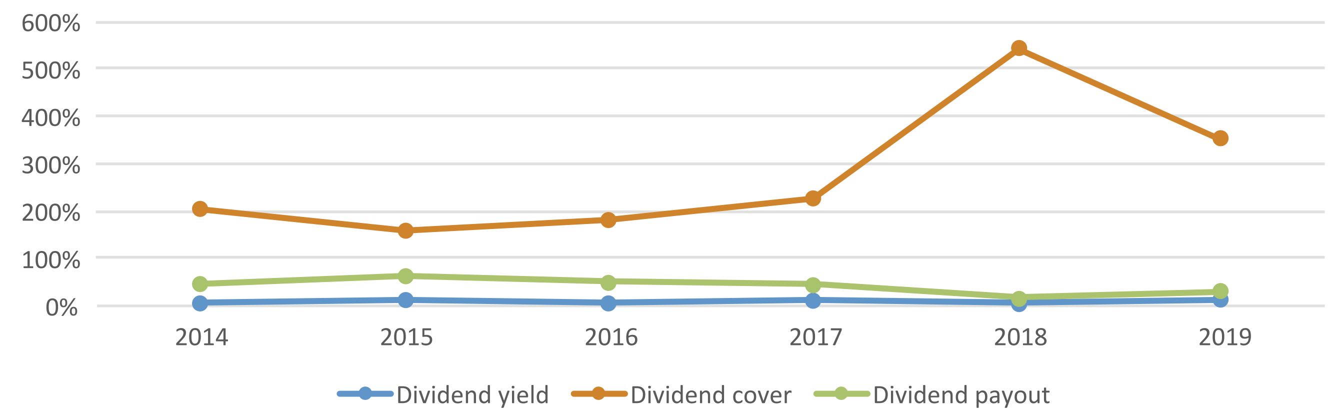
Operating Life Cycle Ratios in Days



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



Dividend Yield, Cover and Payout (in Percentages)



Economic Value Added

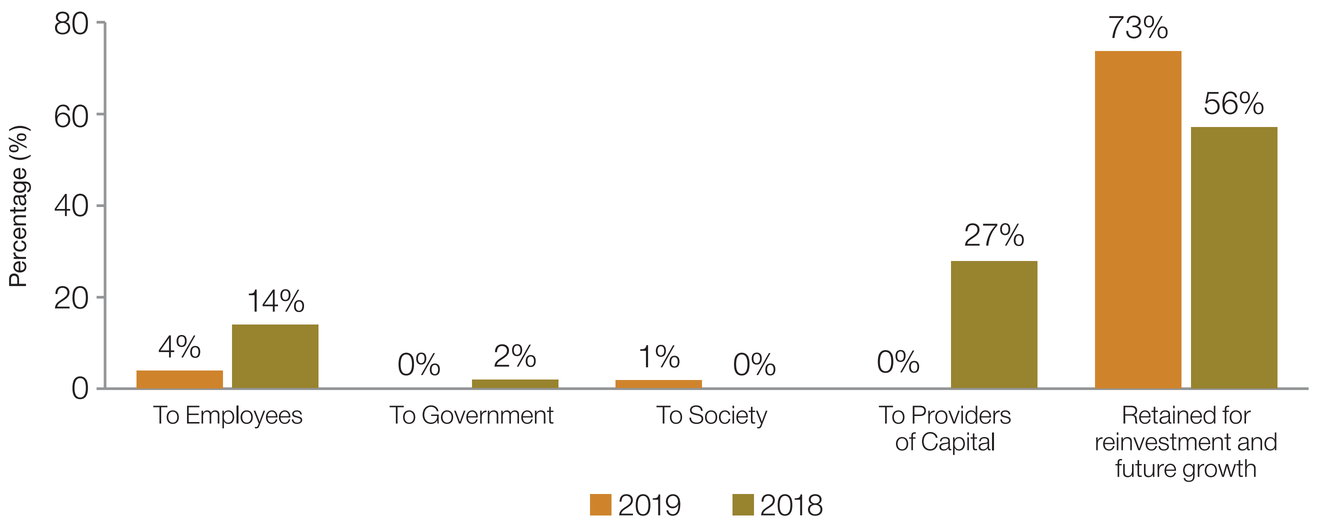
Economic value added (EVA) is a measure of a company's financial performance based on the residual wealth calculated by deducting its cost of capital from its operating profit, adjusted for taxes on cash basis (NOPAT).

	2019	2018
	Rupees in 000s	
NOPAT	3,578,518	2,894,474
Less: cost of capital	(2,563,900)	(2,098,326)
Economic value added	1,014,618	796,148

statement of value addition and distribution

(Amounts in thousand)	2019	2018
Wealth Generated		
Total revenue inclusive of sales tax and other income	14,615,731	13,208,363
Bought-in-raw material and services	(10,136,405)	(8,860,911)
	4,479,326	4,347,452
Wealth Distributed		
To Employees		
Salaries, benefits and other costs	171,513	629,450
To Government		
Income tax and sales tax	-	100,596
To Society		
Donation towards education, health, environment and natural disaster	23,867	18,408
Dividend to shareholders	971,400	971,400
Mark-up/interest expense on borrowed money	57,663	196,005
	1,029,063	1,167,405
Retained for reinvestment and future growth		
Depreciation, amortization and retained profit (net of dividend paid)	3,254,883	2,431,593
	4,479,326	4,347,452

Statement of Value Addition 2019 vs. 2018



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.

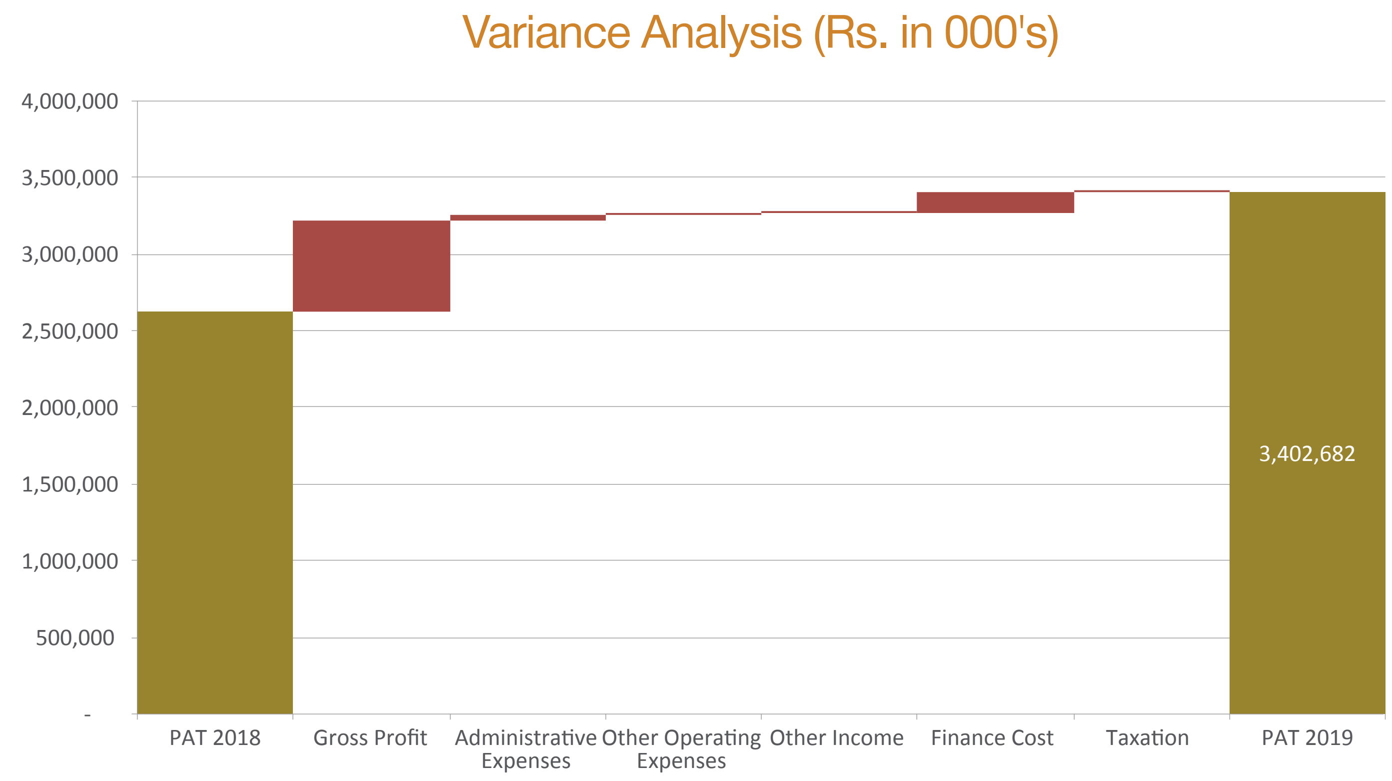
Employees
We concentrate on employee engagement as it is key to performance. A survey is carried out at regular intervals to assess the levels of engagement and motivation at the workplace and based on feedback, areas of weaknesses are improved and strengths held stable.

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.

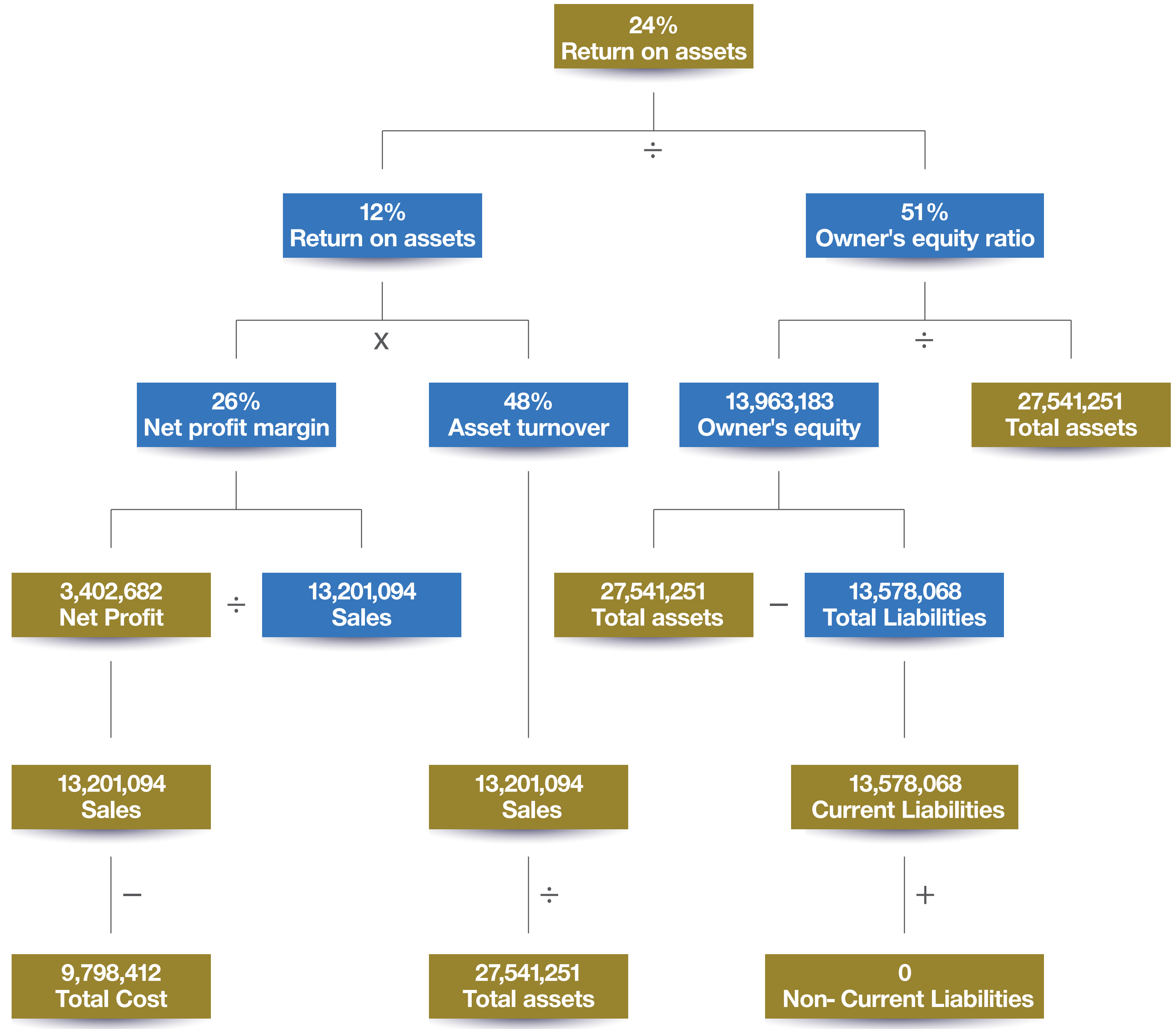
Regulators
The Company complies with regulatory requirements and in this regard maintains close coordination with relevant regulators including the National Electric Power Regulatory Authority (NEPRA), stock exchange, tax authorities, and Securities and Exchange Commission of Pakistan (SECP).

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.

variance analysis



dupont analysis



*Amounts in Thousands

power for environment

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 2019, 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 deviatio 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. EPQL Plant site achieved a DuPont rating if 3.58 making it the only Engro subsidiary to achieve the certification within 2.5 years of commencement of commercial operations.

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

ISO-14001 & OHSAS-18001
The Company conforms to the standards of ISO-14001 and OHSAS-18001. Surveillance audits are regularly carried out to ensure that the Company remains in conformity with the above certifications.

ISO 55001: 2014 Certification:
In 2019 EPQL was awarded 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:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Number of Man-Hours Worked	746,752	709,931	808,501	781,332	982,596	781,332	813,331	834,915	876,296	793,238
	517,417	496,103	587,619	543,877	667,423	543,877	497,340	527,540	589,528	535,003
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 2019

Total Injuries	0
Fatalities	0
LWIs	0
RWCs	0
MTCs	0
1st Aids	0
Fire	2
Violation of Safety Procedure	78
Environmental Accident	0
Process Safety Incident	1
Near misses	47
Vehicle Incident	6

*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 (%)
Non-hazardous wastes	Item	A	B	C = A – B	D = B / A (%)
	Iron pieces, Wooden pieces, Papers, Food waste, Toilet waste	25000Kg (approx.)	0	0	0%
Hazardous wastes	Tube lights, Lamps and Batteries	1000 Kg (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.

