

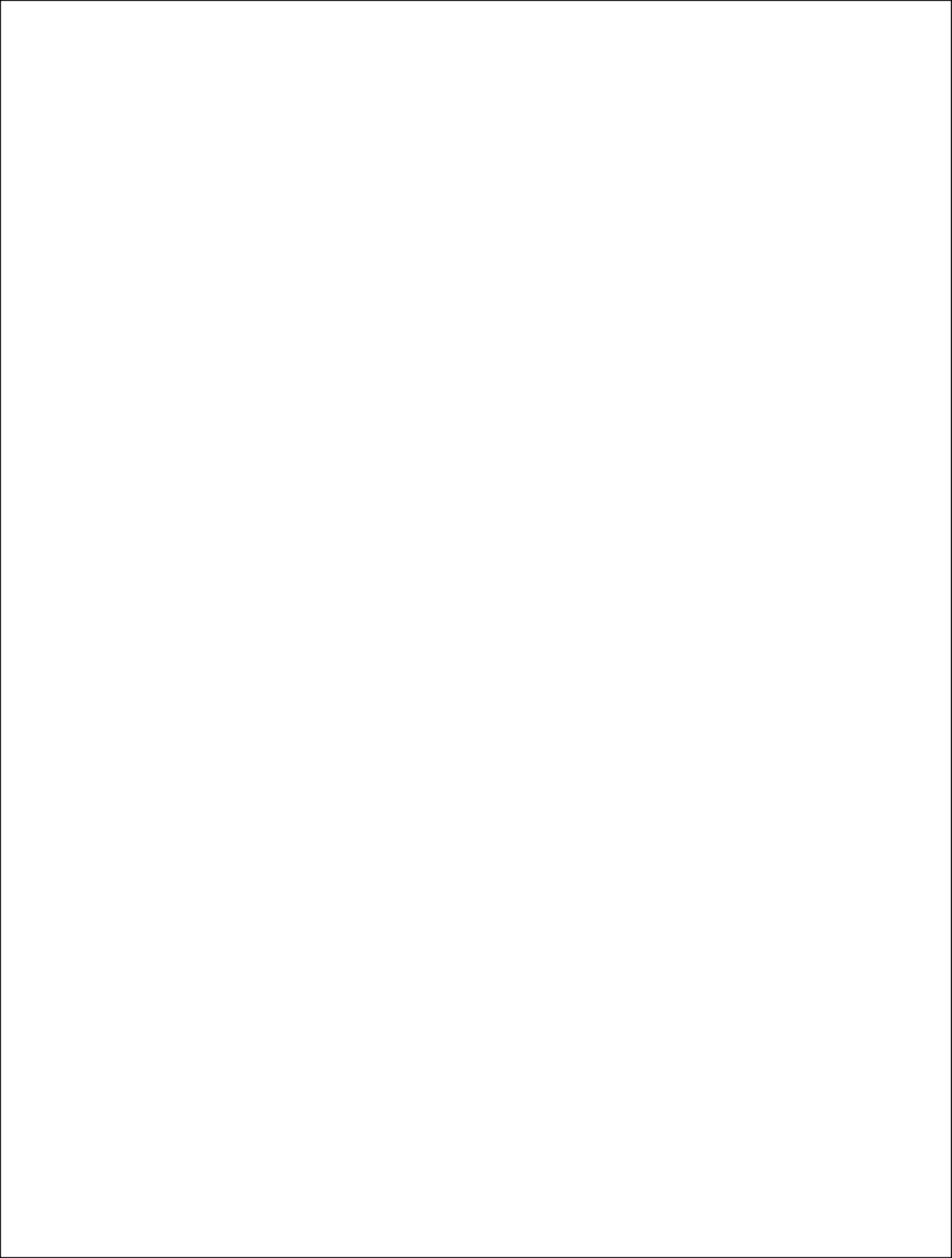


engro powergen qadirpur

# power for life

Financial Statements for the  
Half Year ended June 30, 2020





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## COMPANY INFORMATION

|  |  |
|--|--|
| <b>Board of Directors</b>                                  | Ahsan Zafar Syed - Chairman<br>Shahab Qader - Chief Executive Officer<br>Fauzia Viqar<br>Farooq Barkat Ali<br>Shabbir Hashmi<br>Kaiser Bengali<br>Vaqar Zakaria  |
| <b>Board Audit Committee</b>                               | Kaiser Bengali - Chairman<br>Shabbir Hashmi<br>Farooq Barkat Ali   |
| <b>Company Secretary</b>                                   | Sameen Asad  |
| <b>Chief Financial Officer</b>                             | Rabia Wafah Khan   |
| <b>Corporate Audit Manager</b>                             | Ekta Sitani  |
| <b>Bankers / Development<br/>Finance Institution (DFI)</b> | Albaraka Bank Ltd.<br>Allied Bank Ltd.<br>Bank Alfalah Ltd.<br>Faysal Bank Ltd.<br>Habibsons Bank Ltd. London<br>National Bank of Pakistan<br>MCB Bank Ltd.<br>Pak Kuwait Investment Company (Pvt) Ltd.<br>Soneri Bank Ltd.<br>Bank of Punjab<br>Habib Metropolitan Bank Limited |
| <b>Auditors</b>  | A.F. Ferguson & Co., Chartered Accountants<br>State Life Building No. 1-C I.I. Chundrigar Road Karachi-74000, Pakistan<br>Tel: +92 (21) 32426682-6 / 32426711-5 Fax: +92 (21) 32415007 / 32427938  |
| <b>Registered Office</b>                                   | 16th Floor, The Harbor Front Building, HC-3, Marine Drive, Block 4, Clifton,<br>Karachi-75600, Pakistan<br>UAN: +92 (21) 111-211-211 PABX: +92 (21) 35297501-10  |
| <b>Plant</b>   | Engro Powergen Qadirpur Plant Site<br>Deh Belo Sanghari Taluka, District Ghotki, Sindh   |
| <b>Share Registrar</b>                                     | FAMCO Associates (Private) Limited<br>8-F, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S.,<br>Shahra-e-Faisal, Karachi, Pakistan<br>Tel: +92 (21) 34380101 - 5<br>Fax: +92 (21) 34380106  |
| <b>Website</b>   | <a href="http://www.engroenergy.com">www.engroenergy.com</a>   |





engro powergen qadirpur

**DIRECTORS' REVIEW AND  
CONDENSED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE HALF YEAR ENDED JUNE 30, 2020**



**ENGRO POWERGEN QADIRPUR LIMITED**  
**DIRECTORS' REVIEW TO THE SHAREHOLDERS**  
**ON UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE HALF YEAR ENDED JUNE 30, 2020**

The Directors of Engro Powergen Qadirpur Limited (EPQL) are pleased to present the unaudited financial information and a review of the Company's performance for the half year ended June 30, 2020.

**Operating Performance**

The EPQL Plant demonstrated a billable availability factor of 99.7% in 1H 2020 as compared to 100% in the same period last year. It dispatched a total Net Electrical Output (NEO) of 264 GWh to the national grid with a load factor of 28% compared to 71% in 1H 2019. The decline in load factor is attributable to lower offtake from EPQL due to its merit order position.

