

# پید میں چمکنے والا جگمگ

annual report 2023

**energizing Pakistan**



engro powergen qadirpur

## about the theme

At its core, the expression *'Har Jagga Mere Chamakne Se Ujaala Hojaaye'* from Allama Muhammad Iqbal's timeless poetry inspires us to embrace divine guidance and nurture our ambitions for a purpose-driven existence. It encapsulates the essence of self-empowerment and the yearning to enact positive change – fostering continuous growth, innovation, and the greater good.

For Engro Powergen Qadirpur Limited, it encompasses our profound corporate ethos centered around alleviating Pakistan's energy crisis and illuminating a path to prosperity. We recognize that the economic and social progress of the Country relies heavily on a sustainable and efficient power sector. Drawing inspiration from Iqbal's profound words, Engro Powergen Qadirpur Limited harnesses the potential of its green power plant by utilizing permeate gas to reduce carbon emissions and open new avenues for growth across Pakistan.

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# partner of choice

corporate information



# company information

## board of directors

**Yusuf Jamil Siddiqui**  
Chairman

**Semeen Akhter**  
Chief Executive Officer

Nausheen Ahmad | Maryam Aziz | Kaiser Bengali | Mohammad Yasir Khan  
Shabbir Hussain Hashmi | Vaqar Zakaria

**Chief Financial Officer**  
Usman Hassan

**Head of Internal Audit**  
Ekta Sitani

**Company Secretary**  
Khawaja Haider Abbas

## bankers / development finance institute

Al Baraka Bank (Pakistan) Ltd.

Allied Bank Ltd.

Bank Alfalah Ltd.

Faysal Bank Ltd.

National Bank of Pakistan

MCB Bank Ltd.

Pak Kuwait Investment Company (Pvt) Ltd.

Pak Brunei Investment Company Ltd.

Soneri Bank Ltd.

Bank of Punjab

Habib Metropolitan Bank Ltd.

Standard Chartered Bank (Pakistan) Ltd.

## plant

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

## shares registrar

M/s. FAMCO Share Registration Services (Pvt) Ltd.  
8-F, Next to Hotel Faran, Nursery, Block-6  
PECHS, Shahrah-e-Faisal, Karachi  
Tel:+92-21-34380101-5 | Fax:+92-21-34380106

## registered office

16<sup>th</sup> Floor, The Harbour Front Building,  
HC # 3, Marine Drive, Block 4, Clifton,  
Karachi-75600, Pakistan  
UAN: +92 (21) 111 211 211  
PABX: +92 (21) 35297501-10

## auditors

A.F. Ferguson & Co Chartered Accountants  
State Life Building No. 1-C, I.I. Chundrigar  
Road Karachi-74000, Pakistan  
Tel: +92(21) 32426682-6 / 32426711-5  
Fax +92(21) 32415007 / 32427938

## website

[www.engroenergy.com/engro-powergen-qadirpur-limited/](http://www.engroenergy.com/engro-powergen-qadirpur-limited/)

## ceo message (video link)

<https://www.engroenergy.com/media-gallery/>



## our history

On 27th March 2010, the spark of an idea conceived in one team's imagination became reality and Engro Powergen Qadirpur (EPQL) 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 traveling on the National Highway from Sukkur to Daharki, passed the Qadirpur gas field. Located 600 km from Karachi, the Qadirpur gas field is amongst Pakistan's largest gas reserves. From the highway they could see a huge flare of permeate gas. This flare, which is the by-product of the gas purification process, consisted mainly of Methane (60%), Carbon Dioxide (31%), Nitrogen (8%), Hydrogen Sulfide (320ppm), and about 1% of other hydrocarbons. The sulfur content made it unfit for household consumption. Our team was finally struck with the idea that energy could be harnessed from this waste gas. Use of permeate gas for electricity generation would also reduce carbon dioxide emissions produced when the gas is flared, hence its utilization resulted in a 'green solution' falling in line with Engro's philosophy. And so that short journey from Sukkur to Daharki became the stepping stone for our journey into the power sector.

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

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

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

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

## vision

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

## mission

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



# our strategic commitments

Maintain highest workplace safety standards



Ensure reliability and sustainability of operations and business processes



Continue with our commitment towards education, health, infrastructure, and livelihood areas in which we operate



Explore options on alternate sources of fuel supply for future needs



Continue to benchmark performance against acclaimed environmental practice as per World Bank and National Environmental Quality Standards

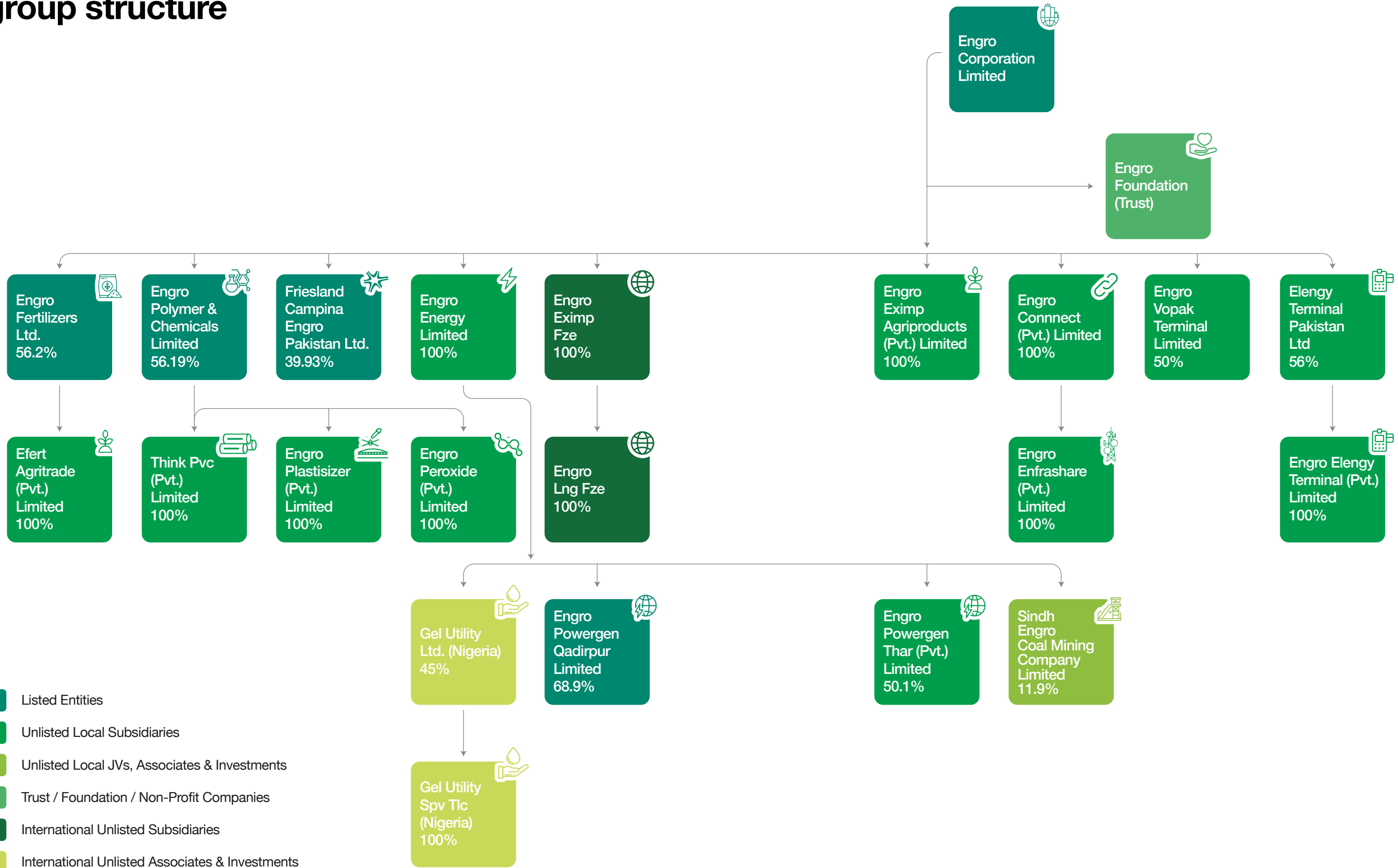


Develop and retain high performance teams/talent with a focus on deploying a diverse, inclusive and equitable work space





# group structure



- Listed Entities
- Unlisted Local Subsidiaries
- Unlisted Local JVs, Associates & Investments
- Trust / Foundation / Non-Profit Companies
- International Unlisted Subsidiaries
- International Unlisted Associates & Investments

# group portfolio

## fertilizers

Top 50 fertilizer manufacturer in the world; 5 decades of operations as year's 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 217MW power plant on permeate gas. Operating first-ever 2x330 MW mine-mouth coal power plant; managing Pakistan's first open-pit lignite mine producing up to 7.6 MPTA of thar coal



## 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



## PSX recognition

5th rank by PSX in Top Performing Companies for Year 2022.



## corporate & sustainability report awards

The EPQL Annual Report for 2022 secured 5th position in Best Corporate & Sustainability Report Awards in Fuel & Energy sector by ICAP.



## EPQL annual report 2022 wins SAFA award

The EPQL Annual Report for 2022 received a Silver Award in Energy Category at South Asian Federation of Accountants (SAFA) Best Presented Annual (BPA) Report Awards 2022.



## digitization at EPQL

In 2022, EPQL completed the digital transformation project under which major manual processes have been converted to digital in-house and without any external consultant. Through this transformation, the paper usage will drastically be reduced, paving towards a greener and more sustainable office at EPQL.



## EPQL wins national forum for environment & health CSR awards

Engro Powergen Qadirpur recognized by the 'National Forum for Environment and Health', for exceptional contribution to CSR with 3 awards in the categories of Women Welfare, Empowerment & Development and CSR Projects.



## EPQL achieved an American based healthy workplace certification

Engro Powergen Qadirpur Limited has achieved an American based Healthy Workplace Certification (2017-2019) from Global Center for Healthy Workplaces.



## EPQL annual report 2020 wins SAFA award

The EPQL Annual Report for 2020 wins the best presented Annual Report Award as a joint winner in the Power and Energy category at the South Asian Federation of Accountants (SAFA) Awards 2020.



## safety streak

EPQL achieves a safety streak of over 5000 consecutive days without Lost Work Injury (LWI) since its COD.



## zero TRIR

Maintaining a perfect safety record with zero Total Recordable Injury Rate (TRIR).