GHG Benefit Derived from the Project:

EMISSION REDUCTION									
Indicators:	2011	2012	2013	2014	2015	2016	2017	2018	2019
Project Emissions (tCO_2 / yr)	650,428	650,428	564,505	564,505	564,505	564,505	43,240	627,977	514,150
Baseline Emissions (tCO_2 / yr)	133,575	133,575	133,575	133,575	133,575	133,575	133,575	133,575	133,575
Emissions Reduction (tCO_2 / yr)	516,853	516,710	430,930	430,930	430,930	430,930	497,051	494,402	380,575

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/Nm3	50 150	50 150	NA 102.7	Compliant
SO2 - Annual Mean - Max 24-hour Average	µg/Nm3	80 150	80 150	NA 10.3	Compliant
NOx as NO2 - Annual Mean - Max 24-hour Average - Max 1-hour Average	µg/Nm3	100 150 N.A.	100 150 N.A.	NA 10.85	Compliant

Liquid Effluents and Water Usage (USE as BLURBS/HIGHLIGHTS)

7,200 m3/day

Total Effluent Discharge

9,600 m3/day

Average Water Use/Day

power for future

Shareholder Information

notice of the meeting

NOTICE IS HEREBY GIVEN that the Fourteenth Annual General Meeting of Engro Powergen Qadirpur Limited (the “Company”) will be held at Karachi School of Business & Leadership, National Stadium Road Opp. Liaquat National Hospital, Karachi on Tuesday, March 24, 2020 at 10 a.m. to transact the following business:

A. Ordinary Business:

(1) To receive and consider the standalone and consolidated audited Financial Statements for the year ended December 31, 2019 along with the Directors' and Auditors' Reports thereon and the Chairman’s Review Report.

(2) To appoint Auditors for the year 2020 and fix their remuneration. The Members are hereby notified that the Audit Committee and the Board of Directors have recommended the name of retiring auditors A.F. Ferguson & Co., Chartered Accountants for re-appointment as Auditors of the Company.

N.B

(1) The Share Transfer Books of the Company will be closed from Wednesday, March 18, 2020 to Tuesday, March 24, 2020 (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 Tuesday, March 17, 2020 will be treated to have been in time for the purpose to attend and vote at the meeting.

(2) 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 such rights, as respects 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.

(3) Pursuant to Companies (Postal Ballot) Regulations 2018, for the purpose of election of Directors and for any other 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 any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

(4) In pursuance to Circular No. 10 of 2014 dated May 21, 2014, if the Company receives consent from members holding in aggregate ten percent (10%) or more shareholding residing at geographical location, to participate in the meeting through video conference at least seven (7) days prior to the date of the meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. The Company will intimate members regarding venue of video conference facility at least five (5) days before the meeting along with complete information necessary to enable them to access such facility. In order to avail this facility please provide the following information to our share registrar:

I / We, ________________ of ______________ being a member of Engro Powergen Qadirpur Limited, holder of _________ Ordinary Share(s) as per Register Folio No / CDC Account No. ____________ hereby opt for video conference facility at _______________.

____
Signature of member

By Order of the Board

Karachi,
February 07, 2020

SAMEEN ASAD
Company Secretary

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
-	-

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. HASNAIN MOOCHHALA	1
MR. AHSAN ZAFAR SYED	1
MR. SHAHAB QADER KHAN	1
MS. FAUZIA VIQAR	1
MR. KAISER BENGALI	1
Total:	7

4.Executives (approximately)	23,002
5. Public sector companies and corporations	-
6. Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance, Takaful, Modarbas & Pension Funds	5,341,500

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 2019

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, 2019

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	5,341,500	1.65
Insurance Companies			
Modarabas and Mutual Funds			
Share holders holding 10%	1	223,049,992	68.89
General Public :			
a. Local (Individuals)	18,063	72,781,927	22.48
b. Foreign	0		
Others	110	22,626,574	6.99

pattern of shareholding

As at December 31, 2019

No. of Shareholders	No. of Shareholdings		Total Shares
	From	To	
354	1	100	15,273
10,894	101	500	5,368,086
3,488	501	1,000	3,461,508
2,220	1,001	5,000	5,663,798
477	5,001	10,000	3,821,447
175	10,001	15,000	2,263,399
104	15,001	20,000	1,954,385
89	20,001	25,000	2,092,893
44	25,001	30,000	1,256,029
34	30,001	35,000	1,122,500
26	35,001	40,000	997,112
15	40,001	45,000	642,500
44	45,001	50,000	2,173,500
18	50,001	55,000	946,000
17	55,001	60,000	996,500
8	60,001	65,000	510,500
7	65,001	70,000	483,000
8	70,001	75,000	585,500
9	75,001	80,000	707,500
6	80,001	85,000	503,247
4	85,001	90,000	348,500
5	90,001	95,000	462,000
22	95,001	100,000	2,188,500
3	100,001	105,000	313,000
6	105,001	110,000	650,500
2	110,001	115,000	225,500
5	115,001	120,000	595,500
2	125,001	130,000	260,000
2	130,001	135,000	269,000
1	135,001	140,000	137,500
1	140,001	145,000	144,000
5	145,001	150,000	747,500
2	150,001	155,000	305,500
3	155,001	160,000	478,000
4	160,001	165,000	655,000
4	165,001	170,000	674,500
5	170,001	175,000	864,500
2	180,001	185,000	365,500
1	190,001	195,000	194,500
6	195,001	200,000	1,196,500
1	200,001	205,000	203,000
1	205,001	210,000	210,000
1	210,001	215,000	210,500
1	215,001	220,000	219,000
1	220,001	225,000	221,000
1	225,001	230,000	228,500
1	230,001	235,000	233,500

No. of Shareholders	No. of Shareholdings		Total Shares
	From	To	
1	240,001	245,000	243,679
3	250,001	255,000	758,500
2	255,001	260,000	520,000
2	260,001	265,000	524,000
1	270,001	275,000	272,000
1	280,001	285,000	285,000
2	295,001	300,000	600,000
1	300,001	305,000	300,500
1	305,001	310,000	310,000
1	310,001	315,000	312,000
1	315,001	320,000	319,500
1	325,001	330,000	325,500
2	370,001	375,000	748,000
1	385,001	390,000	387,500
1	425,001	430,000	425,500
2	435,001	440,000	878,000
1	445,001	450,000	450,000
1	485,001	490,000	488,500
5	495,001	500,000	2,500,000
1	520,001	525,000	525,000
1	560,001	565,000	565,000
1	590,001	595,000	593,500
1	625,001	630,000	627,000
1	635,001	640,000	635,500
1	665,001	670,000	668,552
1	715,001	720,000	716,000
1	785,001	790,000	786,000
1	795,001	800,000	800,000
1	820,001	825,000	825,000
1	1,035,001	1,040,000	1,040,000
2	1,265,001	1,270,000	2,536,100
1	1,470,001	1,475,000	1,473,500
1	1,655,001	1,660,000	1,659,100
1	1,665,001	1,670,000	1,669,500
1	1,720,001	1,725,000	1,725,000
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	3,645,001	3,650,000	3,646,900
1	4,965,001	4,970,000	4,966,000
1	6,265,001	6,270,000	6,266,000
1	223,045,001	223,050,000	223,049,992
18,184			323,800,000

shareholder information

Annual General Meeting
The annual shareholders meeting will be held at 10:00 a.m. on March 24, 2020 at Karachi School of Business & Leadership, National Stadium Road Opp. Liaquat National Hospital, Karachi

Shareholders as of March 18, 2020 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 alongwith 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, 2019 there were 18,184 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 2020 are:

- 1st quarter: April 30, 2020
- 2nd quarter: August 31, 2020
- 3rd quarter: October 31, 2020

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

- 2nd quarter: August 11, 2020
- 3rd quarter October 21, 2020

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.
Shahra-e-Faisal, Karachi-74000
Telephone +92(21)34380101-5
Fax +92(21)34380106

epql calendar 2019

	Dates
EPQL Board Audit Committee Meeting	31-Jan-19
EPQL Board Meeting	1-Feb-19
EPQL Annual General Meeting	25-Mar-19
EPQL Board Audit Committee Meeting	16-Apr-19
EPQL Board Meeting	17-Apr-19
EPQL Board Audit Committee Meeting	1-Aug-19
EPQL Board Meeting	2-Aug-19
EPQL Extra Ordinary General Meeting	14-Oct-19
EPQL Board Audit Committee Meeting	15-Oct-19
EPQL Board Meeting	16-Oct-19
EPQL Board Meeting	22-Nov-19
EPQL Board Meeting	20-Dec 2019

major activities in 2019

Brigadier Pano Aqil Visit

Ministers Visit QDP Site

Safety Road Show

Independence Day August 14, 2019

power for growth

Financial Statements

independent auditor's review report to the members 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, 2019 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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, 2019.

Chartered Accountants
Karachi
Date: February 27, 2020

Engagement Partner: Osama Kapadia

A.F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
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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, 2019, 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, 2019 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.

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Following is the key audit matter:

S. No.	Key audit matter	How the matter was addressed in our audit
i)	**Receivables from National Transmission and Despatch Company** (Refer notes 8 and 11 to the financial statements) The Company has the following balances receivable from National Transmission and Despatch Company as at December 31, 2019: • Trade debts amounting to Rs. 9,807 million which include overdue debts of Rs. 7,698 million; and • Delayed payment charges amounting to Rs. 2,485 million which include overdue receivables of Rs. 1,463 million. 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 risk and a key audit matter.	Our audit procedures included the following: - assessed whether revenue and related receivables have been recognized in accordance with the applicable accounting policies; - tested whether invoices raised by the Company 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 reviewed 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; - reviewed 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.

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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.

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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: February 25, 2020

statement of financial position as at december 31, 2019

(Amounts in thousand)

	Note	2019	2018
		----------------(Rupees)----------------	
ASSETS			
Non-current assets			
Property, plant and equipment	4	13,299,480	13,664,179
Intangible assets	5	68,651	70,945
Long-term loans and advances	6	34,659	100,057
Long-term deposits		2,574	2,574
		13,405,364	13,837,755
Current assets			
Inventories	7	863,183	895,149
Trade debts	8	9,806,697	7,601,705
Short-term investments	9	49,963	50,004
Loans, advances, deposits and prepayments	10	113,298	125,059
Other receivables	11	3,225,441	1,587,041
Taxes recoverable		64,919	64,152
Balances with banks	12	12,386	12,740
		14,135,887	10,335,850
TOTAL ASSETS		27,541,251	24,173,605

Rabia Wafah Khan
Chief Financial Officer

Shahab Qader
Chief Executive Officer

Ahsan Zafar Syed
Chairman

(Amounts in thousand)

	Note	2019	2018
		----------------(Rupees)----------------	
EQUITY AND LIABILITIES			
EQUITY			
Share capital	13	3,238,000	3,238,000
Share premium		80,777	80,777
Maintenance reserve	14	227,182	227,182
Unappropriated profit		10,403,899	7,972,617
Hedging reserve	15	13,325	14,199
Total equity		13,963,183	11,532,775
LIABILITIES			
Non-current liability			
Borrowings	16	-	758,568
Current liabilities			
Trade and other payables	17	8,406,839	5,241,411
Unclaimed dividend		23,002	23,933
Accrued interest / mark-up		92,640	53,892
Short-term borrowings	18	3,712,840	3,758,495
Unpaid dividend		485,700	-
Current portion of long-term borrowings	16	857,047	2,804,531
		13,578,068	11,882,262
Total liabilities		13,578,068	12,640,830
Contingencies and Commitments	19		
TOTAL EQUITY AND LIABILITIES		27,541,251	24,173,605

The annexed notes from 1 to 41 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, 2019

(Amounts in thousand except for earnings per share)	Note	2019	2018
		----------------(Rupees)----------------	
Sales	20	13,201,094	11,874,365
Cost of sales	21	(9,576,653)	(8,837,993)
Gross profit		3,624,441	3,036,372
Administrative expenses	22	(87,371)	(125,582)
Other expenses	23	(75,037)	(87,894)
Other income	24	1,633	1,785
Profit from operations		3,463,666	2,824,681
Finance cost	25	(57,663)	(196,005)
Workers' profits participation fund	26	-	-
Profit before taxation		3,406,003	2,628,676
Taxation	27	(3,321)	(1,063)
Profit for the year		3,402,682	2,627,613
Earnings per share - basic and diluted	28	10.51	8.11

The annexed notes from 1 to 41 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 and other comprehensive income for the year ended december 31, 2019

(Amounts in thousand)	Note	2019	2018
		----------------(Rupees)----------------	
Profit for the year		3,402,682	2,627,613
Other comprehensive income / (loss):			
Item that may be reclassified subsequently to profit or loss			
Hedging reserve - gain for the year	15	-	64,679
Less: Reclassified to profit or loss	24	(874)	(874)
		(874)	63,805
Total comprehensive income for the year		3,401,808	2,691,418

The annexed notes from 1 to 41 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 changes in equity for the year ended december 31, 2019

(Amounts in thousand)

		Reserves				
		Capital		Revenue		
	Share capital	Share premium	Maintenance reserve (note 14)	Unappropriated profit	Hedging reserve	Total
	Rupees					
Balance as at January 1, 2018	3,238,000	80,777	227,182	6,316,404	(49,606)	9,812,757
Total comprehensive income for the year	-	-	-	2,627,613	63,805	2,691,418
Transactions with owners						
Final dividend for the year ended December 31, 2017 @ Rs. 1.50 per share	-	-	-	(485,700)	-	(485,700)
1st interim dividend @ Rs. 1.50 per share	-	-	-	(485,700)	-	(485,700)
	-	-	-	(971,400)	-	(971,400)
Balance as at December 31, 2018	3,238,000	80,777	227,182	7,972,617	14,199	11,532,775
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

The annexed notes from 1 to 41 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, 2019

(Amounts in thousand)

	Note	2019	2018
		----------------(Rupees)----------------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	29	4,148,570	3,460,127
Taxes paid		(4,088)	(484)
Interest received		11,484	3,665
Long-term loans, advances and deposits - net		78,324	(86,485)
Net cash generated from operating activities		4,234,290	3,376,823
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(29,860)	(158,849)
Purchase of intangible assets		(34,564)	(3,733)
Investments made during the year		(49,963)	-
Net cash utilised in investing activities		(114,387)	(162,582)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of long-term borrowings	16.2	(3,106,359)	(2,422,778)
Derivative settled - net		-	64,679
Finance cost paid		(531,616)	(432,635)
Dividends paid		(486,631)	(967,995)
Net cash utilised in financing activities		(4,124,606)	(3,758,729)
Net decrease in cash and cash equivalents		(4,703)	(544,488)
Cash and cash equivalents at beginning of the year		(3,695,751)	(3,151,263)
Cash and cash equivalents at end of the year	30	(3,700,454)	(3,695,751)

The annexed notes from 1 to 41 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, 2019

(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

2. **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.