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

**Financial Performance**

Sales revenue for the period was PKR 4,353 Mn compared to PKR 7,234 Mn in the same period last year. The decrease in sales revenue is mainly attributable to lower power dispatch in 1H 2020 as compared to the same period in the preceding year as well as due to debt servicing component of tariff no longer being applicable from March 27, 2020.

Gross profit for the period stood at PKR 1,212 Mn as compared to PKR 2,065 Mn in the same period last year. Decline in gross profit is primarily due to lower capacity payments.

Overdue receivable from NTDC stood at PKR 10,238 Mn as on June 30, 2020 vs PKR 9,161 Mn as on December 31, 2019. Overdue payable to SNGPL on June 30, 2020 was PKR 6,586 Mn vs PKR 6,490 Mn as on December 31, 2019.

The Company earned a net profit of PKR 1,310 Mn in 1H 2020 as compared to PKR 1,867 Mn in 1H 2019. Earnings per share stood at PKR 4.04 as compared to PKR 5.77 for the same period last year.

**Near Term Outlook**

EPQL is facing gas curtailment from Qadirpur gas field as it depletes and made its Plant available on mixed mode i.e. comingling of gas and HSD from September 7, 2018 onwards. Under the Implementation Agreement, once gas curtailment reaches a certain point, EPQL is allowed one-time conversion to an alternate fuel. The cost of this conversion is fully recoverable from the Power Purchaser as per the Implementation Agreement. In the meanwhile, EPQL is entitled to recover full capacity payments while making the plant available on mixed mode.

With the addition of new power plants that either operate out of merit order or rank above EPQL in the merit order, EPQL's dispatch has been affected. Demand growth also remained subdued due to slowdown in economy and the impact of Covid-19 on the general industry.

While the Government has disbursed PKR 200 Bn through Sukuk issue to provide temporary relief to the sector, in the absence of any concrete measures to address its root causes, circular debt will remain a challenge for the industry going forward.

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



**Shahab Qader**

Chief Executive Officer

Karachi: August 06, 2020



**Ahsan Zafar Syed**

Chairman





**INDEPENDENT AUDITOR'S REVIEW REPORT**

**To the members of Engro Powergen Qadirpur Limited**

**Report on review of Interim Financial Statements**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Engro Powergen Qadirpur Limited as at June 30, 2020 and the related condensed interim statement of profit or loss, condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

The figures of the condensed interim statement of profit or loss and the condensed interim statement of profit or loss and other comprehensive income for the quarters ended June 30, 2020 and 2019 have not been reviewed as we are required to review only the cumulative figures for the half year ended June 30, 2020.