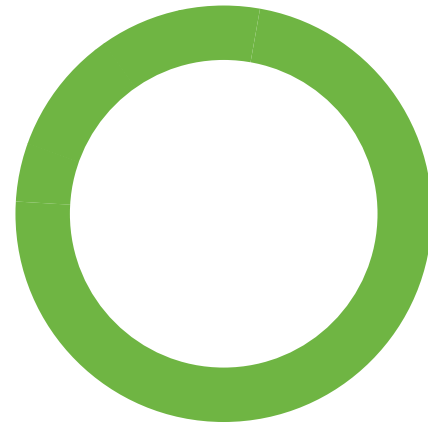
# our footprint in Pakistan

business revenues (Rs. in billion)



revenue  
**13.26 billion**

wealth generated (Rs. in billion)



wealth generated  
**5.2 billion**

employees

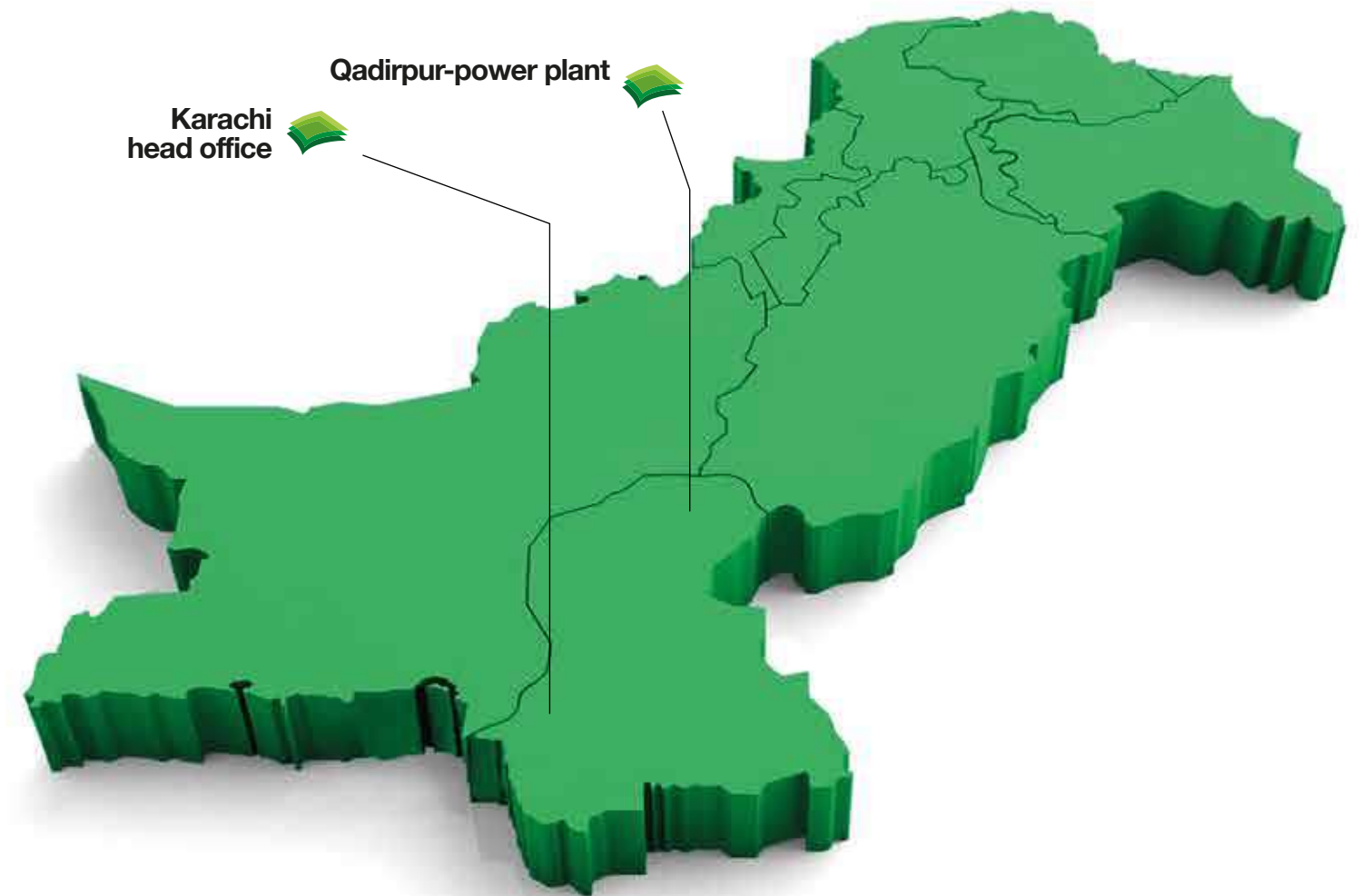


total employees  
(as of 31<sup>st</sup> dec 2023)  
**107**

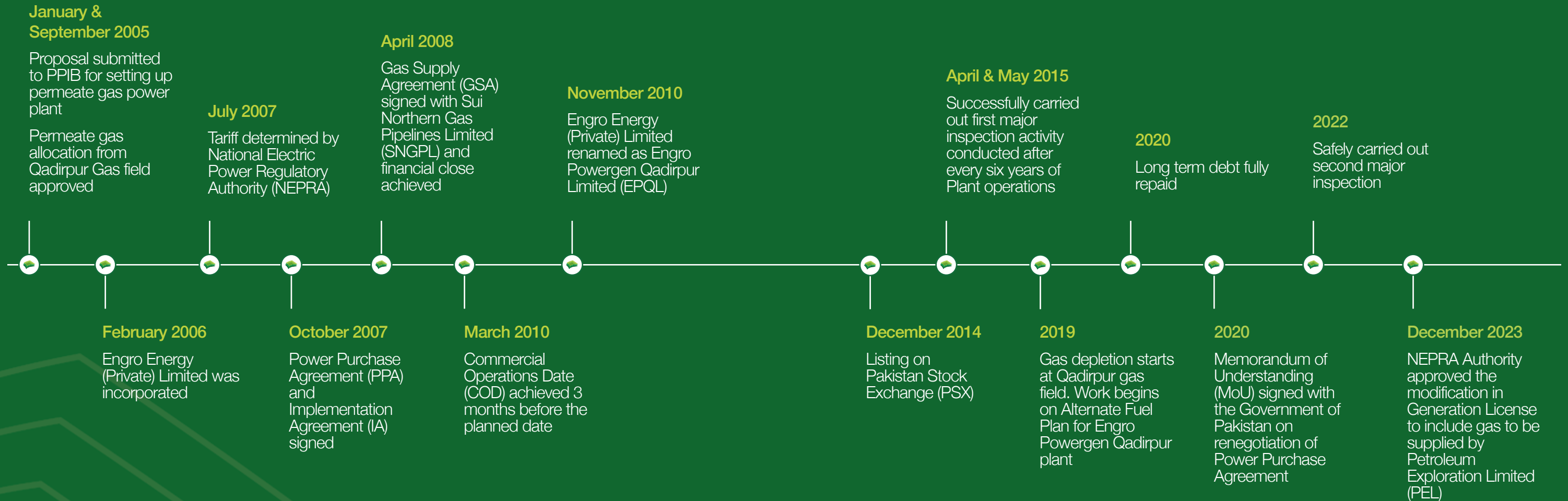
CSR (Rs. in million)



total social spend  
**15.53 million**



# our timeline



## 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.

### health, safety & environment

Cares deeply about environmental impact and safety of people



### ethics & integrity

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

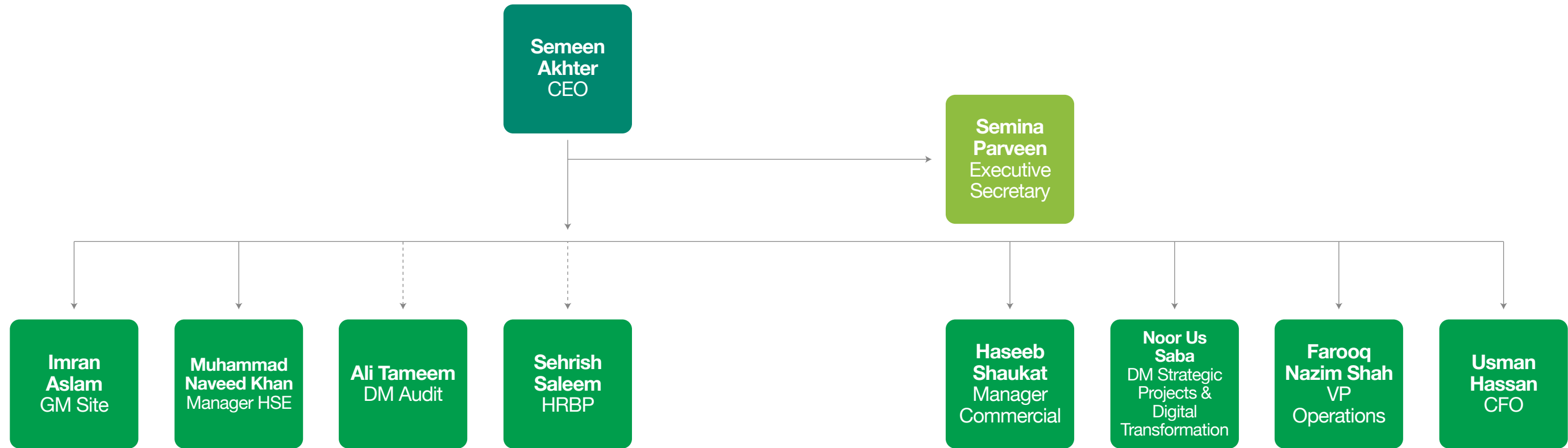


### community & society

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



# organizational structure



# truth, trust and transparency

corporate governance



## board of directors



**Yusuf Siddiqui**

Chairman

Yusuf Siddiqui currently serves as the Chief Executive Officer at Engro Energy Limited, a position he acquired on July 1st, 2022. Prior to this role, he served as the Chief Executive Officer of Engro Vopak and Elengy Terminal Limited, starting from April 2020.

Prior to this, he has headed the Shell businesses in Tunisia and Jordan. Yusuf is an energy industry executive with about 24 years of experience leading upstream, downstream & renewables energy ventures in Shell, Eni & BP. He has a global career profile with diverse assignments in Tunisia, Jordan, Oman, Netherlands, Iran, Italy & Pakistan. He brings valuable experience in safety, technical, strategic and commercial leadership, working with the world's top operators & innovators in the changing energy landscape.

Yusuf has an engineering degree in Petroleum Engineering from the University of Engineering & Technology, Lahore & an MBA from the Institute of Business Administration, Karachi. He is an alumni of various leadership, production, commercial & asset management academies of BP, Shell & Eni. He is an avid reader of history and an outdoor enthusiast with a love for camping, swimming and water sports.

He also serves on the board of Engro Powergen Qadirpur Limited, Engro Energy Services Limited, Engro Energy Limited, Engro Powergen Thar Private Limited, Thar Foundation, Engro Foundation and Gel Nigeria.



**Semeen Akhter**

Chief Executive Officer

Semeen Akhter currently holds the position of Chief Executive Officer at Engro Powergen Qadirpur Limited (EPQL). She began her journey with Engro Energy in January 2023 as the VP of Business Development. In this role, Semeen has been instrumental in advancing the development of the 400MW hybrid renewable project, and she actively explores business prospects in waste-to-energy, mineral mining, and alternate fuel opportunities.

With a professional career spanning over 20 years, Semeen brings a wealth of experience across various industries and global regions, including the Middle East, South Asia, Europe, USA, Brazil, and Australia. Her expertise encompasses business development, the formulation of new business models and strategies, data-driven analytics and marketing, and supply chain technologies.

Semeen holds a Bachelor's degree in electrical engineering from NED University and an MBA from the Institute of Business Administration (Karachi). Passionate about embracing digital future technologies, she focuses on areas such as Remote Operations, Factory of the Future, industrial IoT, Artificial Intelligence, and Big Data Analytics (Industry 4.0). Semeen Akhter is dedicated to driving innovation and excellence in the energy sector.

## board of directors



**Shabbir Hashmi**

Director

Mr. Shabbir Hashmi currently serves as a Non-Executive Director at Engro Powergen Qadirpur Limited. He also serves as a Director on the Boards of Engro Corporation Limited, OJ Engineering Limited, and FINCA Microfinance Bank Limited. Additionally, he serves on the Board of Governors of The Help Care Society, which operates K-12 schools in Lahore for underprivileged children.

With over 35 years of experience in development planning, impact financing and private equity Shabbir Hashmi's multifaceted contributions reflect a seamless blend of business acumen and philanthropic spirit. He is passionate in making a positive impact in both the corporate and social spheres.

In executive roles, he has directed Pakistan operations of Actis Capital, a major PE player in the emerging market. Prior to this, he managed a substantial investment portfolio at CDC Group Plc, focusing on Pakistan and Bangladesh. In addition, he has held pivotal roles with USAID and then briefly with the World Bank in Pakistan, related to policy and price setting in the energy sector. So far, Shabbir Hashmi has served on over 24 boards as a nominee of CDC/Actis and 17 others as an independent board member. Notably, he brings heightened governance and accountability to listed companies, emphasizing their crucial need for robust oversight.

He is an engineer from Dawood College of Engineering & Technology, Pakistan and holds an MBA from J.F. Kennedy University, USA.