2.1 **Basis of preparation**

2.1.1 **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.

2.1.2 **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.

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.

2.1.3 **Functional and presentation currency**
These financial statements are presented in Pakistan Rupee, which is Company's functional currency.

2.1.4 **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.

(Amounts in thousand)

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 3.

2.2 **Initial application of standards, amendments or an interpretation to existing standards**

2.2.1 **Standards, amendments and interpretations to published approved accounting and reporting standards that became effective during the year**

The following new standards became effective for the first time for the year ended December 31, 2019:

2.2.1.1 **IFRS 9 'Financial instruments'**
IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and replaces the related guidance in IAS 39 that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. It retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, Fair Value through Other Comprehensive Income (FVOCI) and Fair Value through Profit or Loss (FVPL). The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI, without subsequent recycling to profit and loss.

The standard also includes an expected credit losses (ECL) model that replaces the current incurred loss impairment model. The ECL model involves a three-stage approach whereby financial assets move through the three stages as their credit quality changes. The stage dictates how an entity measures impairment losses and applies the effective interest method. A simplified approach is permitted for financial assets that do not have a significant financing component (e.g. trade receivables). On initial recognition, entities will record a loss equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired.

For financial liabilities, there are no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

IFRS 9 also relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually uses for risk management purposes.

The adoption of IFRS 9 from January 1, 2019 has resulted in change in accounting policies. The Company has applied IFRS 9 from the date of initial application of January 01, 2019 without restating comparative information. The effects of the changes as a result of adoption of IFRS 9 are not material.

Furthermore, on January 1, 2019, the management has re-assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from the reclassification as at that date are as follows:

	As at January 01,2019				
	Classfication & measurement category		Carrying amount		
	Original	New	Original	New	Difference
	Under IAS 39	Under IFRS 9	Rupees		
Financial Assets					
Long-term deposits	Loan and Receivables	Amortized Cost	2,574	2,574	-
Loans, advances and deposits	Loan and Receivables	Amortized Cost	145,556	145,556	-
Trade debts	Loan and Receivables	Amortized Cost	7,601,705	7,601,705	-
Short-term investment	Held to Maturity	Amortized Cost	50,004	50,004	-
Other receivables	Loan and Receivables	Amortized Cost	1,587, 041	1,587,041	-
Balances with banks	Loan and Receivables	Amortized Cost	12,740	12,740	-
Financial liabilities					
Borrowings	Amortized Cost	Amortized Cost	7,321,594	7,321,594	-
Trade and other payables	Amortized Cost	Amortized Cost	4,781,193	4,781,193	-
Accrued interest / mark-up	Amortized Cost	Amortized Cost	53,892	53,892	-

During the year, the SECP through its SRO 985 (I) / 2019 dated September 2, 2019 has notified that the requirements contained in IFRS 9 "Financial Instruments" with respect to application of Expected Credit Losses (ECL) method will not be applicable to companies till June 30, 2021 for financial assets due from Government of Pakistan. However, such companies have been required to follow the relevant requirements of IAS 39 "Financial Instruments: Recognition and Measurement" in respect of such financial assets during the exemption period. Accordingly, the standard has no impact on these financial statements with respect to amounts due from Government of Pakistan which primarily relate to trade debts and other receivables.

2.2.1.2 **IFRS 15 'Revenue from contracts with customers'**

IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18 'Revenue' and IAS 11 'Construction contracts' and related interpretations.

IFRS 15 establishes a five- step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The Company is engaged in the business of power generation and sale. Sales to National Transmission and Despatch Company (NTDC), the sole customer of the Company, are governed by the Power Purchase Agreement. The Company has assessed the following performance obligations in the contract with the customer:

- Making capacity available; and
- Delivering Net Electrical Output (NEO).

The Company has concluded that the impact of this standard is not material on these financial statements.

(Amounts in thousand)

2.2.1.3 **IFRS 16 'Leases'**

Effective January 1, 2019, the Company has adopted IFRS 16, ""Leases"" which replaces existing guidance on accounting for leases, including IAS 17 ""Leases"", IFRIC 4 ""Determining whether an Arrangement contains a Lease"", SIC-15 ""Operating Leases - Incentive"" and SIC-27 ""Evaluating the substance of transactions involving the legal form of a Lease"". IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

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. Accordingly, the Company has prepared these financial statements consistent with prior years. Apart from the above, the adoption of IFRS 16 does not have any significant impact on these financial statements of the Company during the current year.

There are other amendments to published accounting and reporting standards and interpretations that are applicable for the financial year beginning on January 1, 2019 but are considered not to be relevant or do not have any significant effect on the Company's financial reporting and operations and, therefore, have not been disclosed in these financial statements.

2.2.2 Standards, amendments and interpretations to published approved accounting and reporting standards that are not yet effective and have not been early adopted by the Company

There is a standard and amendments to published standards that are mandatory for the financial year beginning on or after January 1, 2020 but are considered not to be relevant or to have any significant effect on the Company's financial reporting and operation and therefore, have not been presented here.

2.3 **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, costs of dismantling and removing the items and restoration of the site on which these are located and exchange losses as explained in note 4.1.4. 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 profit or loss.

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 profit or loss.

Depreciation is charged to 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 4.1. 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.

2.4 **Intangible assets**

a) **Computer software**
Costs associated with maintaining computer software programmes are recognised as an expense in 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 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 profit or loss over a period of 25 years.

2.5 **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 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.

2.6 **Financial assets**

2.6.1 **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

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 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).

2.6.2 **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.

2.6.3 **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 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 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 profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to 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.

(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.

2.6.4 **Impairment**
As explained in note 2.2.1.1, 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 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.

2.7 **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.

2.8 **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.

2.9 **Hedging relationships**
The Company currently accounts for two types of hedging relationships:

Fair value hedge
Fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or a component of any such item, that is attributable to a particular risk and could affect profit or loss.

The Company accounts for fair value hedging relationships as follows:

(a) the gain or loss on the hedging instrument is recognised in profit or loss (or other comprehensive income, if the hedging instrument hedges an equity instrument for which the Company has elected to present changes in fair value in other comprehensive income).

(b) the hedging gain or loss on the hedged item shall adjust the carrying amount of the hedged item (if applicable) and be recognised in profit or loss. If the hedged item is a financial asset (or a component thereof) that is measured at fair value through other comprehensive income, the hedging gain or loss on the hedged item is recognised in profit or loss. However, if the hedged item is an equity instrument for which the Company has elected to present changes in fair value in other comprehensive income, those amounts remain in other comprehensive income. When a hedged item is an unrecognised firm commitment (or a component thereof), the cumulative change in the fair value of the hedged item subsequent to its designation is recognised as an asset or a liability with a corresponding gain or loss recognised in profit or loss.

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 profit or loss.

The Company accounts for cash flow hedging relationships as follows:

(a) the separate component of equity associated with the hedged item (cash flow hedge reserve) is adjusted to the lower of the following (in absolute amounts):

(i) the cumulative gain or loss on the hedging instrument from inception of the hedge; and

(ii) the cumulative change in fair value (present value) of the hedged item (i.e. the present value of the cumulative change in the hedged expected future cash flows) from inception of the hedge.

(b) the portion of the gain or loss on the hedging instrument that is determined to be an effective hedge [i.e. the portion that is offset by the change in the cash flow hedge reserve calculated in accordance with (a)] is recognised in other comprehensive income.

(c) any remaining gain or loss on the hedging instrument [or any gain or loss required to balance the change in the cash flow hedge reserve calculated in accordance with (a)] is hedge ineffectiveness that is recognised in profit or loss.

(d) the amount that has been accumulated in the cash flow hedge reserve in accordance with (a) is accounted for as follows:

(i) if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, or a hedged forecast transaction for a non-financial asset or a non-financial liability becomes a firm commitment for which fair value hedge accounting is applied, the Company removes that amount from the cash flow hedge reserve and includes it directly in the initial cost or other carrying amount of the asset or the liability.

(ii) for cash flow hedges other than those covered by (i), that amount is reclassified from the cash flow hedge reserve to profit or loss as a reclassification adjustment in the same period or periods during which the hedged expected future cash flows affect profit or loss.

(iii) however, if that amount is a loss and the Company expects that all or a portion of that loss will not be recovered in one or more future periods, it immediately reclassifies the amount that is not expected to be recovered into profit or loss as a reclassification adjustment.

2.10 **Embedded derivatives**
An embedded derivative is a component of a hybrid contract that also includes a non-derivative host with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative.

When the Company becomes a party to a hybrid contract with a host that is not an asset within the scope of IFRS 9, the Company is required to identify any embedded derivative, assess whether it is required to be separated from the host contract and, for those that are required to be separated, measure the derivatives at fair value at initial recognition and subsequently at fair value through profit or loss.

Embedded derivatives are separated and accounted for as stand-alone derivatives if these are not 'closely related' to the host contract, that is, if their economic characteristics and risks are different from those of the rest of the contract. If the embedded derivative cannot be measured separately either at acquisition or subsequently, the Company designates the entire hybrid contract as at fair value through profit or loss.

The Company's tariff, like other power companies, comprises of various price components with indexations falling within the ambit of embedded derivatives. Such embedded derivatives, as per IFRS 9 "Financial Instruments", need to be separated from the host contract and accounted for as derivatives if economic characteristics and risks of the embedded derivatives are not closely related to the host contract.

The SECP, through its S.R.O. 986(1)/2019 dated September 2, 2019 (in partial modification of its previously issued S.R.O. 24/(1)/2012 dated January 16, 2012) has allowed companies not to recognise embedded derivative under IFRS 9 if they have chosen to capitalise exchange differences as permitted under the notification (refer note 4.1.4). Accordingly, the Company has not recognised embedded derivatives in these financial statements.

2.11 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.

The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence, if any.

2.12 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 the 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 2.6.4.

2.13 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).

2.14 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.

2.15 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.

2.16 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.

(Amounts in thousand)

2.17 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.

2.18 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.

2.19 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 as explained in note 2.2.1.3. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to 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.

2.20 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.

2.21 Retirement and other service benefits obligations

2.21.1 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 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, of the Company 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 funds at the rate of 10% of basic salary in case of provident fund and at the rate of 8.33% of basic salary in case of gratuity fund.

2.21.2 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.

2.22 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 profit or loss, except as referred to in note 4.1.4.

(Amounts in thousand)

2.23 Revenue recognition on supply of electricity

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.

2.24 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.

2.25 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.

2.26 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.

2.27 Dividend and appropriation to reserves

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

3. 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:

3.1 Property, plant and equipment and intangible assets

The Company reviews appropriateness of the rate of depreciation / amortisation, useful life and residual value 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.

	2019	2018
	(Rupees)	
4. PROPERTY, PLANT AND EQUIPMENT		
Operating assets, at net book value (note 4.1)	12,963,529	13,322,804
Capital work-in-progress (note 4.2)	66,188	34,601
Capital spares (note 4.3)	269,763	306,774
	13,299,480	13,664,179

(Amounts in thousand)

4.1 Operating assets

	Freehold land	Plant & machinery	Buildings & civil works	Furniture, fixtures and equipments	Vehicles	Total
	Rupees					
As at January 1, 2018						
Cost	83,127	14,999,434	2,515,267	142,244	99,331	17,839,403
Accumulated depreciation	-	(4,222,756)	(582,696)	(94,785)	(89,450)	(4,989,687)
Net book value	83,127	10,776,678	1,932,571	47,459	9,881	12,849,716
Year ended December 31, 2018						
Opening net book value	83,127	10,776,678	1,932,571	47,459	9,881	12,849,716
Additions to operating assets:						
- Transfers from capital work-in-progress (note 4.2)	26,938	27,758	63,010	19,264	-	136,970
- Capitalisation adjustment for exchange loss (note 4.1.4)	-	1,106,522	-	-	-	1,106,522
Disposals (note 4.1.1)						
Cost	-	-	-	(5,612)	-	(5,612)
Accumulated depreciation	-	-	-	756	-	756
	-	-	-	(4,856)	-	(4,856)
Depreciation charge (note 4.1.2)	-	(671,144)	(77,317)	(16,635)	(452)	(765,548)
Closing net book value	110,065	11,239,814	1,918,264	45,232	9,429	13,322,804
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	110,065	11,239,814	1,918,264	45,232	9,429	13,322,804
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 4.2)	-	19,985	3,160	675	-	23,820
- Transfers from capital spares (note 4.3)	-	38,073	-	-	-	38,073
- Capitalisation adjustment for exchange loss (note 4.1.4)	-	392,185	-	-	-	392,185
Disposals (note 4.1.1)						
Cost	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-
	-	-	-	-	-	-
Depreciation charge (note 4.1.2)	-	(717,232)	(78,949)	(16,832)	(340)	(813,353)
Closing net book value	110,065	10,972,825	1,842,475	29,075	9,089	12,963,529
As at December 31, 2019						
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	110,065	10,972,825	1,842,475	29,075	9,089	12,963,529
Annual rate of depreciation		4% - 16%	2.5% - 8%	15% - 25%	19% - 23%	

(Amounts in thousand)

4.1.1 The details of assets disposed off during the year are as follows:

	Asset description	Sold to	Mode of Disposal	Cost	Accumulated depreciation	Net book value	Sale proceeds / receivable
				(Rupees)			
2019	N/A	N/A	N/A	-	-	-	-
2018	Furniture, fixtures and equipments	N/A	Write off	5,612	756	4,856	-

	2019	2018
	(Rupees)	
4.1.2 The depreciation charge for the year has been allocated as follows:		
Cost of sales (note 21)	812,308	764,517
Administrative expenses (note 22)	1,045	1,031
	813,353	765,548

4.1.3 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

4.1.4 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. 392,185 (2018: Rs. 1,106,522) arising on foreign currency borrowings to the cost of the related property, plant and equipment.