**Scope of Review**

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

**Conclusion**

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

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

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

**Date: August 21, 2020**

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

■ KARACHI ■ LAHORE ■ ISLAMABAD

(Amounts in thousand)

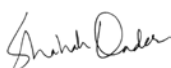
**ENGRO POWERGEN QADIRPUR LIMITED**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2020**

|   |      | Unaudited<br>June 30,<br>2020 | Audited<br>December 31,<br>2019 |
|---|------|-------------------------------|---------------------------------|
|   | Note | Rupees                        |                                 |
| <b>ASSETS</b>                             |      |                               |                                 |
| <b>Non-current assets</b>                 |      |                               |                                 |
| Property, plant and equipment             | 4    | 12,991,696                    | 13,299,480                      |
| Intangible assets                         |      | 65,097                        | 68,651                          |
| Long term loans and advances              |      | 26,499                        | 34,659                          |
| Long term deposits                        |      | 2,574                         | 2,574                           |
|   |      | <u>13,085,866</u>             | <u>13,405,364</u>               |
| <b>Current assets</b>                     |      |                               |                                 |
| Inventories                               |      | 868,082                       | 863,183                         |
| Trade debts                               | 5    | 9,347,397                     | 9,806,697                       |
| Short-term investment                     |      | -                             | 49,963                          |
| Loans, advances, deposits and prepayments |      | 299,510                       | 113,298                         |
| Other receivables                         | 6    | 4,817,226                     | 3,225,441                       |
| Taxes recoverable                         |      | 52,034                        | 64,919                          |
| Balances with banks                       | 7    | 279,139                       | 12,386                          |
|   |      | <u>15,663,388</u>             | <u>14,135,887</u>               |
| <b>TOTAL ASSETS</b>                       |      | <u>28,749,254</u>             | <u>27,541,251</u>               |
| <b>EQUITY AND LIABILITIES</b>             |      |                               |                                 |
| <b>Equity</b>                             |      |                               |                                 |
| Share capital                             |      | 3,238,000                     | 3,238,000                       |
| Share premium                             |      | 80,777                        | 80,777                          |
| Maintenance reserve                       |      | 227,182                       | 227,182                         |
| Unappropriated profit                     |      | 11,713,559                    | 10,403,899                      |
| Hedging reserve                           |      | 12,889                        | 13,325                          |
| <b>Total Equity</b>                       |      | <u>15,272,407</u>             | <u>13,963,183</u>               |
| <b>LIABILITIES</b>                        |      |                               |                                 |
| <b>Non-current liability</b>              |      |                               |                                 |
| Borrowings                                | 8    | -                             | -                               |
| <b>Current liabilities</b>                |      |                               |                                 |
| Trade and other payables                  |      | 9,958,525                     | 8,406,839                       |
| Unclaimed dividend                        |      | 22,720                        | 23,002                          |
| Accrued interest / mark-up                |      | 154,475                       | 92,640                          |
| Short-term borrowings                     | 9    | 3,341,127                     | 3,712,840                       |
| Unpaid dividend                           |      | -                             | 485,700                         |
| Current portion of long-term borrowings   | 8    | -                             | 857,047                         |
|   |      | <u>13,476,847</u>             | <u>13,578,068</u>               |
| <b>Total liabilities</b>                  |      | <u>13,476,847</u>             | <u>13,578,068</u>               |
| <b>Contingencies and Commitments</b>      | 10   |                               |                                 |
| <b>TOTAL EQUITY AND LIABILITIES</b>       |      | <u>28,749,254</u>             | <u>27,541,251</u>               |

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



**Rabia Wafah Khan**  
Chief Financial Officer



**Shahab Qader**  
Chief Executive Officer



**Ahsan Zafar Syed**  
Chairman





(Amounts in thousand except for earnings per share)

**ENGRO POWERGEN QADIRPUR LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2020**

|   | Note | Quarter ended         |                         | Half year ended         |                         |
|---|------|-----------------------|-------------------------|-------------------------|-------------------------|
|   |      | June 30,<br>2020      | June 30,<br>2019        | June 30,<br>2020        | June 30,<br>2019        |
| Sales   | 11   | 1,551,810             | 3,934,954               | 4,353,381               | 7,233,728               |
| Cost of sales                                 |      | (1,216,567)           | (2,660,616)             | (3,141,134)             | (5,168,241)             |
| <b>Gross profit</b>                           |      | <u>335,243</u>        | <u>1,274,338</u>        | <u>1,212,247</u>        | <u>2,065,487</u>        |
| Administrative expenses                       |      | (23,622)              | (19,773)                | (49,700)                | (42,172)                |
| Other expenses                                |      | (12,959)              | (69,922)                | (29,931)                | (82,693)                |
| Other income                                  |      | 78,929                | 1,192                   | 79,459                  | 1,449                   |
| <b>Profit from operations</b>                 |      | <u>377,591</u>        | <u>1,185,835</u>        | <u>1,212,075</u>        | <u>1,942,071</u>        |
| Finance income / (cost) - net                 |      | 50,112                | (30,996)                | 111,917                 | (72,022)                |
| Workers' profits participation fund           | 12   | -                     | -                       | -                       | -                       |
| <b>Profit before taxation</b>                 |      | <u>427,703</u>        | <u>1,154,839</u>        | <u>1,323,992</u>        | <u>1,870,049</u>        |
| Taxation                                      |      | (13,399)              | (404)                   | (14,332)                | (2,662)                 |
| <b>Profit for the period</b>                  |      | <u><u>414,304</u></u> | <u><u>1,154,435</u></u> | <u><u>1,309,660</u></u> | <u><u>1,867,387</u></u> |
| <b>Earnings per share - basic and diluted</b> | 13   | <u>1.28</u>           | <u>3.57</u>             | <u>4.04</u>             | <u>5.77</u>             |