**Mohammad Yasir Khan**

Director

Mohammad Yasir Khan is currently serving as Vice President & Company Secretary at Engro Corporation Limited. He joined Engro Corporation in 2018 in Corporate Strategy and subsequently worked in different divisions including Mergers & Acquisitions and Investments. In 2023 Yasir also served as the Chief Financial Officer of Engro Energy Limited before transitioning into his current role.

During his role as the M&A lead and subsequently as General Manager in the Investments Division, Yasir evaluated numerous capital deployment opportunities relevant to Engro's business verticals, particularly in the telecom infrastructure and energy space. He has been instrumental in recommending and executing various portfolio moves for Engro Corporation including the buyback of shares. From the year 2020 to early 2023, Yasir also served as the Secretary to Engro Corporation's Board Investment Committee and the Steering Committee for Capital Allocation.

Yasir brings a wealth of experience from his previous roles in investment banking, M&A advisory, portfolio management and corporate strategy with deal credentials worth over USD 1.2 billion. Before joining Engro, he worked in the Capital Markets Division (Treasury & FIs Group) at Bank Alfalah Limited and prior to that in the Investment Banking Division of AKD Securities Limited.

Yasir serves as a Non-Executive Director on the Boards of Engro Powergen Qadirpur Limited and Engro Powergen Thar (Private) Limited. He has a Bachelor's and Master's degree in Business Administration from the Institute of Business Management.

## board of directors



**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 Foundation, 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.

He also serves on the board of Hagler Bailly Pakistan, (Managing Director), Pakistan Foundation Fighting Blindness, (Member Board of Trustees), Elengy Terminal Pakistan Limited, Islamabad Wildlife Management Board and Engro Powergen Qadirpur Limited.



**Nausheen Ahmad**

Director

Nausheen Ahmad holds an LL.B. from Kings College, London, an LL.M. degree from the University of London and a degree in the Philosophy of Religion from Kings College, London. She was called to the Bar from the Honorable Society of Grays Inn London and is registered as an Advocate of the Sindh High Court. She was also accredited as a mediator and master trainer by the Centre for Effective Dispute Resolution, UK.

Having spent over three decades in the corporate sector, Ms. Ahmad brings with her a tremendous amount of experience and expertise in the legal field, as well as proven leadership skills. She began her legal practice with the corporate law firm Surridge and Beecheno. Later, she went on to hold the position of Legal Counsel at Pakistan Petroleum Ltd., Unilever Pakistan Ltd., ICI Pakistan Ltd. and Habib Bank Limited as the Company Secretary and General Counsel.

Ms. Ahmad left inhouse legal practice in mid 2021 to establish a boutique law firm called the Legal and Governance Advisory to provide corporate governance advice and training to businesses. She is an executive trainer and teaches the Directors Certification Training with PICG and IBA. She also conducts diversity and inclusion training and conflict resolution and negotiation skills courses. Ms Ahmad is part of the visiting faculty at KSBL and IOBM, Karachi.

She also serves on the board of Meezan Bank Limited, Jubilee General Insurance Company Limited, International Steels Limited, Engro Powergen Qadirpur Limited, Descon Engineering Ltd. Other Recent Offices held: First Women Bank Limited (FWBL) Pakistan Stock Exchange Limited (PSX)

## board of directors



**Maryam Aziz**

Director

Maryam Aziz is a highly experienced finance and audit professional, with a career spanning over 20 years in financial reporting, internal & external audit and risk management. She is a Fellow Chartered Accountant from the Institute of Chartered Accountants of Pakistan. In addition, she has achieved professional certifications from Institute of Internal Auditors, US, Association of Chartered Certified Accountants, UK and Chartered Institute of Management Accountants, UK. She is a certified director from the Pakistan Institute of Corporate Governance.

She began her professional accounting career with KPMG Taseer Hadi Khalid & Co. from where she completed her articleship. During her 5 years with the firm, she covered external audits, internal control reviews, due diligence reviews and privatization assignments at major financial institutions including Deutsche Bank, Standard Chartered Bank, UBL, State Bank of Pakistan, ANZ Grindlays and National Development Finance Corporation. In 2002, she joined ORIX Leasing Pakistan Limited, a subsidiary of ORIX Corporation, a Japanese multinational financial group operating in 34 countries globally. In her 20 years' career with ORIX Group, she served in diverse roles, both within Pakistan and with group companies in the Middle East, Far East and Central Asia. As part of the International division of OLP, she performed critical due diligence reviews of strategic investment projects in the MENACA region and Russia. She was designated Finance Director at the IFC led joint venture investment by ORIX in a leasing company in Kazakhstan. She was a crucial resource in multiple assignments involving improvements to accounting and reporting processes in Kazakhstan, Indonesia and Pakistan. While she was Chief Internal Auditor in Pakistan, she was also designated as ORIX Group's Internal Control Advisor in the Middle East and headed audits in Oman, Saudi Arabia and UAE. Her other critical roles in ORIX Pakistan include Chief Financial Officer and Head of Enterprise Risk Management.

She also served for 3 years as a director and Chairperson of the Risk Committee on the Board of ORIX Modaraba, a subsidiary of ORIX Pakistan, and the oldest modarabas in the sector. Since 2019, she has been a member of the Board of Fauji Fertilizer Company Ltd. Aziz brings valuable experience in governance of financial reporting and risk management to the EPQL Board.



**Kaiser Bengali**

Director

Kaiser Bengali is an economist with over 40 years of experience in teaching, research and policy advice in Pakistan and abroad. He has a master's in economics from Boston University, USA, and a Ph.D. in Economics from the 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. He also serves on the board of Engro Powergen Qadirpur Limited, Sindh Education Foundation Bargad (NGO), PPP Support Fund (Sindh Govt) and Omar Asghar Khan Foundation (NGO).

# board of directors

**Kaiser Bengali**  
Director



**Maryam Aziz**  
Director



**Yusuf Siddiqui**  
Chairman



**Vaqr Zakaria**  
Director



**Shabbir Hashmi**  
Director



**Semeen Akhter**  
Chief Executive Officer



**Mohammad Yasir Khan**  
Director



**Nausheen Ahmad**  
Director



# 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

- 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.

# principal board committee

## board people's committee

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

The Committee met twice during the year 2023.

## 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 2023.



### Nausheen Ahmad

Chairperson

### Maryam Aziz

Member

### Vaqar Zakaria

Member

The secretary of the Board People's Committee is Tamkeen Sardar Faisal



### Kaiser Bengali

Chairman

### Mohammad Yasir Khan

Member

### Shabbir Hussain Hashmi

Member

The secretary of the Committee is Ekta Sitani.

# our governance framework

## directors orientation program

The Human Resource department chalks out a formal orientation plan, which is followed at the induction of a new Board member. The orientation plan is devised to familiarise the new member with the business. Each Divisional Head of the Company takes them through a presentation pertaining to their own divisions, and macro-level policies are discussed. During the year, one new director was appointed, and orientation course was conducted.

## directors' remuneration

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code of 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 2023, 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 twice in the current year.

The performance evaluation focuses on:

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

## role of the chairman & the ceo

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

## chairman epql board

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

informs them about their roles, responsibilities, duties and powers to help them effectively manage the affairs of the Company.

## ceo of epql

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

## operations of the board

The Board is responsible for setting strategic objectives, overseeing the effective management and control of the Company, and identifying significant business risks and ensuring that policies and mechanisms are in place to adequately manage those risks. The Board has delegated certain responsibilities to its committees for review of relevant matters and making recommendations to the Board. All Committees operate in accordance with their TORs approved by the Board. The permanent Committees of the Board are the Board Audit Committee and the Board People 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, two female directors have been on the Board.

## 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.

## evaluation of board, committees, ceo and the chairman

As at December 31, 2023 the Board comprises of one Executive Director, three Independent Directors, and four Non-Executive Directors. A Non-Executive Director chairs the Board and the Chief Executive Officer is Ms. Semeen Akhter. Biographical details of the Directors are given on page 27 to 34 of the annual report. A Board of Directors' meeting calendar is issued annually that schedules the matters reserved for discussion and approval. The Board met 5 times this year and discussed matters relating to inter alia current year performance and 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.



## evaluation

The Listed Companies (Code of Corporate Governance) Regulations, 2019 mandatorily requires evaluation of the Board of Directors as a whole, its Committees, and the contribution of each Director to the strategic direction and steerage of the Company. In this regard, a comprehensive range of self-evaluation surveys were conducted in the Company with respect to the performance of its Board of Directors and Board Committees. Purposive feedback from all Board members was solicited on areas of strategic clarity & beliefs, direction of business plan, and functional adequacy of its role. Equal emphasis is given to evaluating and assessing the individual contribution of each Director during the year by the Chairman of the Board, highlighting significant areas of development for them. The evaluation of the members of the Board and its committees (i.e. Board Audit Committee and Board Peoples Committees) is carried out internally on the following premise:

**Timeliness:** The Board Members receive timely meeting notices, clearly describing the agenda of the meetings, followed by the duly circulation of its minutes.

**Preparedness:** The Board Members are provided with the well-structured financial and non-financial reports on significant matters at least seven days before the meeting.

**Participation and inclusivity:** The Board meetings are conducted in a manner that ensures open communication, meaningful participation, and timely resolution of issues. The Board Members respect the difference between the Board's policy-making role and CEO's management role.

**Transparency:** The Board Members determine goals, expectation and concerns, and ensure its due communication to the CEO.

The evaluation of CEO and Chairman is also carried out on above criteria. The overall performance of the Board, its committees, Chairman and CEO measured based on approved criteria remained satisfactory.

## formal orientation of our board

The Human Resource department chalks out a formal orientation plan, which is followed at the induction of a new Board member. The orientation plan is devised to familiarise the new member with the business. Each Divisional Head of the Company takes them through a presentation pertaining to their own divisions, and macro-level policies are discussed. During the year, three new directors were appointed including CEO.

## details of board meetings held outside Pakistan during the year

During 2023, all Board meetings were held in Pakistan.

## 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

### contracts/ transactions with related parties

The Company has an established and approved policy of governing transactions between the Company and its Related Parties, in compliance with the requirements of Section 208 of the Companies Act, 2017 and the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018. The policy provides a framework for governance and reporting of Related Party Transactions, and is intended to ensure due and timely approval, disclosure including its pricing policy and reporting of transactions between the Company and any of its Related Parties in compliance with the applicable laws. During the period, the Company has not entered into any contract or arrangement, other than ordinary course of business on an arm's length basis, with its related parties.

### investors' grievance policy

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

### policy for safety records of the company

The Company has a documented Record Retention Policy to ensure the safety of the records for periods that exceed the minimum requirement prescribed by Companies Act, 2017 and other applicable regulatory requirements. In addition, the Company has a formally documented Business Continuity Plan (BCP) complemented by a formal Disaster Recovery Plan (DRP).

### disclosure on IT governance policy and cybersecurity

At Engro, the Board of Directors are the ultimate authority for cyber security strategy. The BAC is responsible for reviewing the significant IT risks and ensuring the corrective and remediation strategy is in place. To facilitate the board, Engro's Executive Committee (EXCOM) plays a pivotal role in ensuring that detailed security assessment is carried out for all new and existing technology initiatives supported by an Information Technology Steering Committee (ITSC) and the Chief Information Officer (CIO).

The Company has a centralized Information and Communication technology (ICT) function which is responsible for appropriate mechanisms for detections of risks and timely communication to the relevant stake holders. Further, the Company also has a disaster recovery plan in place which ensures all necessary procedures to restore the affected systems for smooth processing of operations in case the system is hindered.

Further to educate the engronians on the cyber security risks the Company periodically conducts sessions and activities on on-site and physical IS awareness and Phishing emails.