(Amounts in thousand)

4.2 Capital work-in-progress

	Freehold land	Plant & machinery	Buildings & civil works	Furniture, fixtures and equipment	Intangible assets	Total
		Rupees				
Year ended December 31, 2018						
Balance as at January 1, 2018	-	912	1,047	8,094	5,367	15,420
Additions / reclassifications during the year	26,938	45,343	62,472	11,952	15,877	162,582
Transferred to intangible assets (note 5)	-	-	-	-	(3,733)	(3,733)
Transferred to capital spares (note 4.3)	-	(2,698)	-	-	-	(2,698)
Transferred to operating assets (note 4.1)	(26,938)	(27,758)	(63,010)	(19,264)	-	(136,970)
Balance as at December 31, 2018	-	15,799	509	782	17,511	34,601
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 5)	-	-	-	-	(7,955)	(7,955)
Transferred to capital spares (note 4.3)	-	(1,062)	-	-	-	(1,062)
Transferred to operating assets (note 4.1)	-	(19,985)	(3,160)	(675)	-	(23,820)
Balance as at December 31, 2019	-	18,300	959	2,809	44,120	66,188

4.3 Capital spares

	2019	2018
	(Rupees)	
Balance at beginning of the year	306,774	304,076
Add / (less):		
- Additions (note 4.2)	1,062	2,698
- Transfers to operating assets (notes 4.1)	(38,073)	-
Balance at end of the year	269,763	306,774

(Amounts in thousand)

5. INTANGIBLE ASSETS

	Computer software	Right to use infrastructure facilities (note 5.2)	Total
	Rupees		
As at January 1, 2018			
Cost	60,399	96,627	157,026
Accumulated amortisation	(47,049)	(32,933)	(79,982)
Net book value	13,350	63,694	77,044
Year ended December 31, 2018			
Opening net book value	13,350	63,694	77,044
Additions during the year (note 4.2)	3,733	-	3,733
Amortisation for the year (note 5.1)	(5,967)	(3,865)	(9,832)
Closing net book value	11,116	59,829	70,945
As at January 1, 2019			
Cost	64,132	96,627	160,759
Accumulated amortisation	(53,016)	(36,798)	(89,814)
Net book value	11,116	59,829	70,945
Year ended December 31, 2019			
Opening net book value	11,116	59,829	70,945
Additions during the year (note 4.2)	7,955	-	7,955
Amortisation for the year (note 5.1)	(6,384)	(3,865)	(10,249)
Closing net book value	12,687	55,964	68,651
As at December 31, 2019			
Cost	72,087	96,627	168,714
Accumulated amortisation	(59,400)	(40,663)	(100,063)
Net book value	12,687	55,964	68,651
Amortisation rate (% per annum)	25%	4%	

	2019	2018
	(Rupees)	
5.1 Amortisation charge for the year has been allocated as follows:		
Cost of sales (note 21)	9,215	8,451
Administrative expenses (note 22)	1,034	1,381
	10,249	9,832

(Amounts in thousand)

5.2 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.

	2019	2018
	(Rupees)	
6. LONG-TERM LOANS AND ADVANCES		
Executives (notes 6.1, 6.2 and 6.3)	62,786	141,110
Less: Current portion shown under current assets (note 10)	(28,127)	(41,053)
Balance as at end of the year	34,659	100,057

6.1 Reconciliation of the carrying amount of loans and advances

	2019	2018
Balance at beginning of the year	141,110	54,708
Add: Disbursements	7,855	122,217
Less: Repayments / amortisation	(86,179)	(35,815)
Balance at end of the year	62,786	141,110

6.2 Loans and advances include interest-free investment loan plan to executives amounting to Rs. 5,936 (2018: Rs. 36,522) 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. 56,850 (2018: Rs. 104,588) for car earn out assistance, house rent, long-term incentive and relocation assistance loans, as per Company policy.

6.3 Loans and advances include Rs. 3,815 (2018: Rs. 8,947) to key management personnel which are unsecured. The maximum amount outstanding at the end of any month in respect of these amounted to Rs. 5,241 (2018: Rs. 9,993).

7. INVENTORIES

	2019	2018
	(Rupees)	
High Speed Diesel (note 7.1)	379,474	379,474
Consumable stores	38,888	53,277
Spares	444,821	462,398
	863,183	895,149

7.1 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.

(Amounts in thousand)

8. **TRADE DEBTS - secured**

	2019	2018
	----------------(Rupees)----------------	
Considered good	9,806,697	7,601,705

8.1 Trade debts, including delayed payment charges (note 11), are secured by a guarantee from the Government of Pakistan under the Implementation Agreement and as such are considered good.

8.2 Trade debts include:
- Rs. 2,108,293 (2018: Rs. 2,636,879) which is neither past due nor impaired; and

- Rs. 7,698,404 (2018: Rs. 4,964,826) 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:

	2019	2018
	----------------(Rupees)----------------	
Upto 3 months	2,729,475	2,829,697
3 to 6 months	3,598,878	2,135,129
More than 6 months	1,370,051	-
	7,698,404	4,964,826

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

	2019	2018
Treasury Bills (note 9.1)	49,963	50,004

9.1 Investments have been made in conventional Treasury Bills in respect of maintenance reserve (note 14). These are due to mature on August 27, 2020 and carry mark-up at the rate of 13.60% (2018: 10.28%) per annum.

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

	2019	2018
	----------------(Rupees)----------------	
Current portion of long-term loans and advances to executives		
- considered good (note 6)	28,127	41,053
Advances, deposits and other receivables	3,702	4,446
Prepayments	81,469	79,560
	113,298	125,059

(Amounts in thousand)

11. **OTHER RECEIVABLES - considered good**

	2019	2018
	----------------(Rupees)----------------	
Delayed payment charges (notes 11.1 and 11.2)	2,485,061	1,353,411
Receivable from associated undertakings (note 11.3):		
- Engro Energy Limited	2,537	1,964
- Engro Powergen Thar (Private) Limited	792	793
- Engro Corporation Limited	1,706	-
- Sindh Engro Coal Mining Company Limited	3,981	4,566
	9,016	7,323
Reimbursable cost from NEPRA in respect of:		
- Workers' profits participation fund (note 11.4)	301,709	220,826
Contract asset (note 11.5)	416,382	-
Sales tax refundable	5,566	-
Others	7,707	5,481
	3,225,441	1,587,041

11.1 This represents mark-up on overdue trade debts, as referred to in note 8.2, of which Rs. 1,463,031 (2018: Rs. 1,078,469) is overdue.

11.2 The aging of overdue delayed payment charges is as follows:

	2019	2018
	----------------(Rupees)----------------	
Upto 3 months	-	114,984
3 to 6 months	288,750	86,162
More than 6 months	1,174,281	877,323
	1,463,031	1,078,469

11.3 These receivables are unsecured and interest free. The maximum amount outstanding at the end of any month from related parties aggregated to Rs. 92,304 (2018: Rs. 31,945). None of the receivables are past due or impaired.

11.4 This includes outstanding invoiced amount of Nil (2018: Rs. 89,417).

11.5 This represents take-or-pay cost in accordance with section 3.3 of the GSA, associated with the "Monthly Energy Shortfall" for the months of November and December 2019 as disclosed in note 17.4.

(Amounts in thousand)

12. BALANCES WITH BANKS

	2019	2018
	----------------(Rupees)----------------	
Current accounts:		
- Local currency	3,200	2,357
Deposit accounts:		
- Foreign currency (note 12.1)	4,259	3,757
- Local currency (notes 12.2)	4,927	6,626
	12,386	12,740

12.1 Foreign currency deposits carry return at the rate of 0.05% (2018: 0.1%) per annum.

12.2 Local currency deposits carry return at the rate of 11.25% (2018: 8%) per annum.

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

13. SHARE CAPITAL

13.1 Authorised capital

2019	2018		2019	2018
-------(Number of Shares)-------			----------------(Rupees)----------------	
330,000,000	330,000,000	Ordinary shares of Rs. 10 each	3,300,000	3,300,000

13.2 Issued, subscribed and paid-up capital

2019	2018		2019	2018
-------(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

13.2.1 As at December 31, 2019, Engro Energy Limited, the Holding Company, held 223,050,000 (2018: 223,050,000) ordinary shares of the Company.

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

(Amounts in thousand)

14. 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.

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. 56,200 (2018: Rs 50,835) as at December 31, 2019 (note 9). 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.

15. HEDGING RESERVE

The Company entered into exchange rate forward agreements with its bank for amounts aggregating to Nil (2018: USD 8,900) to manage exchange rate exposure on repayments of its long-term borrowing (note 16) and made a gain of Nil (2018: Rs. 64,679) on these covers. Under the aforementioned agreements the Company paid respective rates agreed at the initiation of the respective agreements on the settlement date.

	2019	2018
	----------------(Rupees)----------------	
16. BORROWINGS, secured		
Long-term borrowings	857,047	3,563,099
Less: Current portion shown under current liabilities	(857,047)	(2,804,531)
	-	758,568

16.1 The Company entered into a financing agreement with a consortium comprising of international financial institutions amounting to USD 144,000. The finance carries mark-up at the rate of six months LIBOR plus 3% payable semi-annually over a period of ten years. The principal is repayable in twenty semi-annual instalments commencing from December 15, 2010. As at December 31, 2019, the outstanding balance of the borrowing was USD 5,560 (2018: USD 25,722).

The borrowing is secured by an equitable mortgage on the immovable property and the hypothecation of current and future assets of the Company, except receivables from NTDC in respect of Energy Purchase Price. Further, the Company has also extended a letter of credit in favour of the senior lenders, as referred to in note 19.

(Amounts in thousand)

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

	2019	2018
	----------------(Rupees)----------------	
Balance as at January 1	3,563,099	4,871,233
Amortisation of transaction cost	8,122	8,122
Repayments	(3,106,359)	(2,422,778)
Exchange loss	392,185	1,106,522
Balance as at December 31	857,047	3,563,099

17. TRADE AND OTHER PAYABLES

	2019	2018
Creditors	6,503,511	3,665,443
Accrued liabilities (note 17.1)	1,013,032	1,107,007
Security deposits (note 17.2)	477	2,741
Payable to related parties:		
- Defined contribution funds maintained by Engro Corporation Limited	9,922	9,107
- Engro Corporation Limited	-	5,500
- Engro Vopak Terminal Limited	-	456
- Engro Polymer and Chemicals Limited	-	46
- Engro Energy Services Limited	2,350	-
Provisions (note 17.3)	429,002	401,417
Sales tax payable	-	7,990
Contract liability (note 17.4)	416,382	
Withholding tax payable	5,303	5,295
Workers' profits participation fund (note 17.5)	26,860	36,409
	8,406,839	5,241,411

17.1 Includes accrual in respect of gas charges amounting to Rs. 414,492 (2018: Rs. 786,118).

17.2 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.

17.3 These represent provisions recognised on a prudence basis in respect of certain claims raised against the Company.

17.4 This represents the 'Monthly Energy Shortfall' for the months of November and December 2019 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 despatch of this undelivered and unexpired aggregate minimum energy shortfall in accordance with Section 9.2 of the PPA.

(Amounts in thousand)

17.5 Workers' profits participation fund

	2019	2018
	----------------(Rupees)----------------	
Payable at the beginning of the year	36,409	13,312
Add: Allocation for the year (note 26)	170,300	131,409
	206,709	144,721
Less:		
- Interest (note 25.2)	658	184
- Payment made during the year	(180,507)	(108,496)
Payable at the end of the year	26,860	36,409

18. SHORT-TERM BORROWINGS, secured

	2019	2018
Finances under mark-up arrangements (note 18.1)	3,712,840	3,758,495

18.1 The Company has Working Capital / Running Finance Facility Agreements with Allied Bank Limited, MCB Bank Limited, The Bank of Punjab, Soneri Bank Limited, Faysal Bank Limited and Habib Metropolitan Bank Limited under which Rs. 2,762,840 (2018: Rs. 2,908,495) have been utilised as at December 31, 2019. In addition, the Company has also utilised a mark-up arrangement with Pak Kuwait Investment Company (Private) Limited amounting to Rs. 950,000 (2018: 850,000) for a period of one year which has been extended upto April 2020.

18.1 The available facilities under these mark-up arrangements aggregate to Rs. 6,700,000 (2018: Rs. 4,500,000). The facilities carry mark-up at the rate of 3 - 6 month KIBOR plus 0.0% - 0.5% (2018: 3 month KIBOR plus 0.0% - 0.5%). The facilities are secured by (i) lien over Energy Purchase Price (EPP) account and charge over present and future receivables from the Power Purchaser in respect of EPP; and (ii) first charge over current assets of the Company and subordinated charge over present and future plant, machinery, equipment and other movable assets and immovable properties of the Company. The use of these facilities are restricted for payments of operations and maintenance cost of the power plant and payments to fuel suppliers against purchase of fuel.

19. CONTINGENCIES AND COMMITMENTS

	2019	2018
	----------------(Rupees)----------------	
Contingent liabilities - guarantees (note 19.1)	2,496,126	2,496,126
Commitments in respect of :		
- letter of credit in favour of Company's senior lenders (note 16.1)	1,246,155	1,115,804
- others	518	148,105
	1,246,673	1,263,909

19.1 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.

19.2 A corporate guarantee amounting to USD 10,000 has been issued by Engro Corporation Limited in favour of the Company's bank to secure the repayment of foreign currency loan instalments to its senior lenders.