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



**Rabia Wafah Khan**  
Chief Financial Officer



**Shahab Qader**  
Chief Executive Officer



**Ahsan Zafar Syed**  
Chairman

(Amounts in thousand)

**ENGRO POWERGEN QADIRPUR LIMITED**  
**CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER**  
**COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2020**

|  | Quarter ended    |                  | Half year ended  |                  |
|--|------------------|------------------|------------------|------------------|
|  | June 30,<br>2020 | June 30,<br>2019 | June 30,<br>2020 | June 30,<br>2019 |
|  | <b>Rupees</b>    |                  |                  |                  |
| Profit for the period  | 414,304          | 1,154,435        | 1,309,660        | 1,867,387        |
| Other comprehensive loss :                                       |                  |                  |                  |                  |
| Item that may be reclassified subsequently<br>to profit or loss: |                  |                  |                  |                  |
| Hedging reserve - reclassified to profit or loss                 | (218)            | (218)            | (436)            | (433)            |
| Total comprehensive income for the period                        | <u>414,086</u>   | <u>1,154,217</u> | <u>1,309,224</u> | <u>1,866,954</u> |

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



**Rabia Wafah Khan**  
Chief Financial Officer



**Shahab Qader**  
Chief Executive Officer



**Ahsan Zafar Syed**  
Chairman



(Amounts in thousand)

**ENGRO POWERGEN QADIRPUR LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED JUNE 30, 2020**

|  | Reserves         |               |                     |                       |                 | Total             |
|--|------------------|---------------|---------------------|-----------------------|-----------------|-------------------|
|  | Capital          |               | Revenue             |                       |                 |                   |
|  | Share capital    | Share premium | Maintenance reserve | Unappropriated profit | Hedging reserve |                   |
| Rupees   |                  |               |                     |                       |                 |                   |
| <b>Balance as at January 1, 2019 (Audited)</b>                                 | 3,238,000        | 80,777        | 227,182             | 7,972,617             | 14,199          | 11,532,775        |
| Total comprehensive income for the half year ended June 30, 2019               | -                | -             | -                   | 1,867,387             | (433)           | 1,866,954         |
| <b>Balance as at June 30, 2019 (Unaudited) (Restated)</b>                      | 3,238,000        | 80,777        | 227,182             | 9,840,004             | 13,766          | 13,399,729        |
| Total comprehensive income for the half year ended December 31, 2019           | -                | -             | -                   | 1,535,295             | (441)           | 1,534,854         |
| <b>Transactions with owners</b>  |                  |               |                     |                       |                 |                   |
| 1st interim dividend for the year ended December 31, 2019 @ Rs. 1.50 per share | -                | -             | -                   | (485,700)             | -               | (485,700)         |
| 2nd interim dividend for the year ended December 31, 2019 @ Rs. 1.50 per share | -                | -             | -                   | (485,700)             | -               | (485,700)         |
| <b>Balance as at December 31, 2019 (Audited)</b>                               | 3,238,000        | 80,777        | 227,182             | 10,403,899            | 13,325          | 13,963,183        |
| Total comprehensive income for the half year ended June 30, 2020               | -                | -             | -                   | 1,309,660             | (436)           | 1,309,224         |
| Balance as at June 30, 2020 (Unaudited)  | <u>3,238,000</u> | <u>80,777</u> | <u>227,182</u>      | <u>11,713,559</u>     | <u>12,889</u>   | <u>15,272,407</u> |

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



**Rabia Wafah Khan**  
Chief Financial Officer



**Shahab Qader**  
Chief Executive Officer



**Ahsan Zafar Syed**  
Chairman



(Amounts in thousand)

**ENGRO POWERGEN QADIRPUR LIMITED**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2020**

|  | Note | Half year ended  |                  |
|--|------|------------------|------------------|
|  |      | June 30,<br>2020 | June 30,<br>2019 |
|  |      | Rupees           |                  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                  |      |                  |                  |
| Cash generated from operations                               | 14   | 2,302,195        | 1,698,018        |
| Taxes paid   |      | (1,447)          | (3,217)          |
| Finance income received                                      |      | 8,728            | 9,181            |
| Long-term loans, advances and deposits - net                 |      | 9,937            | 61,392           |
| Net cash generated from operating activities                 |      | 2,319,413        | 1,765,374        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                  |      |                  |                  |
| Purchase of property, plant and equipment                    |      | (4,436)          | (21,785)         |
| Purchase of intangible assets                                |      | (39,928)         | (17,638)         |
| Investment made during the period                            |      | (1,800,227)      | -                |
| Investment encashed during the period                        |      | 1,850,190        | -                |
| Net cash generated from / (utilised in) investing activities |      | 5,599            | (39,423)         |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                  |      |                  |                  |
| Repayments of long term borrowing                            |      | (916,362)        | (1,511,359)      |
| Finance cost paid  |      | (284,202)        | (267,406)        |
| Dividends paid   |      | (485,982)        | -                |
| Net cash utilised in financing activities                    |      | (1,686,546)      | (1,778,765)      |
| Net increase / (decrease) in cash and cash equivalents       |      | 638,466          | (52,814)         |
| Cash and cash equivalents at beginning of the period         |      | (3,700,454)      | (3,695,751)      |
| Cash and cash equivalents at end of the period               | 15   | (3,061,988)      | (3,748,565)      |