### whistleblower policy – "speak out!"

The Board of Directors of the Company have established a Whistle-blower policy which allows employees and third parties such as suppliers, customers and contractors to raise any concerns they have regarding business ethics, safety, environmental performance, harassment, employment related matters or other possible breaches of company's code of conduct. 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 the organization, such as actions that:

- ◆ Are unlawful or may damage the reputation of the Company
- ◆ 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 Health, Safety & Environmental standards applicable to the business
- ◆ Give rise to harassment, discrimination or other unfair employment practices

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

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

### human resource management & succession planning

The Company has a documented Human Resource management policy which aims to attract, induct, develop, retain and motivate high calibre talent who are qualified, capable and willing to contribute their best towards accomplishment of Company objectives.

To complement this policy several other policies have been developed for recruitment, compensation and organizational development. The Company's HR policies have been developed encompassing following principles:

#### equal opportunity

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

#### training and development

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

#### performance management

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

#### compensation and benefits

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

#### diversity and non-discrimination

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

#### succession planning policy

The Company's Succession Planning policy is aimed at ensuring seamless business continuity, through a stronger talent pipeline for future leadership positions. Keeping People Development at the core and recognizing that change is imminent, focus is on skill enhancement for all current and future business needs to ensure that the organization remains abreast with changing times. Career growth for employees has also been mapped keeping in view, the individual's potential, experience,

display of Engro competencies along with other factors. Each employee is provided training and development opportunities and is equipped with the necessary tools and resources to perform at the job. The Company has also initiated the Leadership Pipeline Development Framework, which encompasses a holistic approach to People Development covering aspects like on-going coaching, rotations and Cross Functional Projects. In addition to this, Mentorship is also an integral part of the system along with a Top Talent Strategy to ensure focused upward mobility.

### social and environmental responsibility policy

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

- Statement of ethics and business practices
- Policy for handling conflict of interest
- Employee Code of Conduct
- Policy for soliciting customers, suppliers, vendors and contractors
- Allocation of funds for social investments

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

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

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

### business continuity plan

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.

### enterprise resource planning (erp)

The Company has constant focus on optimization of ERP to achieve efficiency in internal controls and attain a paperless environment. In 2021, the Company implemented SAP S4/Hana as a software to integrate the core business processes like Finance, HR, supply chain and inventory management in a single system to inbuilt operation efficiencies and synergies.

The Company also has a risk assessment system led by a dedicated team of ERP specialists who are constantly working on providing spontaneous solutions and extensive trainings to the stakeholders in turn ensuring that the Company can achieve optimum accuracy in reporting.

### sponsors, directors and executives shareholding

Information relating to shares held by Sponsor, Directors and Executives has been disclosed in Directors Report on page 138.

### beneficial (including indirect) ownership and flow chart of group shareholding

Complete disclosure of Engro Powergen Qadirpur Limited shareholders has been provided in Director's Report on page 141. In addition, group shareholding and direct & indirect ownerships of the Company are demonstrated on page 13.

### compliance with best practices of code of corporate governance

Information relating to compliance with the best practices of code of Corporate Governance have been provided on page 149.

### interaction with major shareholders

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

### investors' relations section on corporate website

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

### issues raised at last agm

The Company's Annual General Meeting for year ended December 31, 2022 was held on March 29, 2023, which was attended by Chariman of Audit Committee and no major issues were raised by the Shareholders during the meeting.

### compliance of International financial reporting standards (ifrs)

The management of the Company strongly believes in adherence to unreserved compliance with all the applicable International Accounting Standards (IAS) / IFRS issued by International Accounting Standards Board (IASB) and as adopted by SECP vital to fair preparation and presentation of financial information. Compliance to IFRS encourages sufficient disclosures of the financial statements that are beneficial for informed decisions of stakeholders. Financial statements for the year have been prepared in accordance with the accounting and reporting standards issued by IASB as are applicable in Pakistan. IFRS adoption status is in detail is explained in note 2 of the annexed financial statements.

### efforts to implement governance practices exceeding legal requirements

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

- Voluntary disclosure of additional corporate and financial information in this annual report for the year ended 2023, although not required by any law, to make the Company's affairs more transparent and to give better insight of the Company's affairs, policies and strategies
- Implementation of Health, Safety and Environment Policy for better and safe workplace environment for employees, workers and surrounded community
- Implementation of various social projects for welfare of the community as part of 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 to ensure that a system of sound internal control is established, which is effectively implemented and maintained at all levels within the Company. However, such a system is designed to govern rather than eliminate the risk of failure to achieve business objectives. The Board, whilst maintaining its overall responsibility for governance of risk within the Company, has delegated the detailed design and operation of the system of internal controls to the Chief Executive.

## framework

The Company maintains an established control framework comprising clear structures, authority limits, and accountabilities, well communicated and understood policies and procedures and budgeting for review processes. All policies and control procedures are documented in manuals. The Board establishes overall 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 at least once in a quarter, 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.

## internal audit

EPQL has an Internal Audit function, manned with suitably qualified and experienced staff. The Board Audit Committee annually reviews the appropriateness of resources and authority of this function. Moreover, the Board Audit Committee in coordination with the Board People Committee ensures that the performance review and compensation mechanisms of the Internal Audit personnel are appropriate to maintain their independence from the Company's management. The Head of Internal Audit functionally reports to the Audit Committee and has indirect reporting to the Head of Corporate Audit of the Ultimate Parent Company i.e. Engro Corporation Limited. The Head of Internal Audit only reports for administrative matters to the CEO of the Company. 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. The Company ensures appropriate focus on its business ethics policies through an inhouse Ethics and Compliance section, housed within its Internal Audit department that monitors compliance against all ethics related policies, interalia the following:

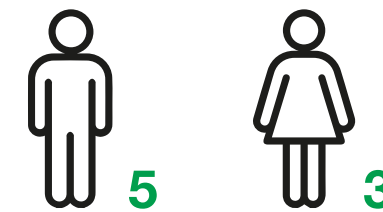
- Code of Conduct
- Governance of Conflicts of Interest
- Governance of Transactions/Contracts with Related Parties
- Statement of Ethics and Business Practice
- Whistleblower Policy – Speak Out

# statement of compliance with listed companies (code of corporate governance) regulations, 2019

Engro Powergen Qadirpur Limited  
Year ended December 31, 2023

Engro Powergen Qadirpur Limited (hereinafter referred to as (the "Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, ("Regulations") in the following manner:

- The total number of directors are eight (8) in the following manner:



\*Including the CEO, who is a Deemed Director.

- The composition of the Board is as follows:

Category	Name
Independent Director - Male	Mr. Kaiser Bengali
Independent Directors - Female	Ms. Nausheen Ahmad Ms. Maryam Aziz*
Non-Executive Directors	Mr. Yusuf Jamil Siddiqui Mr. Shabbir Hussain Hashmi Mr. Mohammad Yasir Khan** Mr. Vaqar Zakaria
Executive Director	Ms. Semeen Akhter***

\*Ms. Maryam Aziz was appointed on October 16, 2023, in place of Ms. Fauzia Viqar who resigned as a Director on May 8, 2023.  
\*\*Mr. Mohammad Yasir Khan was appointed on May 4, 2023, in place of Mr. Farooq Barkat Ali who resigned as a Director on May 4, 2023.  
\*\*\*Ms. Semeen Akhter was appointed on May 1, 2023, in place of Mr. Shahab Qader Khan who resigned as a Chief Executive Officer on May 1, 2023.

- The directors have confirmed that none of them are serving as a director on more than seven (7) listed companies, including this Company.
- 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.
- The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Company. The Board has ensured that the Company maintains a complete record of significant policies, including the date of their approval or updating.
- 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 Companies Act, 2017 (the "Act") and the Regulations.
- 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of the Board.
- The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
- Out of the 8 directors, 6 directors have successfully completed the Director's Training Program. Ms. Semeen Akhter and Mr. Mohammad Yasir Khan, who were appointed during the year 2023, shall take the training under the stipulated timeline as per requirement as per Regulation 19(2). Further Ms. Tamkeen Sardar Faisal, Head of HR, has attended the Directors Training Program during the year.
- The Board had approved the appointment of the Chief Executive Officer, Chief Financial Officer, and Company Secretary including with their remuneration and terms and conditions of employment and complied with the Regulations. The Board has also reviewed the remuneration of the existing Chief Internal Auditor along with the terms and conditions of employment.
- The Chief Executive Officer and Chief Financial Officer duly endorsed the Company's financial statements, which were subsequently presented to the Board Audit Committee and the Board for approval.
- The Board has formed committees comprising of members given below:

a) Board Audit Committee	Mr. Kaiser Bengali - Chairman Mr. Mohammad Yasir Khan Mr. Shabbir Hussain Hashmi
The Committee was reconstituted on May 04, 2023	
b) Board People Committee, i.e. HR and Remuneration Committee	Ms. Nausheen Ahmad - Chairperson Ms. Maryam Aziz Mr. Vaqar Zakaria

The Committee was reconstituted on October 16, 2023

- The Terms of Reference of the aforementioned committees have been formed, documented and advised to the committees for compliance.
- The frequency of meetings of the committees were as follows:
  - a) Board Audit Committee- 4 meetings held during the year;
  - b) Board People Committee - 2 meetings held during the year;
- The Board has set up an effective internal audit function comprising individuals who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
- 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. They are also 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.
- The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations, or any other regulatory requirement. The auditors have also confirmed that they have observed IFAC guidelines in this regard.
- We confirm that all requirements of Regulation 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
- Explanation for non-compliance with requirements, other than Regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:
  - a) Nomination Committee and Risk Management Committee (Regulation 29 and 30)  
The responsibilities of the Nomination Committee and the Risk Management Committee are currently fulfilled by the Board and Board Audit Committee respectively. Therefore, establishing a separate committee for Nomination and Risk Management is not required.



**Yusuf Jamil Siddiqui**  
Chairman



**Semeen Akhter**  
Chief Executive Officer

Date: February 15, 2024

# report of the audit committee

## Dear Shareholder,

On behalf of the Board, I am pleased to present the Audit Committee's Report for the financial year ended December 31, 2023. Our key focus was to assist the Board of Directors in fulfilling their governance and stewardship responsibilities including integrity of financial reporting and ensuring robustness of internal controls and risk management process at Engro Powergen Qadirpur Limited.

## composition

The Committee is appointed by the Board and comprised of:

Name		
Mr. Kaiser Bengali	Chairman	Independent Director
Mr. Shabbir Hashmi	Member	Non-Executive Director
Mr. Mohammad Yasir Khan	Member	Non-Executive Director
Ms. Ekta Sitani	Secretary	Head of Internal Audit

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

## charter of the committee

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

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

## meetings during 2023

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

During the year 2023, the Committee met four (4) times. Furthermore, as required by the Code, the Committee also independently met external and internal auditors.

## role of the committee

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

During 2023, the following key responsibilities were satisfactorily carried out by the Audit Committee:

- Ensured compliance with the listed Companies (Code of Corporate Governance) Regulations, 2019;
- Reviewed quarterly, half-yearly, and annual financial statements of the Company prior to their approval by the Board of Directors, focusing on major judgmental areas, financial estimates, going concern assumption, compliance of accounting standards, local regulations, and other statutory / regulatory requirements;
- Reviewed Related Party Transactions, ensuring that the pricing methods used were on terms equivalent to those that prevail on arm's length basis;
- Ensured that proper, accurate, and adequate accounting records have been maintained by the Company;
- Recommended the appointment of the external auditors to the Board to be confirmed by the Company shareholders in the Annual General Meeting;
- Reviewed new policies / modifications to existing policies and Management's compliance with all Company's policies, procedures, and guidelines;
- Ensured that the Company's system of internal control is sound in design and has been continually evaluated for effectiveness and adequacy;
- Closed periods were duly determined and announced by the Company, preventing the directors, executives and all employees of all Engro companies from dealing in the shares of the Company, prior to each Board meeting.