(Amounts in thousand)

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

	2019	2018
	(Rupees)	
20. SALES		
Capacity purchase price	4,889,307	4,037,816
Energy purchase price	9,724,791	9,168,762
	14,614,098	13,206,578
Less: Sales tax (note 20.1)	1,413,004	1,332,213
	13,201,094	11,874,365

20.1 Sales tax of Rs. 1,413,004 (2018: Rs. 1,332,213) relates to energy purchase price.

	2019	2018
	(Rupees)	
21. COST OF SALES		
Gas and fuel oil consumed	7,535,693	7,039,278
Depreciation (note 4.1.2)	812,308	764,517
Amortisation (note 5.1)	9,215	8,451
Operation and maintenance expense (note 21.1)	851,291	-
Salaries, wages and staff welfare (note 21.2)	123,270	557,335
Insurance	213,294	213,447
Travelling	1,864	22,183
Repairs and maintenance	2,225	65,620
Purchased services (note 21.3)	13,675	14,367
Stores and spares consumed	316	38,591
Security	-	54,547
Communication and other office expenses	13,502	59,657
	9,576,653	8,837,993

21.1 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.

21.2 Salaries, wages and staff welfare include Rs. 3,199 (2018: Rs. 25,994) in respect of staff retirement benefits.

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

(Amounts in thousand)

	2019	2018
	(Rupees)	
22. ADMINISTRATIVE EXPENSES		
Salaries, wages and staff welfare (note 22.1)	48,243	72,115
Purchased services (note 21.3)	20,512	19,735
Communication and other office expenses	13,741	27,452
Depreciation (note 4.1.2)	1,045	1,031
Amortisation (note 5.1)	1,034	1,381
Travelling	2,796	3,868
	87,371	125,582

22.1 Salaries, wages and staff welfare include Rs. 4,799 (2018: Rs. 4,705) in respect of staff retirement benefits.

	2019	2018
	(Rupees)	
23. OTHER EXPENSES		
Legal and professional services	48,415	61,344
Contributions for corporate social responsibility (note 23.1)	23,867	18,408
Auditors' remuneration (note 23.2)	2,755	3,286
Write-off of operating assets	-	4,856
	75,037	87,894

23.1 These include Rs. 12,750 (2018: Rs. 10,650) paid to Engro Foundation (an associated undertaking) and Rs. 11,100 (2018: Rs.3,844) paid to Engro Corporation Limited for reimbursement of salaries of Engro Corporation Limited employees rendering services to Engro Foundation.

	2019	2018
	(Rupees)	
23.2 Auditors' remuneration		
Fee for:		
- annual statutory audit	690	580
- half yearly review	190	175
- other services	1,149	1,407
- taxation services	361	972
- review of compliance with the Code of Corporate Governance	50	45
Out of pocket expenses	315	107
	2,755	3,286

	2019	2018
24. OTHER INCOME		
Financial assets:		
Exchange gain	415	761
Non-financial assets:		
Reclassification of hedge to profit or loss	874	874
Liabilities written back	344	150
	1,633	1,785

(Amounts in thousand)

		2019	2018
		----------------(Rupees)----------------	
25.	**FINANCE COST**		
	Interest / mark-up on:		
	- long-term borrowing	176,603	266,282
	- short-term borrowings	393,761	189,303
	Financial / bank charges (note 25.2)	630,433	281,121
		1,200,797	736,706
	Less:		
	Interest income on bank deposits	(11,484)	(3,665)
	Delayed payment charges - overdue trade debts	(1,131,650)	(537,036)
		57,663	196,005

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

25.2 Includes interest of Rs. 658 (2018: Rs. 184) on payments due to Workers' profits participation fund.

		2019	2018
		----------------(Rupees)----------------	
26.	**WORKERS' PROFITS PARTICIPATION FUND**		
	Provision for :		
	- Workers' profits participation fund (note 17.5)	170,300	131,409
	Recoverable from CPPA	(170,300)	(131,409)
		-	-

26.1 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).

		2019	2018
		----------------(Rupees)----------------	
27.	**TAXATION - current**		
	For the year	3,321	1,063

27.1 Represents tax at the rate of 29% (2018: 29%) on bank profits 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)

		2019	2018
		----------------(Rupees)----------------	
28.	**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	3,402,682	2,627,613
		--------Number of Shares--------	
	Weighted average number of ordinary shares (in thousand)	323,800	323,800
		----------------(Rupees)----------------	
	Earnings per share - basic and diluted	10.51	8.11
29.	**CASH GENERATED FROM OPERATIONS**		
	Profit before taxation	3,406,003	2,628,676
	Adjustment for non-cash charges and other items:		
	- Depreciation (note 4.1.2)	813,353	765,548
	- Amortisation (note 5.1)	10,249	9,832
	- Provisions	27,585	90,850
	- Write-off of operating assets (note 23)	-	4,856
	- Reclassification of hedge to profit and loss (note 24)	(874)	(874)
	- Amortisation of transaction cost	8,122	8,122
	- Interest income	(11,484)	(3,665)
	- Finance cost	570,364	455,585
	Working capital changes (note 29.1)	(674,748)	(498,803)
		4,148,570	3,460,127
29.1	**Working capital changes**		
	Decrease / (increase) in current assets:		
	Inventories	31,966	(13,967)
	Trade debts	(2,204,992)	(2,030,135)
	Loans, advances, deposits, prepayments - net	(1,165)	(9,595)
	Other receivables	(1,638,400)	(249,237)
		(3,812,591)	(2,302,934)
	Increase in current liabilities:		
	Trade and other payables	3,137,843	1,804,131
		(674,748)	(498,803)

(Amounts in thousand)

	2019	2018
	----------------(Rupees)----------------	
30. CASH AND CASH EQUIVALENTS		
Short-term investments (note 9)	-	50,004
Balances with banks (note 12)	12,386	12,740
Short-term borrowings (note 18)	(3,712,840)	(3,758,495)
	(3,700,454)	(3,695,751)

31. **REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

31.1 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:

	2019			2018		
	Directors		Executives	Directors		Executives
	Chief Executive	Others		Chief Executive	Others	
	----------(Rupees)----------					
Managerial remuneration	8,450	-	18,620	17,117	-	228,796
Contribution for staff retirement benefits	1,073	-	2,972	1,785	-	22,644
Bonus	2,797	-	2,848	13,690	-	58,565
Other benefits	1,522	-	3,533	66	-	1,951
Fees for attending meetings	-	1,700	-	-	1,900	-
Total	13,842	1,700	27,973	32,658	1,900	311,956
Number of persons, including those who worked part of the year	1	11	7	1	7	51

31.2 The Company also provides Company owned vehicles and equipment for the use of Chief Executive and certain executives of the Company.

	2019	2018
	----------------(Rupees)----------------	
32. FINANCIAL INSTRUMENTS BY CATEGORY		
32.1 Financial assets as per statement of financial position		
- Financial assets at amortized cost		
Long term deposits	2,574	2,574
Loans, advances and deposits	66,488	145,556
Trade debts	9,806,697	7,601,705
Short-term investments	49,963	50,004
Other receivables	2,803,493	1,587,041
Balances with banks	12,386	12,740
	12,741,601	9,399,620
32.2 Financial liabilities as per statement of financial position		
- Financial liabilities at amortized cost		
Borrowings	4,569,887	7,321,594
Trade and other payables	7,519,370	4,781,193
Accrued interest / mark-up	92,640	53,892
	12,181,897	12,156,679

33. **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

33.1 **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, bank deposits maintained in foreign currency accounts, foreign currency borrowings and related interest payments. The Company, at its discretion, manages the currency risk through forward exchange contracts.

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, 2019.

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 or mutual funds which in turn are deposited in financial institutions with 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 and other receivables 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:

	2019	2018
	----------------(Rupees)----------------	
Long-term deposits	2,574	2,574
Loans, advances and deposits	66,488	145,556
Trade debts	2,108,293	2,636,879
Short-term investments	49,963	50,004
Other receivables	1,340,462	508,572
Balances with banks	12,386	12,740
	3,580,166	3,356,325

While contract assets are also subject to the impairment requirements of IFRS 9, no losses were expected thereagainst.

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

Trade debts (note 8.2)	7,698,404	4,964,826
Other receivables (note 11.2)	1,463,031	1,078,469
	9,161,435	6,043,295

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 18.1.

All the financial liabilities of the Company are payable within one year from the reporting date.

34. 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, 2019 and December 31, 2018, the fair values of all assets and liabilities reflected in the financial statements approximate the carrying amounts.

(Amounts in thousand)

35. 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.

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.

	2019	2018
	----------------(Rupees)----------------	
The proportion of debt to equity at the year end was:		
Total borrowings (notes 16 and 18)	4,569,887	7,321,594
Less: Balances with banks (note 12)	12,386	12,740
Net debt	4,557,501	7,308,854
Total equity	13,963,183	11,532,775
Total capital	18,520,684	18,841,629
Gearing ratio	0.25	0.39

36. NUMBER OF EMPOLYEES

	Total number of employees		Average number of employees	
	2019	2018	2019	2018
Management employees	13	65	39	65
Non- management employees	-	42	21	43
	13	107	60	108

37. CAPACITY AND PRODUCTION

	2019	2018
	-----------------(MWh)-----------------	
Maximum generation possible	1,867,043	1,863,724
Declared capacity billed	1,865,583	1,862,203
Net electrical output	1,097,427	1,526,309

(Amounts in thousand)

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

38. TRANSACTIONS WITH RELATED PARTIES

38.1 The following are the names of associated companies, 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	Commom 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
Engro Corporation Limited - MPT Employees Pension Fund	N/A	Post employment benefits
Shahab Qader	N/A	Chief Executive Officer
Shabbir Hashmi	N/A	Director
Aliya Yusuf	N/A	Director
Shahid Hamid Piracha	N/A	Director
Javed Akbar	N/A	Director
Vaqar Zakaria	N/A	Director
Fauzia Viqar	N/A	Director
Kaiser Bengali	N/A	Director
Rabia Wafah Khan	N/A	Key management personnel
Zia Haider	N/A	Key management personnel
Imran Aslam	N/A	Key management personnel

38.2 Related parties comprise Dawood Hercules Corporation Limited, Engro Corporation Limited, Engro Energy Limited (formerly Engro Powergen Limited) and their associates. Related parties also include directors, retirement benefits funds and key management personnel. Details of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

(Amounts in thousand)

Nature of relationship	Nature of transactions	2019	2018
		----------------(Rupees)----------------	
Holding Company			
	Purchase of services	141,631	172,659
	Services rendered	49,480	17,963
	Contribution for Corporate Social Responsibility (CSR) activities	11,100	4,569
	Dividend paid	334,599	669,197
Associated companies			
	Purchase of services	6.933	55,302
	Services rendered	310,007	30,432
	Contribution for CSR activities	12,750	-
	Operation and maintanance fee	1,001,931	-
Key management personnel			
	Managerial remuneration, including bonuses	18,458	41,391
	Contribution / Charge for retirement benefit schemes	1,423	3,434
Staff retirement benefits			
	Managed and operated by Engro Corporation Limited		
	- Gratuity fund	7,653	13,536
	- Provident fund	22,567	41,713
	- Pension fund	-	953

39. **CORRESPONDING FIGURES**

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

Description	Reclassified		Amount
	From	To	(Rupees)
Legal and professional services	Cost of sales	Other expenses	26,270
Legal and professional services	Administrative expenses	Other expenses	35,074
Contributions for corporate social responsibility	Administrative expenses	Other expenses	18,408
Auditor's remuneration	Administrative expenses	Other expenses	3,286
Other receivables	Loans, advances, deposits, prepayments and other receivables	Other receivables	1,587,041

40. **DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorised for issue on February 07, 2020 by the Board of Directors of the Company.

41. **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 24th day of March, 2020 and at any adjournment thereof.

Signed this ____________ day of ________ 2020.

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., Shahra-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

2019 میں بورڈ آڈٹ کمیٹی نے 4 میٹنگز کا انعقاد کیا۔ سال کے دوران کمیٹی کی دوبارہ تشکیل کی گئی۔ ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے۔

ڈائریکٹرز کے نام	حاضری
جناب جاوید اکبر**	3
محترمہ عالیہ یوسف**	3
جناب قیصر بنگالی*	0
جناب شبیر ہاشمی	4
جناب حسنین موچھالا*	1

*14 اکتوبر 2019 کو بی اے سی مقرر۔

**14 اکتوبر 2019 کو مدتِ ملازمت کے اختتام پر مستعفی۔

2019 میں بورڈ پیپلز کمیٹی نے 2 میٹنگز منعقد کیں۔ سال کے دوران کمیٹی کی دوبارہ تشکیل کی گئی۔ ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے۔

ڈائریکٹرز کے نام	حاضری
جناب احسن ظفر سید*	1
جناب حسنین موچھالا*	2
محترمہ فوزیہ وقار**	0
جناب شہاب قادر**	0
جناب جاوید اکبر***	2
جناب وقار ذکریا*	2

*14 اکتوبر 2019 کو منعقدہ ڈائریکٹرز کے انتخاب میں دوبارہ منتخب۔

**14 اکتوبر 2019 کو بی پی سی مقرر۔

***14 اکتوبر 2019 کو مدتِ ملازمت کے اختتام پر مستعفی۔

شہاب قادر
چیف ایگزیکٹو آفیسر

حسنین موچھالا
ڈائریکٹر

7 فروری 2020

engro powergen qadirpur

پراکسی فارم

میں/ہم ______ کی طرف

سے ______ بحیثیت اینگرو پاور جن قادر پور لمیٹڈ کے رکن، اور ______ (حصص کی تعداد) عمومی حصص یافتہ جن کی مالیت فی حصص

رجسٹر فولیو نمبر ______ اور/یا سی ڈی سی participant آئی ڈی نمبر ______ اور ذیلی 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 24 مارچ 2020ء کو منعقد کیا جائے گا۔

دستخط ______ مورخہ/بتاریخ ______ / ______ 2020۔

گواہان:

۱۔ دستخط : ______

نام : ______

پتہ : ______

______

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر : ______

پاسپورٹ نمبر : ______

۲۔ دستخط : ______

نام : ______

پتہ : ______

______

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر : ______

پاسپورٹ نمبر : ______

______

دستخط شیئر ہولڈر

دستخط کمپنی میں کئے جانے والے دستخط سے مماثلت رکھتے ہوں

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 منظور شدہ کاپی اس فارم کے ساتھ کمپنی کو بھیجنی ہے