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



**Rabia Wafah Khan**  
Chief Financial Officer



**Shahab Qader**  
Chief Executive Officer



**Ahsan Zafar Syed**  
Chairman



**ENGRO POWERGEN QADIRPUR LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE HALF YEAR ENDED JUNE 30, 2020**

**1. LEGAL STATUS AND OPERATIONS**

- 1.1 Engro Powergen Qadirpur Limited (the Company), is a public listed company, incorporated in Pakistan, and its shares are quoted on the Pakistan Stock Exchange Limited. The Company is a subsidiary of Engro Energy Limited, which is a wholly owned subsidiary of Engro Corporation Limited. Engro Corporation Limited is a subsidiary of Dawood Hercules Corporation Limited (the Ultimate Parent Company).
- 1.2 The Company was established with the primary objective to undertake the business of power generation and sale. The Company owns a 217.3 MW combined cycle power plant and commenced commercial operations on March 27, 2010. The electricity generated is transmitted to the National Transmission and Despatch Company (NTDC) under the Power Purchase Agreement (PPA) dated October 26, 2007. This PPA is for a period of 25 years.
- 1.3 The business units of the Company include the following:

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

**2. BASIS OF PREPARATION**

- 2.1 These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:
- International Accounting Standard 34, 'Interim Financial Reporting', (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
  - Provisions of and directives issued under the Companies Act, 2017.

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

- 2.2 These condensed interim financial statements do not include all the information required for annual financial statements and, therefore, should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2019.

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

- 3.1 The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual financial statements for the year ended December 31, 2019.

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

(Amounts in thousand)

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

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

- 3.3 There are certain amendments to published International Financial Reporting Standards and interpretations that are mandatory for the financial year beginning on January 1, 2020. These are considered not to have any significant effect on the Company's financial reporting and operations and are, therefore, not disclosed in these condensed interim financial statements. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

|  | <b>Unaudited<br/>June 30,<br/>2020</b> | <b>Audited<br/>December 31,<br/>2019</b> |
|--|--|--|
|  | <b>Rupees</b>                          |  |

#### 4. PROPERTY, PLANT AND EQUIPMENT

|  |                   |                   |
|--|-------------------|-------------------|
| Operating assets, at net book value (note 4.1) | 12,633,983        | 12,963,529        |
| Capital work-in-progress                       | 87,950            | 66,188            |
| Capital spares                                 | 269,763           | 269,763           |
|  | <u>12,991,696</u> | <u>13,299,480</u> |

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

|   | <b>Rate of<br/>depreciation<br/><br/>(%)</b> | <b>Unaudited<br/>June 30,<br/>2020</b> | <b>Audited<br/>December 31,<br/>2019</b> |
|---|--|--|--|
|   |  | <b>Rupees</b>                          |  |
| Plant and machinery - including capitalisation of exchange loss | 4 - 16                                       | 71,707                                 | 450,243                                  |
| Buildings and civil works                                       | 2.5 - 8                                      | 1,059                                  | 3,160                                    |
| Furniture, fixtures and equipment                               | 15 - 25                                      | 1,229                                  | 675                                      |
|   |  | <u>73,995</u>                          | <u>454,078</u>                           |

#### 5. TRADE DEBTS - Secured

|                 |                  |                  |
|-----------------|------------------|------------------|
| Considered good | <u>9,347,397</u> | <u>9,806,697</u> |
|-----------------|------------------|------------------|



(Amounts in thousand)

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

5.2 Trade debts include:

- Rs. 1,397,534 (December 31, 2019: Rs. 2,108,293) which is neither past due nor impaired; and
- Rs. 7,949,863 (December 31, 2019: Rs. 7,698,404) which is overdue but not impaired. The overdue receivables carry mark-up at the rate of KIBOR plus 4.5% per annum. The ageing of overdue receivables is as follows:

|                      | <b>Unaudited<br/>June 30,<br/>2020</b> | <b>Audited<br/>December 31,<br/>2019</b> |
|----------------------|--|--|
|                      | <b>Rupees</b>                          |  |
| - Upto 3 months      | 2,515,693                              | 2,729,475                                |
| - 3 to 6 months      | 2,687,325                              | 3,598,878                                |
| - More than 6 months | 2,746,845                              | 1,370,051                                |
|                      | <u>7,949,863</u>                       | <u>7,698,404</u>                         |