## risk management and internal control

The Company has developed a sound mechanism for identification of risks, assigning appropriate criticality level and devising appropriate mitigation measures, which are regularly monitored and implemented by the management across all major functions of the Company and presented to the Audit Committee for information and review. The Company has devised and implemented an effective internal control framework which also includes an independent internal audit function. The Internal Audit department is responsible for monitoring of compliance, inherent and other risks associated with operations of the Company.

## internal audit

- The Internal Audit function has carried out its duties under the charter defined by the Committee. The Committee has reviewed material Internal Audit findings, taken appropriate action or brought the matters to the Board's attention where required.
- Audit Committee has provided proper arrangement for staff and management to report to Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters. Adequate remedial and mitigating measures are applied, where necessary.
- The Head of Internal Audit has direct access to the Chairman 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, 2023 and shall retire on the conclusion of the Annual General Meeting;

- The Committee has reviewed and discussed audit observations highlighted in covering letter to the audit report with the external auditors. A meeting was also held with the external auditors in the absence of the management;
- The external auditors have direct access to the Committee and Internal Audit Department, thereby ensuring the effectiveness, independence and objectivity of the audit process;
- A.F. Ferguson & Co., Chartered Accountants also provided taxation services to the Company; the statutory auditors have no financial or other relationship of any kind with the Company except that of External Auditor and Taxation Consultant.

- The performance, cost and independence of the external auditors is reviewed annually by the Committee. The Audit Committee obtained confirmation from the external auditors in its meeting that the engagement team, other partners and staff in the firm, and the firm have complied with the applicable requirements regarding independence.
- The Committee is satisfied with the performance of the External Auditors. The engagement partner on the audit was Mr. Azhar Hussain. 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 2024. A resolution to this effect has been proposed at the forthcoming Annual General Meeting.

## financial statements 2023

- The Committee assessed the 2023 Financial Statements as fair, balanced, and understandable, and that it provided sufficient information to enable the shareholders to assess the performance.



### Kaiser Bengali

Chairman of the Audit Committee  
Engro Powergen Qadirpur Limited  
February 14, 2024



# path to success

business performance



## chairman's review

With a legacy of more than a decade behind it, EPQL continues to play a vital role in the energy landscape of Pakistan through utilization of indigenous fuel source. Motivated by the profound impact we aspire to create for the entire country, our unwavering pursuit of value creation is deeply rooted in significant investments toward the growth of our people, communities, and the surrounding economy. As we navigate challenges and set our sights on new objectives, our dedication to operational excellence, safety, and sustainability remains unyielding.

EPQL once again achieved a commendable safety milestone in 2023, marking a streak of around 5,000 consecutive days without a lost workday injury (LWI) since our commercial operations began in 2010. This exemplifies our commitment to the well-being of our workforce and the communities in which we operate. Our commitment to environmental stewardship continued to drive our actions. Recertifying ISO 14001 and ISO 45001 ratings reaffirms our dedication to maintaining the highest standards in Health, Safety, and Environment (HSE) whilst also demonstrating our focus on protecting our people, our communities, and our environment. In terms of operational performance, the Company received dispatch throughout the year due its high merit order position. 2023 saw us demonstrate a billable availability factor of ~100%, dispatching a total net electrical output of 870 GWh, and achieving a load factor of 46%. We successfully recovered overdue receivables and continued to maintain a high ranking on the merit order.

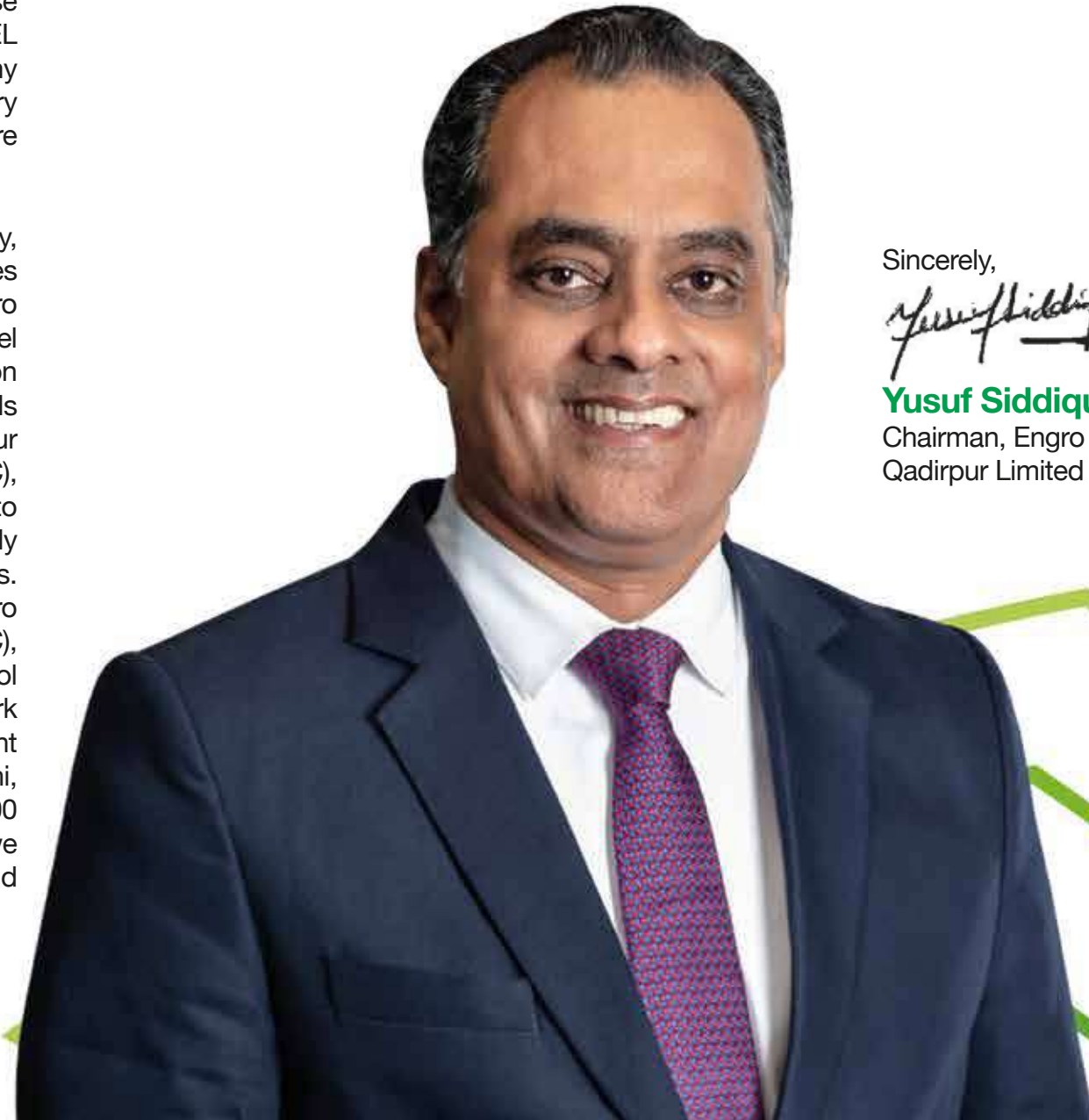
On the input side, currently EPQL has a Gas Supply Agreement (GSA) with Sui Northern Gas Pipelines Limited (SNGPL), for supply of permeate gas from the Qadirpur Gas Field. With the gas supply from the Qadirpur field depleting, gas depletion phase has been declared by the company and the plant is made available in mixed mode where both permeate gas and High-Speed Diesel (HSD) fuel is utilized. The Company is engaged with relevant stakeholders for alternate fuel supply. EPQL has now secured the Modified Generation License and decision on Fuel Cost Component on PEL from NEPRA. As next steps, the Company needs to finalize a few more regulatory approvals and contractual formalities before commissioning this gas supply.

In line with our ethos of social responsibility, EPQL continues to invest in communities around our projects. Through the Engro Foundation, our CSR arm, we channel philanthropic capital into initiatives focused on education, technical training, skills development, and healthcare. In 2023, our dedicated Primary Healthcare Centre (PHC), established in collaboration with HANDS to serve the surrounding villages, offered timely medical treatments to a over 11,000 patients. Furthermore, EPQL, in partnership with Engro Foundation and Indus Resource Centre (IRC), actively sustains one of the largest school networks in the Ghotki district. This network encompasses three government schools—Rasheed Ahmed Arain, Gul M Arbani, and Juma Khan Arbani—educating over 700 students. In tandem with our community, we persist in our journey of fostering inclusion and creating value with purpose.

We have always maintained that our people remain our core enduring advantage and this year our priority on our people-agenda was no less. In 2023, we enhanced our focus on their well-being, conducted health awareness sessions, interventions for work-life management, and invested in professional growth through training initiatives. The induction of 10 female Graduate Trainee Engineers from surrounding areas of Qadirpur underscores our commitment to DE&I (Diversity, Equity and

Inclusion) and ensuring that we deliver on our inclusive growth agenda.

In the end, I extend my sincere appreciation to EPQL's management, employees, customers, partners, and stakeholders for their unwavering support. Your trust, confidence, and commitment drive us forward. Together, we will continue our journey of hope and perseverance, contributing to a prosperous 2024 for EPQL and Pakistan.



Sincerely,

**Yusuf Siddiqui**

Chairman, Engro Powergen  
Qadirpur Limited (EPQL)

## ceo's message

Dear Shareholders,

With a history spanning well over a decade, Engro Powergen Qadirpur Limited (EPQL) remains a key player in Pakistan's energy sector, harnessing indigenous fuel sources to generate affordable energy as we believe that access to affordable energy is an enabler for creating a much larger socio-economic impact in the country.

FY23 was a year of standout financial performance for EPQL with our sales revenue for the year 2023 closing at PKR 13,256 million, marking a significant increase from PKR 10,027 million the previous year. This growth is attributed to enhanced availability and dispatch, resulting in a higher gross profit of PKR 2,663 million, compared to PKR 1,711 million last year. EPQL achieved a net profit of PKR 2,511 million in 2023, contrasting with PKR 1,472 million in 2022, which resulted in much higher earnings per share of PKR 7.76 for 2023 versus PKR 4.55 for 2022.

Our financial stewardship is further reflected in the reduction of overdue payments from power purchasers, which stood at PKR 7.7 billion on December 31, 2023, down from PKR 8.0 billion on December 31, 2022. The overdue amount payable to Sui Northern Gas Pipelines Limited (SNGPL) on December 31, 2023, was PKR 1.5 billion, compared to PKR 2.4 billion in 2022. The Company remains committed to managing its finances effectively and ensuring timely payments to all stakeholders.

The year 2023 had its share of challenges but we demonstrated a billable availability factor of 100%, dispatching a total net electrical output of 870 GWh to the national grid, with a load factor of 46% versus 41% in 2022. The lower load factor in the previous year was attributed to a major inspection (MI). Our commitment to operational excellence was showcased through the successful completion of plant turnaround activities, encompassing thorough inspections and maintenance of critical assets such as turbines, boilers, and transformers, ensuring continuous and reliable operations throughout the year. Notably, we also achieved additional operational milestones with the successful execution of the annual capacity test and the seamless installation and commissioning of a new gas mixing skid, strategically aligned with our future

operational plans. In our endeavor to embrace the digital era, we also embarked on several digitalization programs, aimed at bolstering operational efficiency and refining our decision-making processes.

The corner stone of our operations is safe and reliable operations and we are proud to have maintained and improved our the exceptional safety record in 2023. We achieved a milestone of 5,000 consecutive days and 10 million man hours without a lost workday injury (LWI) since March 27, 2010. Additionally we carried out a critical outage activity during the year with a dedicated workforce of approximately 200 people maintaining the highest standards of safety which is a testament to the expertise, diligence, and adherence to stringent safety protocols by the EPQL team.

At EPQL we have always maintained that our commitment extends beyond the safety of our plants and our people; we are also meticulously focused on our environmental stewardship agenda. To this effect, rigorous compliance and governance activities throughout 2023 ensured that EPQL's processes and HSE standards aligned with global best practices. Achieving 100% compliance with National Environmental Quality Standards (NEQS) and World Bank Group guidelines. Additionally the successful recertification of the ISO 14001 and ISO 45001 ratings further signifies our dedication to Health, Safety, and Environment (HSE).