بورڈ آڈٹ کمیٹی کی تشکیل مندرجہ ذیل ہے۔

مسٹر قیصر بنگالی
جناب حسنین موچھالہ
جناب شبیر ہاشمی

بورڈ پیپلز کمیٹی (سابقہ بورڈ کمپنسیشن کمیٹی) کی تشکیل مندرجہ ذیل ہے۔

محترمہ فوزیہ وقار*
جناب شہاب قادر
جناب وقار زکریا

*14 اکتوبر 2019 کو منتخب صدر

ڈائریکٹرز کا معاوضہ

بورڈ ممبروں کے معاوضے کی منظوری بورڈ نے ہی دی ہے۔ تاہم، کارپوریٹ گورننس کے کوڈ کے مطابق، یہ یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے معاوضے کے فیصلے میں حصہ نہیں لے گا۔ کمپنی اجلاسوں میں شرکت کے لئے نان ایگزیکٹو ڈائریکٹرز کو معاوضہ ادا نہیں کرتی ہے، ماسوائے اجلاس میں شرکت کی فیس۔ بہترین خدمات کے لئے، کمپنی کی معاوضہ پالیسیاں مروجہ انڈسٹری کے رجحانات اور کاروباری طریقوں کے مطابق تشکیل دی گئی ہیں۔ 2019 میں ڈائریکٹرز اور چیف ایگزیکٹو آفیسر کی معاوضے سے متعلق معلومات کے لئے براہِ مہربانی مالی بیانات دیکھیں۔

ڈائریکٹرز کی ذمہ داریاں

ڈائریکٹرز مندرجہ ذیل کے لئے کارپوریٹ گورننس کے ایس ای سی پی کوڈ کے کارپوریٹ اور مالی رپورٹنگ فریم ورک کی تعمیل کی تصدیق کرتے ہیں۔

1 کمپنی کے زیرِ انتظام تیار کردہ مالی بیانات، اس کی امور کی منصفانہ حیثیت، اس کے آپریشن، کیش فلو اور ایکویٹی میں تبدیلی کا نتیجہ پیش کرتے ہیں۔

2 کمپنی کے اکاؤنٹس کی مناسب کتابیں برقرار رکھی گئی ہیں۔

3 مالی بیانات کی تیاری کے لئے مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو کی جاتی ہیں اور محاسبہ کا تخمینہ مناسب محتاط فیصلے پر مبنی ہوتا ہے۔

4 بین الاقوامی مالیاتی رپورٹنگ کے معیارات، جیسا کہ پاکستان میں قابل اطلاق ہیں، اس کا مالی بیانات کی تیاری میں خیال رکھا گیا ہے اور وہاں سے کسی بھی اخراج کا مناسب طور پر انکشاف کیا گیا ہے۔

5 اندرونی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اسے موثر انداز میں نفاذ اور نگرانی کی گئی ہے۔

6 کمپنی کی کاروبار جاری رکھنے کی صلاحیت پر کوئی خاص شبہات نہیں ہیں

7 کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی اخراج نہیں ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل ہے۔

بورڈ میٹنگز اور حاضری

2019 میں بورڈ آف ڈائریکٹرز نے 6 میٹنگز کا انعقاد کیا۔ ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے۔

ڈائریکٹرز کے نام	حاضری
جناب احسن ظفر سید (دوبارہ منتخب شدہ)**	5
جناب شہاب قادر خان** (دوبارہ منتخب شدہ سی ای او)	6
جناب شبیر ہاشمی (دوبارہ منتخب شدہ)**	6
جناب وقار ذکریا (دوبارہ منتخب شدہ)**	3
جناب حسنین موچھالا (دوبارہ منتخب شدہ)**	6
جناب قیصر بنگالی (منتخب شدہ)**	3
محترمہ فوزیہ وقار (منتخب شدہ)**	3
جناب محسن علی منگی*	1
جناب جاوید اکبر***	3
جناب شاہد حامد پراچہ***	3
جناب محمد ثاقب****	1

*27 مئی 2019 کو بورڈ سے مستعفی۔

**14 اکتوبر 2019 کو منعقدہ ڈائریکٹرز کا انتخاب۔

***14 اکتوبر 2019 کو مدتِ ملازمت کے اختتام پر مستعفی۔

****14 اکتوبر 2019 کو مستعفی ہوئے اور خالی آسامی پُر کی۔

ہو گئے، اور ان کے ذریعے تکنیکی تربیت معروف اداروں نے پیش کی۔ کاروباری ضروریات کو پورا کرنے کے لئے کورسز کا بہت سوچ سمجھ کر انتخاب کیا گیا تھا۔ فریم ورک کے ذریعے ملازمین کو اپنے اپنے شعبوں کے جدید ترین تکنیکی معیار کا تجربہ کرنے کا موقع ملا، جس نے ان کی پیشہ ورانہ نمو میں بے حد مدد کی۔

ہم کسی بھی پیرامیٹر پر تعصب کے بغیر، مختلف پس منظر سے لوگوں کی بھرتی یقینی بناتے ہیں۔ ہم خواتین کی بھرتی اور انکی ملازمت برقرار رکھنے بالخصوص تنظیم کی اعلیٰ سطح پر پر زور دیتے ہیں۔ ہم یہ بھی تسلیم کرتے ہیں کہ تنوع کئی شکلوں میں آتا ہے۔ اینگرو نے ایک ایسی پالیسی متعین کی ہے جس میں مختلف اہل افراد کی بھرتی کے سلسلے میں مثبت عمل کی ترغیب دی گئی ہے۔ تاہم، ہمیں یہ احساس ہوا کہ مختلف مہارتوں سے کام کرنے والوں کے ساتھ کام کرتے ہوئے واقعی شمولیت اور متنوع ہونے کے لئے، ہم سب کو مل کر معاملات سے متعلق حساس ہونے کیلئے کام کرنا ہوگا۔ اس کے نتیجے میں، بہتر ماحول کیلئے ہم نے کمپنی میں ہراساں کرنے کے واقعات سے بچاؤ کیلئے وائیڈ ڈس ایبلیٹی ایکویلٹی کی ٹریننگ دی اور اس سلسلے میں جانچ کا انتظام بھی کیا۔

گزشتہ سالوں کی طرح، کمپنی نے ایمپلائی انگیجمنٹ سروے کیا، یہ مشق وقتاً فوقتاً کی جاتی ہے، اس بات کا تعین کرنے کے لئے کہ افرادی قوت، کمپنی اور اس کی پالیسیوں سے کس حد تک مطمئن ہے۔ اس طرح کے سروے سے انتظامیہ کو ملازمین پر ان کی پالیسیوں کے اثرات کا تعین کرنے میں مدد ملتی ہے، اور اگر ضرورت ہو تو اصلاحی اقدامات متعارف کروائے۔ اس کا مقصد یہ ہے کہ موجودہ ملازم انگیجمنٹ انڈیکس (EEI) کو بہتر بنانے کیلئے مستقل اور واضح کوششیں کریں۔ سال کے دوران کمپنی 88 فیصد کا زبردست انڈیکس برقرار رکھی۔

صحت، حفاظت اور ماحول

ہم نہ صرف اپنے لوگوں کی قدر کرتے ہیں بلکہ ہم جس ماحول میں کام کرتے ہیں اس کے بارے میں بھی جانتے ہیں۔ ہماری کمپلائنس اور گورننس کی سرگرمیوں نے یہ بات یقینی بنائی ہے کہ ای پی کیو ایل کی کارروائیوں اور ایچ ایس ای کے معیارات عالمی سطح پر بہترین طریقہ ء کار کے برابر ہیں۔ ہم نے نیشنل اینوائرمنٹل کوالٹی اسٹینڈرڈز (NEQS) اور ورلڈ بینک گروپ کے رہنما اصولوں کی 100 فیصد تعمیل کو یقینی بنایا۔

کمپنی نے ISO 14001 اور OHSAS 18001 کی ریٹنگ کامیابی کے ساتھ حاصل کیں، جو HSE کے عزم کی عکاسی کرتی ہیں۔ ہمارے لوگوں اور آس پاس کی برادریوں کے لئے محفوظ اور خطرات سے پاک ماحول کو یقینی بنانے کی ہماری کوششوں نے مضر مادے کو مینیج اور ذخیرہ کرنے کے لئے SEPA سے این او سی حاصل کرنے میں ہماری مدد کی۔

0

2019 میں
لوس ورک ڈے انجریز (LWI)

حفاظت پر ہمیشہ ہماری پوری توجہ رہی ہے۔ ہمارے پروسیس سیفٹی مینجمنٹ (PSM) اور پروسیس سیفٹی اینڈ رسک مینجمنٹ (PSRM) سسٹم کے معیار کی عکاسی اس حقیقت سے ہوتی ہے کہ کمپنی نے زیرو لاس ورک ڈے انجری کو برقرار رکھا ہے۔ اس منصوبے کی کمرشل آپریشنز ڈیٹ (سی او ڈی) کے بعد سے، ایل ڈبلیو آئی کے بغیر 7.2 ملین سیف مین آورز اور 3200 دن سے زیادہ محفوظ طریقے سے مکمل ہوئے۔ ہمارے لوگوں کے لئے محفوظ کام کی جگہ فراہم کرنے کے ہمارے عزم کو نیشنل فورم فار انوائرمنٹ اینڈ ہیلتھ (NFEH) نے تسلیم کیا اور ہمیں 2018 میں فائر سیفٹی ایوارڈ ملا۔

ماحول سے وابستگی بھی ہماری ایچ ایس ای کی کاوشوں کا لازمی جزو ہے۔ ہم 2019 میں اپنے گرین آفس کی ری سرٹیفیکیشن میں کامیاب رہے ہیں جبکہ ہمارے ماحولیاتی بہتری کے لئے اقدامات کی کوششوں کو بھی مختلف بلدیاتی اداروں نے تسلیم کیا ہے۔

مستقبلِ قریب کا منظرنامہ

دیکھا گیا کہ بجلی کے نئے منصوبے ان ٹیکنالوجیز پر مبنی ہیں جو میرٹ آرڈر سے باہر ہیں یا میرٹ آرڈر میں EPQL سے زیادہ ہیں، جس کے باعث EPQL کی ڈسپیچ آئندہ سال میں متاثر ہوگی۔ مزید برآں، طلب میں اضافے کو دباؤ میں رکھنے کی وجہ سے معیشت میں سست روی کے ساتھ صارفین متبادل اختیارات کی طرف گامزن ہو رہے ہیں۔

جیسا کہ پہلے ذکر کیا گیا ہے، حکومتِ پاکستان توانائی کے شعبے میں سرکلر ڈیٹ کو ختم کرنے میں کامیاب نہیں ہے۔ ہم سمجھتے ہیں کہ اس کی اصل وجوہات کو حل کرنے کے لئے ٹھوس اقدامات کی عدم موجودگی میں، سرکلر قرضہ انڈسٹری کو آگے بڑھنے کے لئے ایک رکاوٹ رہے گا۔

جانے والے سال کے دوران، کمپنی نے اسٹیک ہولڈرز کو کسی حل پر راضی ہونے کے لئے شامل کیا کیونکہ قادر پور فیلڈ سے گیس ختم ہو رہی ہے۔ کمپنی اسی مقصد کو حاصل کرنے کے لئے فعال طور پر کام کرتی رہے گی۔

اہم شیئر ہولڈنگ اور حصص کی تجارت

31 دسمبر، 2019 تک، کمپنی کی سب سے بڑا حصص یافتہ کمپنی اینگرو انرجی لمیٹڈ سابقہ اینگرو پاور جن لمیٹڈ ہے۔ شیئر ہولڈرز کی مخصوص کلاسز کی شیئر ہولڈنگ کے طریقے کے ساتھ شیئر ہولڈنگ کیا عمومی طریقہ، جن کا رپورٹنگ فریم ورک کے تحت انکشاف درکار ہے اور ڈائریکٹرز اور ان کے شریک حیات اور نابالغ بچوں کے ذریعہ حصص کی خرید و فروخت کا معاملہ اس رپورٹ میں آگے دکھایا گیا ہے۔

آڈیٹر

موجودہ آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کو، چارٹرڈ اکاؤنٹنٹ ریٹائر ہو رہے ہیں اور اہل ہیں، نے دوبارہ تقرری کے لئے پیش کیا۔ بورڈ آڈٹ کمیٹی 31 دسمبر 2020 کو ختم ہونے والے سال کے لئے بطور آڈیٹر ان کی تقرری کی سفارش کرتی ہے۔

منافع منقسمہ

سال کے دوران، کمپنی نے 29 اگست 2019 اور 20 دسمبر 2019 کو ہر حصص میں 1.50 پاکستانی روپے فی حصص کے دو عبوری منافع کا اعلان کیا۔

ریٹائرمنٹ بینیفٹ فنڈز

کمپنی اپنے منصوبوں کو برقرار رکھتی ہے جو اپنے ملازمین کے لئے ملازمت کے بعد ریٹائرمنٹ فوائد فراہم کرتی ہے۔ ان میں ڈیفائنڈ کونٹری بیوشن (ڈی سی) گریجوئٹی فنڈ اور ڈی سی پروویڈنٹ فنڈ شامل ہیں۔ اینگرو کارپوریشن گریجوئٹی فنڈز اور اینگرو کارپوریشن پروویڈنٹ فنڈ کا انتظام پیرنٹ کمپنی اینگرو کارپوریشن لمیٹڈ اپنے ملازمین اور اس کی ذیلی کمپنیوں کے لئے کرتے ہیں، جس میں اینگرو پاور جن قادر پور لمیٹڈ شامل ہیں۔

مذکورہ فنڈز ٹیکس حکام کے ذریعے تسلیم شدہ ہیں اور کمپنیز ایکٹ 2017 کے سیکشن 218 کے مطابق ہیں۔

ریٹائرمنٹ فنڈ	اینگرو کارپوریشن پروویڈنٹ فنڈ 1	اینگرو کارپوریشن گریجوئٹی فنڈز 1
	رقم ملین میں	
کل اثاثہ جات	4,725	2,248
سیونگ اسکیمز	1,502	984
حکومتی سیکیورٹیز	522	563
سکوک سرٹیفکیٹس	132	55
فہرست شدہ سیکیورٹیز	931	450
بینک اور ٹرم ڈپازٹ کا بیلنس	973	166
دیگر	665	30
کل	4,725	2,248