## 6 OTHER RECEIVABLES

These include delayed payment charges on account of mark-up on overdue trade debts amounting to Rs. 3,339,612 (December 31, 2019: Rs. 2,485,061) of which Rs. 2,157,242 (December 31, 2019: Rs. 1,463,031) is overdue.

|                               | <b>Unaudited<br/>June 30,<br/>2020</b> | <b>Audited<br/>December 31,<br/>2019</b> |
|-------------------------------|--|--|
|                               | <b>Rupees</b>                          |  |
| <b>7. BALANCES WITH BANKS</b> |  |  |
| Current accounts:             |  |  |
| - Local currency              | 3,711                                  | 3,200                                    |
| Deposit accounts:             |  |  |
| - Foreign currency (note 7.1) | 4,580                                  | 4,259                                    |
| - Local currency (note 7.2)   | 270,848                                | 4,927                                    |
|                               | <u>279,139</u>                         | <u>12,386</u>                            |

7.1 Foreign currency deposits carry return at the rate of 0.10% (December 31, 2019: 0.05%) per annum.

7.2 Local currency deposits carry return at the rate of 6.50% (December 31, 2019: 11.25%) per annum.

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



(Amounts in thousand)

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

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

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

#### 9. SHORT TERM BORROWINGS

The working capital / running finance facilities under these mark-up arrangements aggregate to Rs. 6,700,000 (December 31, 2019: Rs. 6,700,000). The facilities carry mark-up at the rate of 3 - 6 month KIBOR plus 0.0% - 0.75% (December 31, 2019: 3 - 6 month KIBOR plus 0.0% - 0.5%). The facilities are secured by (i) lien over Energy Purchase Price (EPP) account and charge over present and future receivables from the Power Purchaser in respect of EPP; and (ii) first charge over current assets of the Company and subordinated charge over present and future plant, machinery, equipment and other movable assets and immovable properties of the Company. The use of these facilities are restricted for payments of operations and maintenance cost of the power plant and payments to fuel suppliers against purchase of fuel.

|  | <b>Unaudited<br/>June 30,<br/>2020</b> | <b>Audited<br/>December 31,<br/>2019</b> |
|--|--|--|
|  | <b>Rupees</b>                          |  |
| <b>10. CONTINGENCIES AND COMMITMENTS</b>   |  |  |
| 10.1 Contingent liabilities - Guarantee in favour of Sui Northern Gas Pipelines Limited in accordance with the terms of Gas Supply Agreement (GSA) | <u>2,496,126</u>                       | <u>2,496,126</u>                         |
| 10.2 Commitments in respect of :   |  |  |
| - letter of credit in favour of senior lenders (note 8.1)  | 966,472                                | 1,246,155                                |
| - others   | 49,204                                 | 518                                      |
|  | <u>1,015,676</u>                       | <u>1,246,673</u>                         |





(Amounts in thousand except for earnings per share)

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

|                                   | Unaudited<br>Quarter ended |                  | Unaudited<br>Half year ended |                  |
|-----------------------------------|----------------------------|------------------|------------------------------|------------------|
|                                   | June 30,<br>2020           | June 30,<br>2019 | June 30,<br>2020             | June 30,<br>2019 |
| <b>11. SALES</b>                  | <b>Rupees</b>              |                  |                              |                  |
| Capacity purchase price           | 684,260                    | 1,605,235        | 1,943,531                    | 2,747,464        |
| Energy purchase price (note 11.1) | 867,550                    | 2,329,719        | 2,409,850                    | 4,486,264        |
|                                   | <u>1,551,810</u>           | <u>3,934,954</u> | <u>4,353,381</u>             | <u>7,233,728</u> |

11.1 Energy purchase price is net of sales tax of Rs. 409,674 (2019: Rs. 762,665) for current period's sales invoices.

|  | Unaudited<br>Quarter ended |                  | Unaudited<br>Half year ended |                  |
|--|----------------------------|------------------|------------------------------|------------------|
|  | June 30,<br>2020           | June 30,<br>2019 | June 30,<br>2020             | June 30,<br>2019 |
| <b>12. WORKERS' PROFITS<br/>PARTICIPATION FUND</b> | <b>Rupees</b>              |                  |                              |                  |
| Provision for                                      |                            |                  |                              |                  |
| - Workers' profits participation fund              | 21,386                     | 57,854           | 66,200                       | 93,502           |
| Less: Recoverable from CPPA                        | <u>(21,386)</u>            | <u>(57,854)</u>  | <u>(66,200)</u>              | <u>(93,502)</u>  |
|  | <u>-</u>                   | <u>-</u>         | <u>-</u>                     | <u>-</u>         |

12.1 The Company is required to pay 5% of its profit to the Workers' Profits Participation Fund. However, such payment will not effect the Company's overall profitability as this is recoverable from Central Power Purchasing Agency Guarantee Limited (CPPA) as a pass through item under Schedule I Part IV of the Power Purchase Agreement (PPA).