We recognize that the hard work and perseverance of our people constitutes our strongest asset and we continue to invest in them. Their collective knowledge and skills, combined with their innovative spirit is what sets us apart. We strive to make EPQL a truly enriching place to work, with conducive policies, health and safety, meritocracy, opportunities and industry-best practices. In upholding our vision, we initiated a series of programs, including training, workshops, and personal development initiatives to enhance the overall employee experience at Site and Head Office. All these efforts resulted in an astounding employee experience score of 86% - well above the global and industry average. Moreover, the addition of 10 female Graduate Trainee Engineers stands as a testament to our unwavering commitment to DE&I (Diversity, Equity, and Inclusion) and reinforces our pledge to foster an inclusive growth agenda.

We consider the communities in and around our operational areas as our key stakeholders and partners for sustainable growth. As a part of our core values, we nurture a positive relationship with them, and are always exploring ways to improve their lives and livelihoods. In 2023 we continued to make a positive impact on the communities by investing in initiatives aimed at improving socio-economic conditions. Technical training programs, healthcare facilities, basic infrastructure development, and the expansion of educational and health programs further reinforced our commitment to the upliftment of local communities.

As I conclude, let me take this opportunity to thank every stakeholder and request your continued faith and confidence in us. Looking ahead, I am confident that EPQL will continue delivering on all its stated commitments across financial, operational and ESG metrics, building upon our contributions to Pakistan's energy security and economic prosperity while investing in human capital and community welfare enriching the lives of thousands of people.



**Semeen Akhter**  
CEO, Engro Powergen Qadirpur Limited

## organizational highlights

**10.5 Mn**

workhours without LWI till December 2023



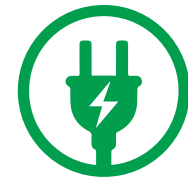
**~100%**

billable availability factor



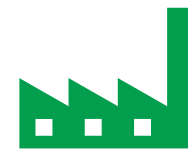
**870 Gwh**

GWH NEO



**46%**

Load Factor



**100%**

NEQS and WBGC



## external overview

### political

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

### economic

Any change in the global economic environment has a potential to impact the Company's financial performance and profitability. Movements in exchange rate and inflation may have impact on the profitability and hence the Company actively formulates strategies to hedge against economic risks.

Additionally, fuel price variations, for both local and imported fuels, affect the economic dispatch order of power plants in the country, including EPQL's. GDP growth also has a significant impact on the company, as GDP growth is a determinant of power demand. Interest rates affect the profitability of the company with changes in cost of short-term financing. Circular debt is a major issue which impacts the power sector, affecting the liquidity profile of the Company.

Due to macroeconomic challenges faced by the country during the year, power demand remained subdued in 2023. However, EPQL has received dispatch throughout the year owing to its high merit order position.

Given the economic uncertainty during the year and forex challenges, EPQL management remained engaged with relevant stakeholders to avoid any delays in procurement of critical equipment for the plant. Moreover, the Company has been proactively mitigating cost pressures arising from the elevated inflation and PKR depreciation.

### social

Growing population requires streamlining of power generation throughout the country. Surging population may lead to an increase in not only the domestic demand for power but may also influence industrial demand due to overall increase in consumption profile. 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 demand growing due to social factors.

The Company also adheres to strict health and safety protocols.

### technological

The concept of power generation is technology driven and as technologies are updated, there is risk associated with obsolescence as well as maintaining overall cost efficiency. The Company makes prudent efforts to manage this risk.

## environmental

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

## legal

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

## strategic objectives

Strategic Objectives	Strategic Actions	Measurable KPI
Ensure consistent shareholder value creation by managing liquidity position.	Maintain constant contact with key stakeholders for clearance of outstanding dues. Periodic cashflow monitoring to ensure liquidity for payment obligations.	Make cash available for shareholders
Continue efforts to finalize and implement alternate fuel plan.	The Company has submitted the final gas depletion plan to PPIB. Additionally, the Company is exploring local fuel options and has secured supply of 8-13 mmscfd gas from Petroleum Exploration Limited (PEL) to supplement existing Permeate gas supply. EPQL is engaged with stakeholders to finalize the same.	Notification of alternate fuel plan
Continue with CSR activities, increasing engagement with local communities through educational, skills development and health care initiatives.	Focus on improving quality of life of people residing in low-income communities by investing in social initiatives in education, technical training, and health care.	Number of lives impacted
Achieve Operational Excellence.	Continue smooth operations of the plant with focus on health, safety, and environment.	Ensure plant's availability and maintain plant's health and safety standards. Ensure Business Continuity Plan is in place.

## risks and opportunities

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

### risk governance

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

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

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

### enterprise risk management process

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

#### • Formulation of Strategy and Business Objectives

The focus of ERM at the Company is to ensure achievement of the organization objectives. Defining the organization's strategy and objectives is pre-requisite to identifying risks and opportunities. During this step, the management defines strategy and objectives for different areas of the organization which are then approved by the Board of Directors.

#### • Identification of Risks and Opportunities

The purpose of this step is to identify a comprehensive list of risks and events that may potentially impact the achievement of organization's mission and strategic objectives. In order to identify enterprise-level risks to be managed, a structured and systematic "Enterprise Risk Register" is used. Broad types of risk which are used for categorization of risk and opportunities are as follows:

Risk type	Description
Strategic Risk	Strategic risks are risks that affect or are created by an organization's business strategy and strategic objectives.
Commercial Risk	Commercial risks refer to potential losses arising from third party stakeholders or the sector in which the Company operates.
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, 2023.

### 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.

### implementation 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.

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

### 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		
	Strategic Risk	Likelihood	Impact
Reduction in Company's Net Electrical Output  Source of Risk: External	Medium	Medium	Macroeconomic challenges may have an impact on power demand. The Company is actively monitoring changes occurring in the power sector. The Management is closely working with key stakeholders to improve its dispatch position.
Adverse impact of increasing Circular Debt on Company cashflows  Source: External	High	High	The Company has developed liaison with relevant stakeholders for clearance of outstanding dues and recovery profile is closely monitored for any advance triggers.
Reduction in gas supply from Qadirpur Gas Field  Source of Risk: Internal	High	High	The Company is engaged with relevant stakeholders for finalization of an alternate fuel plan. EPQL is engaged with PEL for supply of 8-13 mmscfd gas, which will supplement Permeate Gas supply.

### commercial risk

Risk Type	Risk Assessment		
	Strategic Risk	Likelihood	Impact
Slowdown in corporate lending due to increased exposure in the energy sector taken up by majority commercial banks.  Source: External	Medium	Medium	The Company's management has maintained valuable relationships with lenders to minimize financing costs.

### operational risk

Risk Type	Risk Assessment		
	Strategic Risk	Likelihood	Impact
Emergence of new variants of virus resulting in plant outage.  Source: External	Low	Low	The Company has a strong Business Continuity Plan in place to keep the plant operational. Key site personnel have been identified along with back-ups. All employees have been vaccinated.
Compromised Plant availability due to operational issues at Plant site.  Source: Internal	Low	High	The Company has 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.
Delay in procurement due to low forex availability  Source: External	Medium	Medium	The company is actively engaged with relevant stakeholders to ensure timely procurement for critical equipment / spares.

### financial risks

Risk Type	Risk Assessment		
	Strategic Risk	Likelihood	Impact
Liquidity constraints due to circular debt.  Source of Risk: Internal / External	Medium	Medium	The Company has a pro-active treasury function which ensures that adequate funds and credit lines are kept available for any unforeseen situation.
Inability of the Company to recover billed amount resulting in delayed payment obligations and adverse impacts on shareholder value.	Medium	High	The Company has ensured strong relationships to ensure an improved collections profile and manages liquidity prudently by engaging key stakeholders and leveraging relationships to retrieve payments, smoothing out cashflow issues.

### opportunities

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

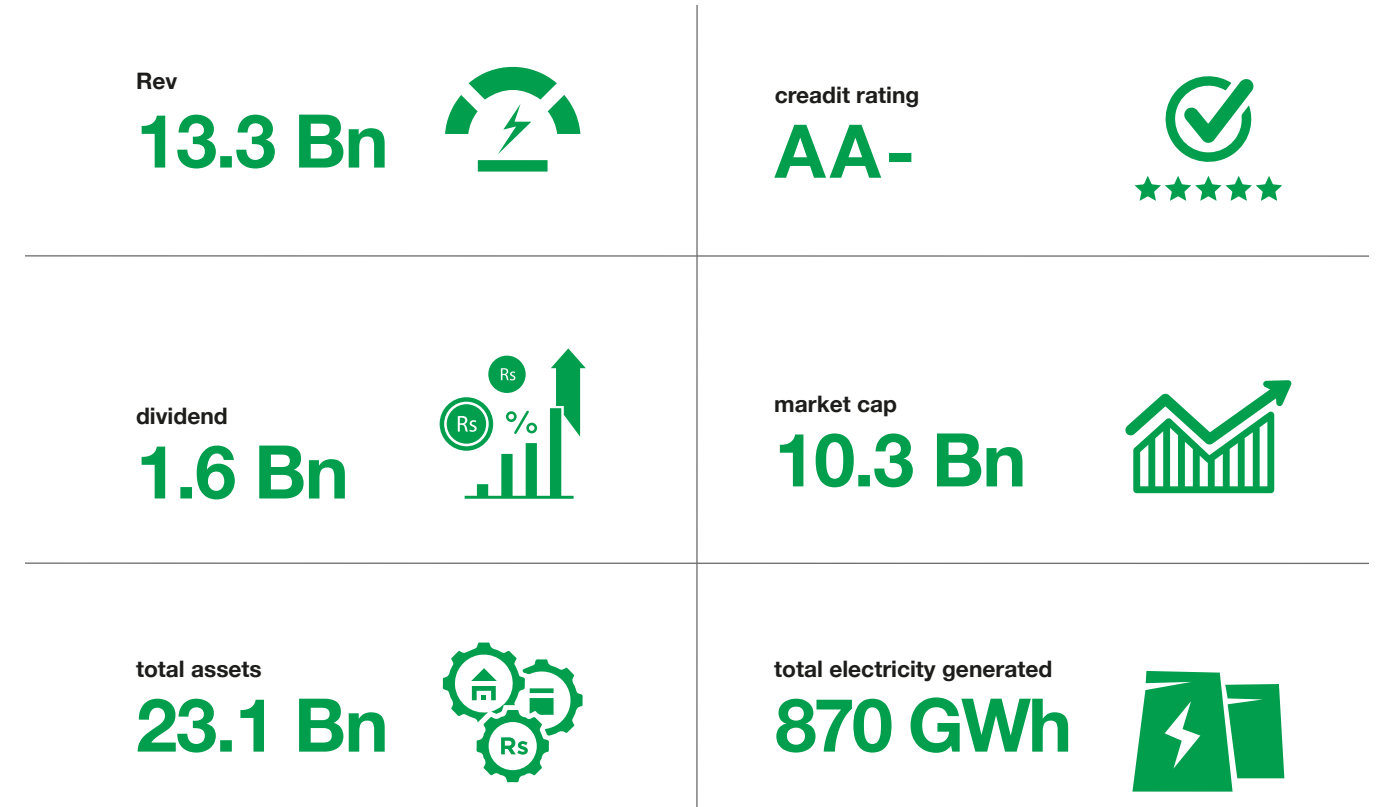
Key Opportunity	Impact Area	Way Forward
Development of Business Sustainability	Natural Capital	The Company is actively pursuing its gas depletion mitigation plan to safeguard shareholder value and improve operational efficiencies.
Investment in Sustainable Initiatives	Social Capital	The Company takes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

### way forward

The Company remains wary of the gas situation in the country and has been taking measures to efficiently use its allocated share. The Company has engaged with all stakeholders and prepared and submitted a gas depletion mitigation plan to PPIB. The Company has been actively working towards finalizing an alternate fuel plan. The Company had identified an additional source of local fuel from PEL and is engaged with relevant parties for approval. NEPRA Authority has recently approved the modification in Generation License for EPQL to include gas to be supplied by PEL. The decision on Fuel Cost Component on gas to be supplied by PEL has also been announced by NEPRA. Onwards, respective approvals will be taken from the relevant parties.