*غیر آڈٹ شدہ

رقم میں اینگرو کے دیگر ماتحت اداروں کا بیلنس بھی شامل ہے اور مرکزی طور پر اینگرو کارپوریشن لمیٹڈ کے زیرِ انتظام ہے

31 دسمبر 2019 تک بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیوں کی تشکیل

1 مندرجہ ذیل کے مطابق بورڈ آف ڈائریکٹرز کی کل تعداد سات ہے۔

a مرد: 6

b عورت: 1

بورڈ آف ڈائریکٹرز کی تشکیل مندرجہ ذیل ہے۔

آزاد ڈائریکٹرز	مسٹر قیصر بنگالی محترمہ فوزیہ وقار
ایگزیکٹو ڈائریکٹر	جناب شہاب قادر
نان ایگزیکٹو ڈائریکٹرز	جناب احسن ظفر سید جناب حسنین موچھالہ جناب شبیر ہاشمی جناب وقار زکریا

اینگرو پاور جن قادر پور لمیٹڈ

ڈائریکٹرز رپورٹ برائے مالی سال ۳۱ دسمبر 2019

اینگرو پاور جین قادر پور لمیٹڈ (EPQL) کے ڈائریکٹرز انتہائی مسرت کے ساتھ غیر آڈٹ شدہ مالیاتی معلومات اور 31 دسمبر 2019 کو ختم ہونے والے سال کیلئے کمپنی کی کارکردگی کا جائزہ پیش کرتے ہیں۔

اہم مقصد

اینگرو پاور جن قادر پور لمیٹڈ (ای پی کیو ایل) بجلی کی پیداوار اور فروخت کے کاروبار کو شروع کرنے کے بنیادی مقصد کے ساتھ قائم کیا گیا تھا۔ کمپنی نے قادر پور، ضلع گھوٹکی کے قریب 217.3 میگاواٹ کا مشترکہ سائیکل پاور پلانٹ قائم کیا اور 27 مارچ 2010 کو تجارتی کاروائیاں شروع کیں۔ یہ منصوبہ غیر معمولی ہے کیونکہ اس سے گیس (کم بی ٹی یو اور اعلیٰ سلفر گیس) تبدیل ہو جاتی ہے جو پہلے ضائع ہو چکی تھی۔ ایندھن کے منفرد استعمال نے اینگرو پاور جن قادر پور لمیٹڈ کو ملک کے سب سے کم لاگت والے تھرمل پاور پلانٹس میں سے ایک بنا دیا ہے۔ 26 اکتوبر 2007 کو دستخط شدہ پاور پرچیز ایگریمنٹ (پی پی اے) کے تحت بجلی نیشنل ٹرانسمیشن اینڈ ڈسپیچ کمپنی (این ٹی ڈی سی) کو منتقل کی جاتی ہے۔ یہ معاہدہ تجارتی کارروائیوں کے آغاز کی تاریخ سے 25 سال کی مدت کے لئے فعال ہے۔

یہ کمپنی اینگرو انرجی لمیٹڈ کا ماتحت ادارہ ہے، جو پہلے اینگرو پاور جن لمیٹڈ (ای پی ایل) تھا، جس کے کمپنی میں 68.89 فیصد کے اکثریتی حصص ہیں۔ یہ کمپنی 2014 میں پاکستان اسٹاک ایکسچینج (پی ایس ایکس) میں فہرست شدہ تھی۔

مارکیٹ کا جائزہ

پاکستان کے بجلی کے شعبے میں پچھلے کچھ سالوں میں 13 گیگا واٹ تک کی صلاحیتوں کے ساتھ ایک بڑی تبدیلی دیکھنے میں آئی ہے۔ اس نے نہ صرف طلب اور رسد کی سطح پر 3,000 میگاواٹ سپلائی کا خسارہ ختم کر دیا ہے بلکہ اس کے نتیجے میں سپلائی میں بھی اضافہ ہوا ہے۔ نئے منصوبے ہائیڈرو، آر ایل این جی، مقامی اور درآمد شدہ کوئلہ ایندھن کے ذرائع پر مبنی ہیں۔

نئے تنصیب شدہ پاور پلانٹس ان ٹیکنالوجیز پر مبنی ہیں جو یا تو میرٹ آرڈر سے باہر ہیں یا EPQL سے زیادہ ہیں، اس طرح پلانٹ کی ترسیل کو متاثر کرتی ہیں۔ EPQL نے ختم ہونے والے سال میں رکاوٹ کا مشاہدہ کیا ہے اور ترسیل اب بھی ایک چیلنج بنی ہوئی ہے۔

انڈسٹری کے لئے ایک اور اہم چیلنج یہ ہے کہ بجلی کی اضافی پیداوار کو سنبھالنے کے لئے موجودہ ٹرانسمیشن انفراسٹرکچر کو اپ گریڈ کیا جائے اور ساتھ ہی نقصانات کو کم کرنے کے لئے ڈسٹری بیوشن نیٹ ورک کو بہتر بنایا جائے۔ اس چیلنج سے نکلنے کے لئے نیشنل ٹرانسمیشن اینڈ ڈسپیچ کمپنی (این ٹی ڈی سی) موجودہ ٹرانسمیشن انفراسٹرکچر کو اپ گریڈ کر کے اور نئے سرکٹس متعارف کروا کر موجودہ ٹرانسمیشن نیٹ ورک کو بہتر بنانے کے لئے کام کر رہی ہے۔

سرکلر ڈیٹ

سال کے دوران کمپنی کی کل واجب الادا وصولیاں 31 دسمبر، 2018 کو 6,133 ملین پاکستانی روپے سے بڑھ کر 31 دسمبر، 2019 تک 9,161 ملین پاکستانی روپے ہو گئے۔ اسی طرح، توانائی کے شعبے کی مجموعی واجب الادا وصولیاں 31 دسمبر، 2018 کو 808 ارب روپے سے بڑھ کر 31 دسمبر، 2019 تک 1,051 بلین ہو گئی ہیں۔ گھریلو توانائی کے شعبے میں سرکلر ڈیٹ مستقل مسئلہ رہا ہے۔ سرکلر ڈیٹ جمع ہونے کی بنیادی وجوہات اعلیٰ ٹی اینڈ ڈی نقصانات، کم وصولی اور بجلی کی چوری اور مہنگا ایندھن ہیں۔ اگرچہ حکومت نے ایندھن کو بہتر بنانے کیلئے خاطر خواہ پیشرفت کی ہے، لیکن وہ دیگر امور کو حل کرنے میں کامیاب نہیں ہوئی۔ بجلی کے نئے منصوبے آنے کے ساتھ ہی، دائیگی میں اضافہ ہوتا رہتا ہے جبکہ طلب میں کمی ہے۔ سال کے دوران حکومت نے بجلی پیدا کرنے والوں کو سبسڈی دے کر ریلیف فراہم کیا۔ حکومت کی جانب سے اس مسئلے پر قابو پانے کے اقدامات اٹھائے جانے کے باوجود درمیانی مدت میں وفاقی حکومت اور توانائی کے شعبے کے لئے سرکلر ڈیٹ چیلنج ہے۔ اگرچہ کمپنی کی کارکردگی اور منافع مستحکم ہے، واجب الادا وصولیوں کی تعمیر سے کمپنی کی لیکویڈیٹی پر منفی اثر پڑا ہے۔ کمپنی نے ہمیشہ اپنی مالی اعانت بہتر کرنے اور تمام اسٹیک ہولڈرز کو بروقت ادائیگیوں کو یقینی بنانے کی کوشش کی ہے۔ توقع کی جارہی ہے کہ حکومت توانائی کے شعبے میں واجب الادا وصولیوں کی سطح کو نیچے لانے کے لئے ایک بار پھر قلیل مدتی اقدامات کرے گی، جو کمپنی کو مالی استحکام مہیا کر سکتی ہے۔

99.9%

لوڈ فیکٹر 2019 میں

آپریشنل جائزہ

کمپنی نے 2019 میں 99.9 فیصد دستیابی کو ممکن بنایا۔ تاہم، اس نے قومی گرڈ کو 58.8 فیصد کا لوڈ فیکٹر پیش کرتے ہوئے قومی گرڈ میں مجموعی طور پر 1,097 گیگاواٹ بجلی کی ترسیل کی، جو گزشتہ سال 81.9 فیصد تھا۔ اس سال لوڈ فیکٹر میں کمی بنیادی طور پر کم میرٹ آرڈر رینکنگ اور کم ترسیل کی وجہ سے تھی۔

مالی جائزہ

گزشتہ سال 11,874 ملین پاکستانی روپے کے مقابلے میں سال 2019 کے لئے فروخت کی آمدنی 13,201 ملین پاکستانی روپے تھی۔ فروخت آمدنی میں اضافہ بنیادی طور پر گزشتہ سال کے مقابلے میں امریکی ڈالر اور گیس کی زیادہ قیمت کی وجہ سے ہے۔ سال کے لئے مجموعی منافع 3,624 ملین پاکستانی روپے تھا جبکہ گزشتہ سال یہ 3,036 ملین پاکستانی روپے تھا۔ سال کے دوران، دو بڑے قرض دہندگان کی مجموعی طور پر 21.4 ملین امریکی ڈالر (قسط کی ادائیگی 20.2 ملین امریکی ڈالر) کی قسطیں ادا کی گئیں۔ اس کے نتیجے میں، کُل غیر ملکی قرضوں کا بیلنس 144 ملین امریکی ڈالر کے کل پروجیکٹ لون کے مقابلہ میں اب 5.7 ملین امریکی ڈالر ہے۔

این ٹی ڈی سی کی جانب سے واجب الادا رقم 31 دسمبر، 2019 کو 9,161 ملین پاکستانی روپے تھی جو 31 دسمبر، 2018 کو 6,133 ملین پاکستانی روپے تھی۔ اسی طرح، 31 دسمبر 2019 کو ایس این جی پی ایل کو قابل ادائیگی واجب الادا رقم 6,490 ملین پاکستانی روپے تھی جو 2018 میں 3,605 ملین پاکستانی روپے تھی۔

کمپنی نے 2019 کے لئے 3,403 ملین پاکستانی روپے کا منافع حاصل کیا جو 2018 میں 2,628 ملین پاکستانی روپے تھا، جس کے نتیجے میں 2018 کے لئے 10.51 پاکستانی روپے فی شیئر آمدنی ہوئی جو 2018 میں 8.11 پاکستانی روپے تھی۔

گیس کا منظر

قادر پور گیس فیلڈ سے 75 ایم ایم سی ایف ڈی پرمیئٹ گیس کی فراہمی کے لئے کمپنی کا سوئی ناردرن گیس پائپ لائنز لمیٹڈ (ایس این جی پی ایل) کے ساتھ گیس سپلائی کا معاہدہ (جی ایس اے) ہے۔ قادر پور گیس فیلڈ سے گیس کی سپلائی ختم ہو رہی ہے اور گیس سپلائر کے اشتراک کردہ پروفائل کی بنیاد پر، کمپنی نے گیس کی کمی کا مرحلہ قرار دیا ہے اور اس کے پلانٹ کو مکس موڈ میں دستیاب کر دیا ہے، اس سے پلانٹ گیس اور ہائی اسپیڈ ڈیزل دونوں پر دستیاب ہے۔) مزید یہ کہ امپلیمنٹیشن ایگریمنٹ (IA) کی شرائط کے تحت، حکومت پاکستان کو گیس کی کمی کے خاتمے کے آپشن کے طور پر بطور متبادل ایندھن، ایندھن کے تبادلوں کے اخراجات اور اس کے بعد کی کارروائیوں کے لئے کمپنی کو معاوضہ ادا کرنے کا پابند کیا ہے۔ اسی طرح، کمپنی نے تمام اسٹیک ہولڈرز کے ساتھ مل کر گیس کی کمی کو ختم کرنے کیلئے ایک مسودہ تیار کر کے پی پی آئی بی کو پیش کیا ہے۔

سماجی سرمایہ کاری

ہمارے اسٹیک ہولڈرز میں صرف ہمارے ملازمین اور مالی سرمایہ کاروں کے علاوہ اور بہت سے لوگ شامل ہیں۔ ہم پائیدار اقدامات کرتے ہوئے سرمایہ کاری کرتے ہیں جس سے ہماری برادریوں کی زندگیوں پر اثر پڑتا ہے اور ہماری برادریوں اور قوم کی معاشرتی اور معاشی نمو حاسے معاشی تبدیلی ہوتی ہے۔ ہم اپنے کاروباری فیصلوں کے اثرات کے لئے جوابدہ ہیں اور ان کمیونٹیز کی فلاح و بہبود کیلئے کام کرتے ہیں اور انھیں ملکیت دیتے ہیں، جن کے ساتھ ہم کام کرتے ہیں۔ ایسا کرنے سے، ہم اپنے اسٹیک ہولڈرز کی خدمت کرنے اور ان کی توقعات پر پورا اترنے کے اپنے نظریئے پر قائم ہیں۔

ہماری تبدیلی کی حوصلہ افزائی کرنے کا نظریہ معاشرتی و اقتصادی ترقی کا سبب بن سکتا ہے، جس کے نتیجے میں ضرورت مندوں کی مدد ہوتی ہے، جس کے نتیجے میں 2010 میں قائم کی گئی اینگرو فاؤنڈیشن (EF) ترقی کا باعث بنی۔ 2010 میں بنی اینگرو فاؤنڈیشن ایک غیر منافع بخش ادارہ ہے جو تعلیم، معاش، بنیادی ڈھانچے کی ترقی، صحت اور ہنگامی امداد کے شعبوں میں بہتر خدمات فراہم کر کے کم آمدنی والے لوگوں کی زندگیوں کو بہتر بنانے کی کوشش کرتا ہے۔

ای پی کیو ایل میں، ہم تعلیم، تکنیکی تربیت، صحت کی دیکھ بھال کی سہولیات، رہائش اور بنیادی ڈھانچے کی فراہمی کے اقدامات میں سرمایہ کاری کر کے اپنی برادریوں کی خوشحالی میں مدد کے لئے ہر ممکن کوشش کرتے ہیں۔ جس کے نتیجے میں بنیادی سہولیات تک رسائی کے ذریعے ہزاروں افراد کی زندگیوں پر نمایاں اثر پڑتا ہے۔