**13. EARNINGS PER SHARE**

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

|   | Unaudited<br>Quarter ended |                  | Unaudited<br>Half year ended |                  |
|---|----------------------------|------------------|------------------------------|------------------|
|   | June 30,<br>2020           | June 30,<br>2019 | June 30,<br>2020             | June 30,<br>2019 |
| Profit for the period                         | <u>414,304</u>             | <u>1,154,435</u> | <u>1,309,660</u>             | <u>1,867,387</u> |
| ----- <b>Number of shares</b> -----           |                            |                  |                              |                  |
| Weighted average number<br>of ordinary shares | <u>323,800</u>             | <u>323,800</u>   | <u>323,800</u>               | <u>323,800</u>   |
| ----- <b>Rupees</b> -----                     |                            |                  |                              |                  |
| Earnings per share - basic and diluted        | <u>1.28</u>                | <u>3.57</u>      | <u>4.04</u>                  | <u>5.77</u>      |



(Amounts in thousand)

|   | Unaudited                              |  |
|---|--|--|
|   | Half year ended                        |  |
|   | June 30,<br>2020                       | June 30,<br>2019                         |
|   | Rupees                                 |  |
| <b>14. CASH GENERATED FROM OPERATIONS</b>               |  |  |
| Profit before taxation                                  | 1,323,992                              | 1,870,049                                |
| Adjustment for non-cash charges and other items:        |  |  |
| - Depreciation  | 403,542                                | 398,527                                  |
| - Amortisation  | 4,706                                  | 4,740                                    |
| - Provisions  | (47,382)                               | 22,163                                   |
| - Provision for impairment                              | -                                      | 52,266                                   |
| - Reclassification of cash flow hedge to profit or loss | (436)                                  | (433)                                    |
| - Amortisation of transaction cost                      | 6,768                                  | 4,061                                    |
| - Finance income  | (8,728)                                | (9,181)                                  |
| - Finance cost  | 346,037                                | 281,277                                  |
| Working capital changes (note 14.1)                     | 273,696                                | (925,451)                                |
|   | <u>2,302,195</u>                       | <u>1,698,018</u>                         |
| <b>14.1 Working capital changes</b>                     |  |  |
| (Increase) / decrease in current assets:                |  |  |
| Inventories   | (4,899)                                | 8,346                                    |
| Trade debts   | 459,300                                | (2,187,710)                              |
| Other receivables                                       | (1,591,785)                            | (460,101)                                |
| Loans, advances, deposits and prepayments               | (187,988)                              | 49,463                                   |
|   | <u>(1,325,372)</u>                     | <u>(2,590,002)</u>                       |
| Increase in current liabilities:                        |  |  |
| Trade and other payables                                | 1,599,068                              | 1,664,551                                |
|   | <u>273,696</u>                         | <u>(925,451)</u>                         |
|   | <b>Unaudited<br/>June 30,<br/>2020</b> | <b>Audited<br/>December 31,<br/>2019</b> |
|   | Rupees                                 |  |
| <b>15. CASH AND CASH EQUIVALENTS</b>                    |  |  |
| Balances with banks                                     | 279,139                                | 81,443                                   |
| Short-term borrowings                                   | (3,341,127)                            | (3,878,725)                              |
| Short-term investments                                  | -                                      | 48,717                                   |
|   | <u>(3,061,988)</u>                     | <u>(3,748,565)</u>                       |
| <b>16. FAIR VALUE MEASUREMENT</b>                       |  |  |

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

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



(Amounts in thousand)

## 17. TRANSACTIONS WITH RELATED PARTIES

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

| Nature of relationship           | Nature of transactions  | Unaudited       |               |
|----------------------------------|---|-----------------|---------------|
|                                  |   | Half year ended |               |
|                                  |   | June 30, 2020   | June 30, 2019 |
| <b>Holding Company</b>           | Purchase of services  | 89,903          | 79,987        |
|                                  | Services rendered   | 13,795          | 27,382        |
|                                  | Contribution for Corporate Social Responsibility (CSR) activities | -               | 5,550         |
|                                  |   |                 |               |
| <b>Associated companies</b>      | Purchase of services  | 904             | 4,150         |
|                                  | Services rendered   | 28,302          | 238,813       |
|                                  | Operation and maintenance fee                                     | 448,979         | 561,377       |
| <b>Key management personnel</b>  | Managerial remuneration, including bonuses                        | 5,842           | 8,649         |
|                                  | Contribution / Charge for retirement benefit schemes              | 873             | 747           |
|                                  | Directors fee   | 1,000           | 800           |
| <b>Staff retirement benefits</b> | Managed and operated by Engro Corporation Limited                 |                 |               |
|                                  | - Gratuity fund   | 1,757           | 5,823         |
|                                  | - Provident fund  | 5,209           | 16,030        |

## 18. IMPACT OF COVID-19

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

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

## 19. CORRESPONDING FIGURES

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



(Amounts in thousand)

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


| Description        | Reclassified   |                         | Amount<br>(Rupees) |
|--------------------|----------------|-------------------------|--------------------|
|                    | From           | To                      |                    |
| Purchased services | Other expenses | Cost of sales           | 3,970              |
| Purchased services | Other expenses | Administrative expenses | 5,953              |

## 20. DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue on August 06, 2020 by the Board of Directors of the Company.