The Company takes a holistic view while detailing out plans for coming years, which include studying the industry position and taking prudent measures to formulate strategies for cost effective solutions.

## key operational highlights 2023

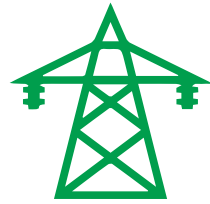




# our value chain process

## upstream

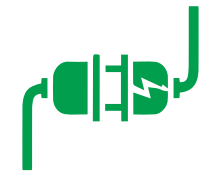
Generation  
Engro Powergen Qadirpur Limited



electricity generated is dispatched to CPPA.

## midstream

Transmission  
NTDC



NTDC through CPPA transmits the electricity to DISCOs

## downstream

Distribution  
DISCOs

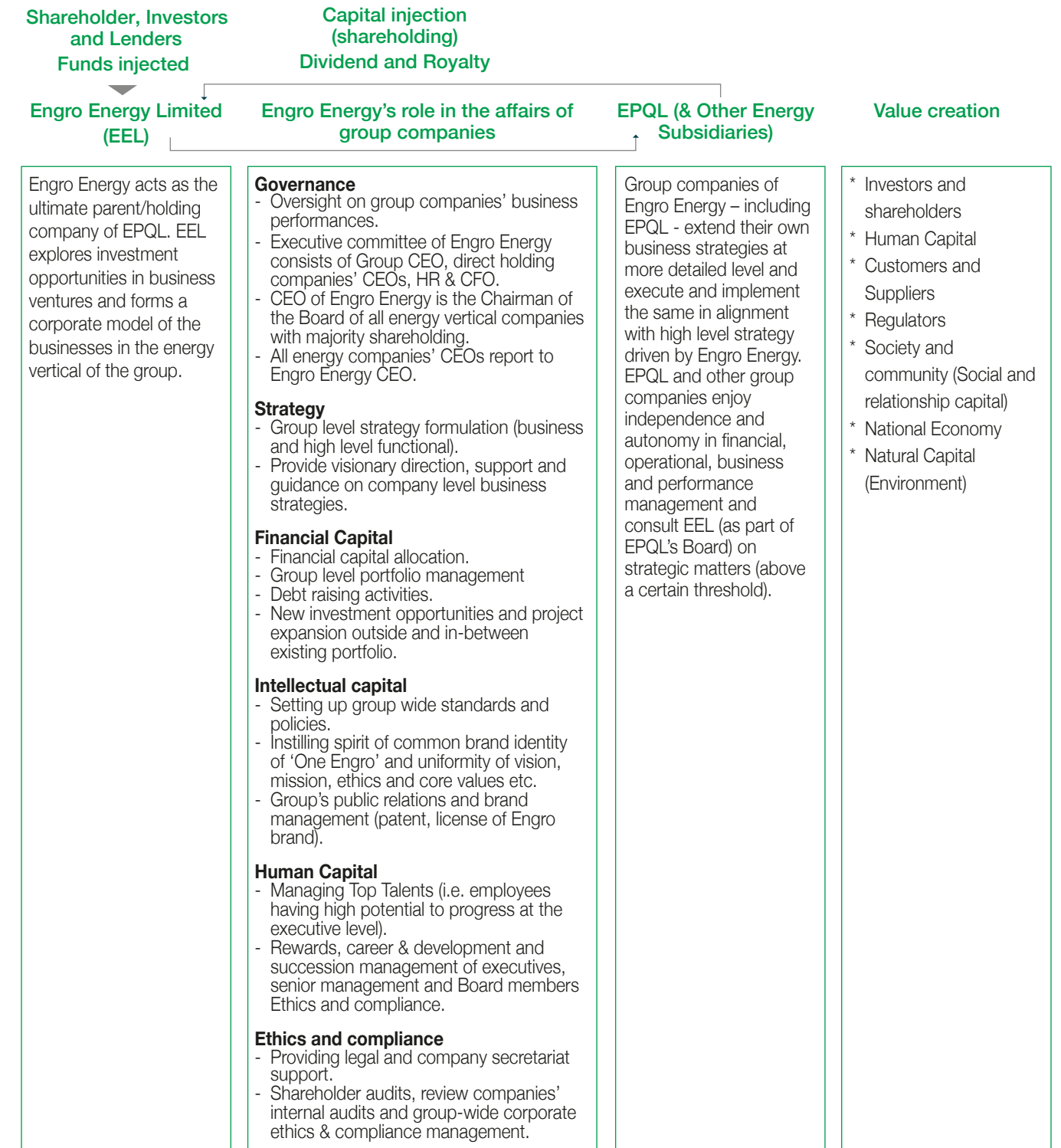


distribution to end users

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

# our integrated value creation model



# swot analysis



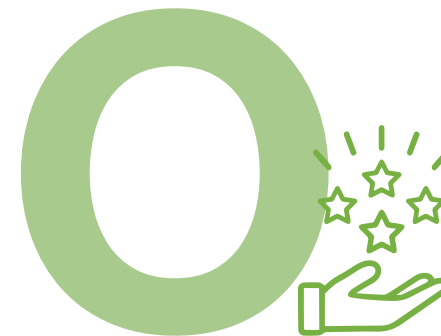
## strengths

- Indigenous fuel-based plant which utilizes permeate gas that was previously being flared.
- Green fuel
- Operational excellence with Management team that has vast experience and technical expertise.
- High credit ratings, which reflect strong financials and management expertise.



## weaknesses

- High receivable balance due to delays in payments by the power purchaser.
- Exposure to international fuel prices that affect merit order position.
- Dependence on fuel availability.



## opportunities

- Investment in sustainable initiatives by developing social capital.
- HR transformation to ensure sustainable business operations whilst remaining an agile and flexible organization.
- Availability of low BTU fuels in plant vicinity.



## threats

- Reduction in the prices of various fuels and addition of new indigenous fuel based plants in the system, which will impact EPQL's merit order position.
- Slowdown in economy affecting growth of power demand.
- Non-resolution of the circular debt situation.
- Limitations on foreign exchange outflow may affect procurement of critical spares.

# 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 converted into electrical energy



## outcome



### 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

# 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:



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

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

## significant plans and decisions

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

Moreover, EPQL is also actively exploring local fuel options. EPQL had secured supply of 8-13 mmscfd gas from Petroleum Exploration Limited (PEL). NEPRA Authority has approved the modification in Generation License for EPQL to include gas to be supplied by PEL. Recently, the decision on Fuel Cost Component on gas to be supplied by PEL has also been announced. Onwards, respective approvals will be taken from the relevant parties.

## 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 ensure consistent shareholder value creation.

## liquidity and working capital management

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

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

## treasury management

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

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

## financing arrangements

The Company places great emphasis on value maximization, which in turn leads to higher shareholder returns. The Company does this by minimizing its financing cost. Working capital requirements are met through internal cash generation and short-term borrowing to ensure balance sheet optimization. External financing consists of only local 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. The company retired its long-term debt in 2020, and currently has no long-term debt outstanding.

## significant changes from prior year

The Company is actively working with stakeholders to finalize an alternate fuel option for the plant as gas from Qadirpur field is depleting. In relation to Gas Depletion Mitigation Plan/ Option (GDMP/GDMO), the PPIB's proposal to use RLNG as a 'top-up' fuel in addition to the existing Permeate Gas had been put on hold by the board of PPIB and the Company has been asked to look for alternative low BTU fuels.

EPQL had secured supply of 8-13 mmscfd low BTU gas from Badar gas field operated by PEL. NEPRA Authority has approved the modification in Generation License for EPQL to include gas to be supplied by PEL.

## 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. The fuel is supplied from Qadirpur Field. The Company's Plant has the capability to operate on mixed mode (Gas + HSD) under conditions when the Company faces shortage of gas supply. During the outgoing year, 100% of the dispatch was based on gas hence, the composition of raw material for the Company was 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, 2023.

## overview

Sales revenue for the year 2023 was PKR 13,256 million as compared to PKR 10,027 million last year. The Company earned a net profit of PKR 2,511 million for 2023 as compared to PKR 1,472 million for 2022, which resulted in earnings per share of PKR 7.76 for 2023 vs PKR 4.55 for 2022. The Board of Directors approved a final cash dividend of PKR 1.5 per share.

A significant highlight of the year was the approval provided by NEPRA Authority for modification in Generation License to include gas to be supplied by PEL. This is the first formal approval on alternate fuel for EPQL, paving way for sustainable future operations. Moreover, the decision on Fuel Cost Component on gas to be supplied by PEL has also been announced by NEPRA.

## principal activity

Engro Powergen Qadirpur Limited (EPQL) was established with the primary objective of undertaking the business of power generation and sale. The Company set up a 217.3 MW combined cycle power plant near Qadirpur, District Ghotki and commenced commercial operations on March 27, 2010.

Engro Powergen Qadirpur (EPQL) is one of the first green facilities in Pakistan as it utilizes permeate gas (low-BTU and high sulphur content gas) to generate electricity. Prior to conceptualization of EPQL, Permeate Gas was being flared. The power 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 25 years from the date of commencement of commercial operations.

The Company is a subsidiary of Engro Energy Limited (EEL), formerly known as 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

A slowdown in economic activities and high inflation has affected power demand in 2023 as electricity generation in the CPPA-G system declined by 5% to 130 billion units. However, EPQL received dispatch throughout the year owing to its high merit order position. Growth in power demand is essential to recover the cost of the capacity additions made over the past years and those in the pipeline. Moreover, it is imperative that the overall system becomes more efficient, and losses should be minimized.

Circular debt has been a persistent problem in the domestic energy sector. The root causes behind the accumulation of circular debt include high T&D losses, low recovery, and power theft. Perpetual circular debt is also a result of both currency devaluation and surging capacity payments. The company continues to engage extensively with the relevant stakeholders to manage its liquidity position.

## operational overview

In 2023, the company demonstrated a billable availability factor of ~100% and dispatched a total net electrical output of 870 GWh, with a load factor of 46% during the year as compared to 41% in 2022. Last year, the load factor was lower due to major inspection (MI).

## financial review

Sales revenue for the year 2023 was PKR 13,256 million as compared to PKR 10,027 million last year. The increase in sales revenue is attributable to higher availability and dispatch coupled with an increase in tariff. Consequently, gross profit for the year was higher at PKR 2,663 million against PKR 1,711 million last year.

The Company earned a net profit of PKR 2,511 million for 2023 as compared to PKR 1,472 million for 2022, which resulted in earnings per share of PKR 7.76 for 2023 vs PKR 4.55 for 2022.

Overdue from power purchaser stood at PKR 7.7 billion as on December 31, 2023 vs PKR 8.0 billion as on December 31, 2022. The overdue amount payable to Sui Northern Gas Pipelines Limited (SNGPL) on December 31, 2023 was PKR 1.5 billion vs PKR 2.5 billion in 2022. The Company continues to strive to manage its finances and ensure timely payments to all stakeholders.

## gas scenario

The Company has a Gas Supply Agreement (GSA) with Sui Northern Gas Pipelines Limited (SNGPL) for the supply of 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). Meanwhile, the company is actively pursuing relevant stakeholders to finalize an alternate fuel plan for the plant. EPQL is engaged with Petroleum Exploration Limited (PEL) for supply of 8–13 mmscfd low BTU gas from Badar gas field. The NEPRA Authority has approved the modification in Generation License for EPQL to include gas to be supplied by PEL. The decision on Fuel Cost Component on gas to be supplied by PEL has also been announced by NEPRA.