سال کے دوران، متعدد چیلنجوں نے ہمارے ملک کے معاشی، معاشرتی، کاروباری اور ماحولیاتی منظر نامے کو متاثر کیا۔ تاہم، EPQL کی توجہ کم آمدنی والے معاشروں اور ہمارے پلانٹس کے اطراف میں رہنے والوں کو مدد فراہم کرتے ہوئے اپنے مشن پر مرکوز رہی ہے۔ 2019 میں، ہم نے اپنی کوششوں کو صحت اور تعلیم کے پروگراموں بالخصوص لڑکیوں کی تعلیم کے فروغ دینے پر مرکوز کیا اور معیاری صحت تک رسائی فراہم کرنے کے ایجنڈے کو آگے بڑھایا۔

ای پی کیو ایل ضلع ڈہرکی میں اینگرو فاؤنڈیشن کے تعاون سے کچا اسکول کے سب سے بڑے نیٹ ورک کو چلاتا ہے۔ گھوٹکی کے علاقے میں کمپنی خاص طور پر 3 اپنائے گئے اسکولوں کا انتظام کرتی ہے، جن میں رشید احمد آرائن، گل ایم اربانی، اور جمعہ خان اربانی تقریباً 800 طلباء کو تعلیم فراہم کرتے ہیں۔ تاہم، گزشتہ کئی سالوں میں ہم نے محسوس کیا ہے کہ آس پاس کی خواتین طالب علموں کی ایک بڑی تعداد ثانوی اسکول کی عدم فراہمی کی وجہ سے سینئر کلاسوں میں داخلہ نہیں لے سکی۔ ثقافتی اقدار کے پیش نظر ان لڑکیوں کو دور دراز علاقوں کے اسکولوں میں جانے کی اجازت نہیں ہوتی۔ بچیوں کی تعلیم کی اہمیت کو جانتے ہوئے، اس سال ای پی کیو ایل نے حکومت سندھ سے محکمہ تعلیم وخواندگی کی اجازت حاصل کرنے کا قدم اٹھایا، جس میں 3 اسکولوں میں سے 1 کو خواتین اسکول کے طور پر اپ گریڈ کرنے کے لئے حکومت سندھ سے منظوری حاصل کی گئی تھی۔ حکومت کو راضی کرنے اور گرلز مڈل اسکول کی بنیاد رکھنے کے بعد یہ تعمیر کے لئے تیار ہے۔ مزید یہ کہ، سال کے دوران ہم نے سبق پائلٹ پروجیکٹ کا بھی آغاز کیا جسکا مرکز ٹیچرز ٹریننگ تھا تاکہ وہ ڈیجیٹائزڈ نصاب کے ساتھ تعلیم کے بارے میں تربیت حاصل کریں۔ پروگرام سے تربیت حاصل کرنے والوں کو تمام پرائمری کلاسوں میں سے لئے گئے 3 پرائمری اسکولوں میں تعینات کیا گیا تھا۔

اینگرو پاور جن قادر پور لمیٹڈ میں، ہمارے ملازمین اور برادریوں کی صحت، حفاظت اور فلاح و بہبود، ہمارا بنیادی مقصد ہے۔ ہم اس بات کو یقینی بناتے ہیں کہ ہم اپنی وابستگی پر قائم رہیں، لہٰذا ہمارے صحت کے پروگرام صحت کی دیکھ بھال کی بنیادی سہولیات سے بڑھ کر نتائج دیتے ہیں، اور آگاہی، بچاؤ اور علاج کی حکمت عملی بھی فراہم کرتے ہیں۔ سال کے دوران ہم نے اس سال کے اپنے اہم صحت پروگرام کے لئے الشفا ٹرسٹ کے ساتھ دوبارہ شراکت کی جہاں گھوٹکی اور اس کے آس پاس کی کمیونٹیز کو آئی کیمپ میں آپٹیکل کیئر تک بلا معاوضہ رسائی فراہم کی گئی تھی۔

کیمپ کے دوران او پی ڈی میں 2500 سے زیادہ مریضوں کا علاج کیا گیا جب کہ مریضوں کے لئے بلا معاوضہ 425 سرجریز کروائی گئیں۔

ہمارے لوگ

ہم بار بار کہتے ہیں کہ ہماری مسلسل کامیابی کا سہرا ہمارے لوگوں کو جاتا ہے۔ جامعیت، پیشہ ورانہ مہارت اور بہترین کارکردگی کے کلچر میں اعلیٰ کارکردگی والی ٹیمیں بنانے کی ہماری صلاحیت ہی ہماری کامیابی کو آگے بڑھاتی ہے۔ پورے 2019 میں، ہم نے انڈسٹری کے بہترین طریقوں کو اپنانے کے ساتھ اصلاح کی کوششوں کو مربوط کرنے کے لئے اپنی HR حکمت عملی کا دوبارہ جائزہ لیا۔

سال کے دوران، ہم نے مستحکم کاروباری عمل کو یقینی بنانے کے لئے ایچ آر تبدیلی پر اپنی توجہ مرکوز کی تاکہ ایک لچکدار تنظیم قائم رکھی جا سکے۔

زیادہ بہتر کارکردگی پیش کرنے والے، بہتر مارکیٹ کے ساتھ جڑے ہوئے اور ترقی کے مواقع پیدا کرنے والے نظام میں منتقل ہونے کی ضرورت کی نشاندہی کی گئی۔

آئی پی پیز کے ساتھ ای پی کیو ایل کا موازنہ کرتے ہوئے، اصلاح شدہ میٹنگ کی ضرورت کی نشاندہی کی گئی۔ سال کے آغاز میں، ای پی کیو ایل نے او اینڈ ایم انڈسٹری اور ڈھانچے کے ساتھ بینچ مارک شدہ ای ای ایل کے ذیلی ادارے، اینگرو انرجی سروسز لمیٹڈ (ای ای ایس ایل) کو اپنے آپریشنز اینڈ مینجمنٹ (او اینڈ ایم) کو آؤٹ سورس کرنے کے لئے اپنے کاروباری ماڈل کا دوبارہ جائزہ لینے کا فیصلہ کیا۔ ملازمین اور کمپنی دونوں کے مفاد میں، کامیاب تبدیلی کا انتظام یقینی بنایا گیا جس میں ہاؤسنگ کالونی کو بند کرنا اور روٹیشن پر مبنی ملازم کو سائٹ پر رہائش فراہم کرنے پر عمل درآمد کرنا پڑا۔

یہ یقینی بنانے کیلئے کہ ہمارا ہنر مند مطلوبہ مہارتوں سے آراستہ رہے، ہم نے تربیت کی ضروریات کا تجزیہ (ٹی این اے) کرنے کے بعد تیار کردہ ٹریننگ فریم ورک کی بنیاد پر بہتر ٹیلنٹ مینجمنٹ سسٹم پر اپنی توجہ مرکوز کی۔ کمپنی نے مجموعی طور پر 500 سے زیادہ ٹریننگ آورز میں کام کیا جو 2019 میں پورے فنکشنل/فنی مہارت اور سوفٹ مہارت دونوں پر مرکوز تھے۔ مزید برآں، سال کے دوران ای ای ایل نے اپنے پہلے فنی تربیتی فریم ورک کا آغاز کیا جس نے اپنے ملازمین کی تکنیکی صلاحیت کو بڑھانے پر توجہ مرکوز کی۔ فریم ورک میں، کمپنی میں تکنیکی TNAs مکمل

چیئرمین کا تجزیہ

معزز حصص یافتگان،

جیسا کہ سال 2019 کا اختتام ہوگیا ہے اور ہم نے ایک نئی صدی میں قدم رکھ دیا ہے، اینگرو پاور جین قادر پور لمیٹڈ (ای پی کیو ایل) بھی محفوظ اور پائیدار آپریشنز کے دسویں سال میں داخل ہوگیا ہے۔ ملک کے توانائی اور سماجی میدان سے مضبوط تعلق ہونے کی وجہ سے، ان دس سالوں میں ای پی کیو ایل نے ان تمام چیلنجوں اور کامیابیوں کو دیکھا جو پاکستان نے دیکھیں۔

گزشتہ چند سالوں کے دوران پاکستان کے توانائی کے تناظر میں نمایاں تبدیلی دیکھنے میں آئی ہے۔ ملک نے کچھ سال قبل اس توانائی کے بحران کا سامنا کیا تھا جس کی وجہ سے طلب اور رسد کا خسارہ تقریباً 3,000 میگاواٹ تک پہنچ گیا تھا۔ اس کے نتیجے میں، اب ہمیں آر ایل این جی، کوئلے کے ایندھن کے ذرائع اور ہائیڈل کے نئے منصوبوں کے ساتھ سپلائی سے زیادہ فراہمی کا سامنا کرنا پڑتا ہے۔ ہمیں توقع ہے کہ یہ رجحان جاری رہے گا، یہ ضروری ہے کہ اب ہم صنعت کو درپیش مسائل کے وسیع تر اور طویل مدتی حل پر توجہ دیں۔ اگر ہم توانائی کے شعبے کے چیلنجوں کو موثر طریقے سے دور کرنا چاہتے ہیں تو حکومت کو نجی شعبے کے ساتھ ساتھ ٹرانسمیشن نیٹ ورک اور انفراسٹرکچر میں بہتری کے ذریعے سرکلر ڈیٹ کو حل کرنے اور توانائی کے ماحولیاتی نظام کو بہتر بنانے پر بھی توجہ دینے کی ضرورت ہے۔

2019 کے دوران سرکلر ڈیٹ اور ٹی اینڈ ڈی نقصانات کے چیلنج باقی رہے، ای پی کیو ایل قوم کو سستی، پائیدار اور دستیاب توانائی مہیا کرنے کے لئے پُرعزم ہے۔ 2019 کے دوران ہماری انجینئرنگ کی صلاحیتوں کو اپنی سرمایہ کی طاقت کے ساتھ ہم آہنگ کرتے ہوئے، ہم نے پلانٹ آپریشنز کو برقرار رکھنے اور گرڈ کو بجلی کی فراہمی یقینی بنانے کے لئے متبادل ایندھن کی حکمت عملی پر عمل کیا۔ 99.9 فیصد قابل دستیابی عنصر پیش کیا اور اپنے مالی اور لیکویڈیٹی کے معاملات کو سمجھداری سے سنبھالا، جس سے ہمارے غیر ملکی قرضوں کو بڑے پیمانے پر گھٹاتے ہوئے مجموعی طور پر 144 ملین امریکی ڈالر کے پروجیکٹ لون کو 5.7 ملین ڈالر کیا گیا۔

پچھلے سال ہم نے آپ کو، ہمارے سرمایہ کاروں کو بتایا کہ اس کمپنی نے آپریشنل ایکسیلینس میں توازن قائم کرنے اور مستقبل کی سمت ایک عملی نقطہ نظر کو اپنانے کے لئے اہم رخ کیا ہے۔ سال 2019 وہ سال تھا جس کو ہم صنعتی انٹرنیٹ ٹکنالوجیز کو ڈیجیٹلائزیشن اور اپنانے پر پوری توجہ دیتے ہوئے اس حکمت عملی اور اپنے نئے اختیار کردہ کاروباری فریم ورک کے فوائد کا ادراک کرتے رہے، اپنے کاموں میں تکنیکی استعداد کو بڑھانے کیلئے۔ اور دوسرے یہ کہ مسابقت کو یقینی بنانے کے لئے اپنے اخراجات میں مزید بہتری لائے۔ اسکے نتیجے میں، مجھے یہ خوشی ہے کہ ہماری کمپنی -ای پی کیو ایل- نے ایک نئے نظریے کے ساتھ نئی دہائی میں قدم رکھا ہے۔

سال کے دوران ہم ان برادریوں کیلئے جو ہماری میزبانی کرتے ہیں، ایک مثبت قوت بنے رہے۔ اس سال، ہم نے مختلف مقاصد سے متاثر پروگراموں اور اقدامات پر ایک قابلِ قدر رقم خرچ کی جس میں صحت، تعلیم اور مہارتوں کی نشو ونما والے علاقوں پر توجہ دی گئی ہے۔ اسکولوں کے نیٹ ورکس کا انتظام کرنے سے لے کر میڈیکل کیمپوں کی میزبانی سے، بچیوں کی تعلیم کو فروغ دینے تک، ہمارا معاشرتی اور اور سماجی کام ہمیں مختلف کاموں کے لئے مزید اور بہتر کام کرنے کی ترغیب دیتا رہا ہے، جو براہ راست یا بالواسطہ ہو۔ جیسا کہ ہم آگے بڑھ رہے ہیں، ہم اس بات کو یقینی بنانے کے لئے مختلف حصص یافتگان کے ساتھ کام کرتے رہیں گے تاکہ ہم اپنے حصص یافتگان، اپنے شراکت داروں، اپنے لوگوں اور اپنی برادریوں کے لئے مزید کام کرسکیں۔

میں اس بات کا اعادہ کرنا چاہتا ہوں کہ مستقبل واقعی ایک غیر مستحکم رجحان ہے اور، اس سے زیادہ آج کے دور اور وقت میں جہاں ہم چوتھا صنعتی انقلاب دیکھ رہے ہیں جو افراد، برادریوں اور کاروباری اداروں کو بدل رہا ہے- اور یہ صرف معیاری انجینئرنگ، ڈومین کی معلومات، چستی اور اتحاد کی وجہ سے ہے، جس سے ہم، سب کی مشترکہ خوشحالی کیلئے اپنا مستقبل بہتر بناسکیں گے۔

آخر میں، میں ای پی کیو ایل کی انتظامیہ، ملازمین، صارفین، شراکت داروں، اور ہمارے اسٹیک ہولڈرز کی جانب سے اس کمپنی کو آگے بڑھانے کے عزم اور جذبے کے لئے خراجِ تحسین پیش کرنا چاہتا ہوں۔ آپ کے اعتماد اور بھروسے، ہمارے عوام کے عزم اور انجینئرنگ ایکسیلنس کی روایت کے باعث، مجھے یقین ہے کہ مشترکہ اور جامع اقدار پیدا کرنے کے مواقع کے ساتھ آگے ہم سب کے لئے ایک روشن مستقبل ہے۔

آپ کا شکریہ
احسن ظفر سید
چیئرمین