## 21. GENERAL

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



**Rabia Wafah Khan**  
Chief Financial Officer



**Shahab Qader**  
Chief Executive Officer



**Ahsan Zafar Syed**  
Chairman



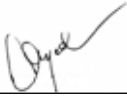
## مستقبل قریب کا جائزہ

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

نئے پاور پلانٹس کے اضافے سے چاہے وہ میرٹ آرڈر سے باہر کام کر رہے ہیں یا میرٹ آرڈر میں، اینگرو پاور جن قادر پور لمیٹڈ لسٹ میں پیچھے ہونے سے پلانٹ کی فراہمی متاثر ہوئی ہے۔ زیر جائزہ مدت کے دوران، معیشت کی سست روی اور Covid-19 کے صنعتوں پر اثرات نے طلب میں مزید کمی کی صورت حال پیدا کر رکھی ہے۔

حکومت نے نیکسٹ کو عارضی سہارا دینے کے لیے سلوک کے اجراء سے 200 بلین روپے فراہم کئے ہیں تاہم سرکلر ڈیٹ کے بنیادی اسباب کو ختم کرنے کے لیے ٹھوس اقدامات کی غیر موجودگی میں بھی انڈسٹری کے لیے ایک بڑا چیلنج بنا رہے گا۔

کمپنی اسٹیک ہولڈرز کو متبادل ذریعے سے بجلی کی فراہمی کے لیے راضی کرنے میں مصروف ہے کیونکہ قادر پور فیلڈ سے حاصل ہونے والی گیس ختم ہو رہی ہے۔ کمپنی پلانٹ کے لیے قابل عمل متبادل فیول آپشن کو ختم کرنے کے لیے اپنی بھرپور کوششیں جاری رکھے گی۔



چیرمین  
احسان ظفر سید



چیف ایگزیکٹو  
شہاب قادر

16 اگست 2020



# اینگر وپاورجن قادر پور لمیٹڈ

ڈائریکٹرز کا جائزہ برائے شیئر ہولڈرز

ششماہی ختم شدہ 30 جون 2020

اینگر وپاورجن قادر پور لمیٹڈ کے ڈائریکٹرز 30 جون 2020 کو ختم ہونے والی ششماہی کے لیے کمپنی کی غیر آڈٹ شدہ مالیاتی معلومات اور کارکردگی کا جائزہ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

## انتظامی کارکردگی

اینگر وپاورجن قادر پور لمیٹڈ (EQPL) پلانٹ نے گزشتہ سال کی اسی مدت کے دوران 100% قابل فروخت بجلی کی موجودگی کے مقابلے میں سال 2020 کی پہلی ششماہی میں 99.7% موجودگی کا فیکٹر حاصل کیا۔ پلانٹ سے نیشنل گرڈ کو 28% لوڈ فیکٹر کے ساتھ 264 GWh کا ٹوٹل نیٹ الیکٹریکل آؤٹ پٹ (NEO) فراہم کیا جبکہ 2019 کی پہلی ششماہی میں لوڈ فیکٹر 71% تھا۔ اس بار لوڈ فیکٹر میں کمی کی وجہ بنیادی طور پر پلانٹ کی میرٹ آرڈر پوزیشن کے سبب کم خریداری ہے۔

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

## مالیاتی کارکردگی

مذکورہ مدت کے لیے سیلز کی آمدنی گزشتہ سال کی اسی مدت کے 7,234 ملین روپے کے مقابلے میں 4,353 ملین روپے رہی۔ سیلز کی آمدنی میں کمی خاص طور پر 2020 کی پہلی ششماہی کے دوران گزشتہ سال کی اسی مدت کے مقابلے میں کم بجلی فروخت ہوئی۔ اس کے ساتھ 27 مارچ 2020 سے نرخ سے متعلق ڈیٹ سروسنگ کمپوننٹ کا غیر فعال ہونا بھی آمدنی میں کمی کی بڑی وجہ ہے۔

زیر جائزہ مدت کے لیے مجموعی منافع گزشتہ سال کی اسی مدت کے 2,065 ملین روپے کے مقابلے میں 1,212 ملین روپے رہا۔ کم ادائیگیوں کے سبب مجموعی منافع میں کمی واقع ہوئی۔

این ٹی ڈی سی کی طرف واجب الادا رقم 30 جون 2020 کو 10,238 ملین روپے بنتی ہے جو کہ 31 دسمبر 2019 کو 9,161 ملین روپے تھی۔ 30 جون 2020 کو ایس این جی پی ایل کو واجب الادا رقم 6,586 ملین روپے بنتی ہے جو کہ 31 دسمبر 2019 کو 6,490 ملین روپے تھی۔

کمپنی نے 2020 کی پہلی ششماہی میں 1,310 ملین روپے کا خالص منافع کمایا جبکہ 2019 کی پہلی ششماہی میں 1,867 ملین روپے تھا۔ اس طرح ہر ایک شیئر پر منافع 4.04 روپے بنتا ہے جبکہ گزشتہ سال کی اسی مدت کے دوران 5.77 روپے تھا۔





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