## social investments

Engro Powergen Qadirpur Limited (EPQL) believes businesses develop their long-term social capital through the quality of their corporate governance. The trust of our stakeholders is our foremost priority; therefore, we greatly value meaningful investments. We conduct our business transparently, aligned with the laws of the land and societal norms. We are fair, transparent, open and encourage our stakeholders to act in a similar way.

Concurrently, being a socially and environmentally responsible entity, our aim is to improve lives, empower livelihoods, and bring about a tangible change in the communities around our businesses. Engro Foundation, a for-impact organization and a dedicated CSR arm for all Engro businesses, channels philanthropic capital into various community investments. We work closely with communities to understand their priorities and use this as a design input. Our community investments are focused on developing human capital by investing in education, technical training, skills development, and healthcare.

In 2023, our dedicated Primary Healthcare Centre (PHC) for our surrounding villages in partnership with HANDS provided timely medical treatments to over 11,000 patients at the facility. The organization also worked to hold approximately 40 awareness sessions with over 550 attendees. EPQL, in collaboration with Engro Foundation and Indus Resource Centre (IRC), also supports one of the largest adopted school networks in district Ghotki. This includes three government schools namely Rasheed Ahmed Arain, Gul M Arbani, and Juma Khan Arbani in the Ghotki area, educating more than 700+ students annually. Together with our people, we continue our journey of inclusion and value creation with purpose.

Moreover, under EPQL's Hunar Program, two initiatives were conducted successfully: Coaching Academy & Stitching Centre. Under Coaching Academy, around 28 girls attended Entry Test Preparation Classes for Diploma of Associated Engineering (DAE) Admissions and all of them passed entrance exam. However, 16 girls got enrolled in DAE (Electrical). Out of 16, 15 deserving girls from underprivileged community were supported through generous scholarships to pursue their technical education i.e. Three Years Diploma of Associated Engineering (Electrical Program) at Technical Training College (TTC) Daharki.

Meanwhile, the stitching training centre has successfully trained around 25 women from the local community. Following the completion of their 3-month training program, each participant has been provided with a stitching machine, empowering them to establish independent operations and secure their livelihoods.

## our people

Our continued success over the years can be credited to the hard work and perseverance of our people, our strongest asset. Our culture of inclusiveness, professionalism and excellence ensures that our people are safe and empowered to bring their best to work, ensuring the energy security for Pakistan.

Our teams are single-minded towards their focus in creating an enabling environment where the physical and mental well-being of our employees is front and center. This year our primary focus was to lay down interventions that enable our people to focus on their physical and mental well-being. Therefore, during the year we carried out a Sayaa Health Awareness Session, Work-Life Management Intervention, and several initiatives by Gaming & Adventure Society. For continued professional growth, our employees completed over 1,600 training hours during the year, which shows the dedication of our teams towards their professional growth in their areas of interest.

The leadership at EPQL also conducted various townhall sessions throughout the year to discuss the company's performance and conducted people connect sessions to gain insights about the challenges that were faced by the employees. We also celebrated employee achievements through the Excellence Awards, Spot & Long Service Award ceremony where employees were recognized for their exceptional performance.

The HR team focused extensively on engaging with the female workforce of EPQL by holding sessions which discussed concerns, if any, and areas of improvement towards creating a more diverse and inclusive organization. Paving the way for a more diverse and inclusive workforce, we were able to induct 10 Qadirpur Trainee Engineers hailing from local communities who were the first females to work in technical roles at Qadirpur Plant.

The annual employee engagement survey was conducted by the company to determine the satisfaction of the employee workforce during the year 2023, where the Company successfully achieved a healthy engagement index of 86%, demonstrating high engagement levels and employee morale at EPQL.

## health, safety & environment

Engro Powergen Qadirpur Limited has achieved a remarkable milestone this year by continuing its exceptional safety record, reaching a safety streak of 5,000 consecutive days without a lost workday injury (LWI) since its commercial operations date on March 27, 2010.

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. During the year, an outage activity involving a workforce of around 200 workers was carried out safely.

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

Our focus on safety has always been relentless. The quality of our Process Safety Management (PSM) and Behavioral LIs is reflected in the fact that the Company has maintained zero Loss Workday Injury and completed 10.5 million safe man hours and over 5,028 days year to date.

In 2023, we have planted over 5,000 trees in the plant vicinity and nearby schools, showing our commitment to environment which is also an integral part of our HSE efforts.

## near term outlook

The Company continues to engage with regulators and relevant stakeholders to finalize an alternate fuel option for the plant.

EPQL is actively exploring alternate local fuel options. The Company is engaged with PEL for supply of 8-13 mmscfd gas from Badar field operated by PEL. The Company had applied to NEPRA for License Proposed Modification and Tariff on the additional fuel source. NEPRA Authority has approved the modification in Generation License for EPQL to include gas to be supplied by PEL, and recently has also announced the decision on Fuel Cost component on gas to be supplied by PEL. Onwards, respective approvals will be taken from relevant parties.

The power demand in the country is expected to remain subdued due to macroeconomic challenges including inflation, power prices hikes and lower economic growth. Despite that, given that EPQL generates cheaper electricity in comparison to its peers, the company anticipates that the plant will continue to receive dispatch from the power purchaser.

### key shareholding & shares traded

As at December 31, 2023 major shareholder of the Company is Engro Energy Limited. A statement of the general pattern of shareholding along with pattern of shareholding of certain classes of shareholders whose disclosure is required under the reporting framework and the statement of purchase and sale of shares by Directors and their spouses and minor children is shown later in this report.

### auditors

The existing auditors, Messrs A.F. Ferguson & Co, Chartered Accountants retire and being eligible, have offered themselves for re-appointment. The Board Audit Committee recommends their appointment as auditors for the year ending December 31, 2024.

### dividend

The Board is pleased to propose a final cash dividend of PKR 1.5 per share on 15<sup>th</sup> February 2024, in addition to an interim dividend of PKR 1.5 per share on 4<sup>th</sup> August 2023 and another interim dividend of PKR 2.0 per share on 12<sup>th</sup> October 2023, taking full year payout to PKR 5.0 per share.

### retirement benefit funds

The Company maintains plans that provide post-employment and retirement benefits for its employees. These include defined contribution (DC) gratuity fund and DC provident fund. The Engro Corporation gratuity funds and Engro Corporation provident fund are managed by the ultimate parent company, Engro Corporation Limited for its own employees, and those of its subsidiaries, including Engro Powergen Qadirpur Limited.

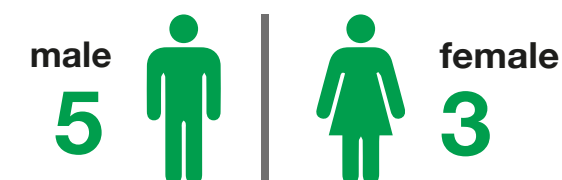
The above-mentioned funds are recognized by the tax authorities and are in compliance with Section 218 of the Companies Act, 2017.

Retirement Fund*	Engro Corporation Ltd. Provident Fund	Engro Corporation Ltd. Gratuit Funds <sup>1</sup>
	31-Dec-23	31-Dec-23
	Rs. in million	
<b>Total Assets</b>	5,559	3,976
<b>Saving Schemes</b>	1,052	897
<b>Government Securities</b>	2,997	2,294
<b>Listed Securities</b>	984	528
<b>Balance with Banks and Term Deposit Receipts</b>	264	151
<b>Others</b>	262	106
<b>Total</b>	5,559	3,976

\*Unaudited  
Amounts include balances of other Engro subsidiaries and is centrally managed by Engro Corporation Limited

### composition of the board of directors and board committees as at December 31, 2023

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



The Composition of the Board of Directors is as follows:

Category	Name
Independent Directors	Ms. Nausheen Ahmad
	Ms. Maryam Aziz*
	Mr. Kaiser Bengali
Non-Executive Directors	Mr. Yusuf Jamil Siddiqui
	Mr. Mohammad Yasir Khan**
	Mr. Shabbir Hussain Hashmi
	Mr. Vaqar Zakaria
Chief Executive Officer	Ms. Semeen Akhter***

\* Ms. Maryam Aziz was appointed on October 16, 2023 in place of Ms. Fauzia Viqar who resigned as a Director on May 08, 2023  
\*\* Mr. Mohammad Yasir Khan was appointed on May 04, 2023 in place of Mr. Farooq Barkat Ali who resigned as a Director on May 04, 2023  
\*\*\* Ms. Semeen Akhter was appointed on May 01, 2023 in place of Mr. Shahab Qader Khan who resigned as a Director on May 01, 2023.

The Composition of the Board Audit Committee is as follows:

Director's Name	
Mr. Kaiser Bengali	Chairman
Mr. Mohammad Yasir Khan	Member
Mr. Shabbir Hussain Hashmi	Member

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

Director's Name	
Ms. Nausheen Ahmad	Chairperson
Ms. Maryam Aziz	Member
Mr. Vaqar Zakaria	Member

## directors' remuneration

The remuneration of the Board members is approved by the Board itself. However, in accordance with the Code of Corporate Governance, it is ensured that no Director takes part in deciding his own remuneration. The Company does not pay remuneration to non-executive directors except fee for attending the meetings. In order to retain the best talent, the Company's remuneration policies are structured in line with prevailing industry trends and business practices. For information on remuneration of Directors and Chief Executive Officer in 2023, please refer notes to the Financial Statements.

## statement of directors' responsibilities

The Directors confirm compliance with the Corporate and Financial Reporting Framework of the Securities and Exchange Commission of Pakistan 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 & attendance

In 2023, the Board of Directors held 5 meetings to cover its complete cycle of activities. The attendance record of the Directors is as follows:

Director's Name	Meetings Attended
Mr. Yusuf Jamil Siddiqui	4
Mr. Farooq Barkat Ali	2
Mr. Shabbir Hashmi	5
Mr. Vaqar Zakaria	5
Ms. Nausheen Ahmad	5

Director's Name	Meetings Attended
Mr. Kaiser Bengali	5
Ms. Fauzia Viqar *	2
Ms. Semeen Akhter***	3
Mr. Mohammad Yasir Khan**	3
Ms. Maryam Aziz*	1
Mr. Shahab Qader Khan	2

\* Ms. Maryam Aziz was appointed on October 16, 2023 in place of Ms. Fauzia Viqar who resigned as a director on May 08, 2023

\*\* Mr. Mohammad Yasir Khan was appointed on May 04, 2023 in place of Mr. Farooq Barkat Ali who resigned as a Director on May 04, 2023

\*\*\* Ms. Semeen Akhter was appointed on May 01, 2023 in place of Mr. Shahab Qader Khan who resigned as a Director on May 01, 2023.

In 2023, the Board Audit Committee held 4 meetings. The attendance record of the Directors is as follows:

Director's Name	Meetings Attended
Mr. Kaiser Bengali	4
Mr. Shabbir Hashmi	4
Mr. Mohammad Yasir Khan**	2
Mr. Farooq Barkat Ali	2

\*\* Mr. Mohammad Yasir Khan was appointed on May 04, 2023 in place of Mr. Farooq Barkat Ali who resigned as a Director on May 04, 2023

In 2023, the Board People's Committee held 2 meetings. The attendance record of the Directors is as follows:

Director's Name	Meetings Attended
Ms. Nausheen Ahmad	2
Ms. Maryam Aziz*	-
Mr. Vaqar Zakaria	2
Ms. Fauzia Viqar*	2

\* Ms. Maryam Aziz was appointed on October 16, 2023 in place of Ms. Fauzia Viqar who resigned on May 08, 2023



**Yusuf Jamil Siddiqui**  
Chairman



**Semeen Akhter**  
Chief Executive Officer



# quarterly analysis

## quarter 1

### operating performance

The EPQL Plant demonstrated a billable availability factor of ~100% in Q1 2023. It dispatched a total Net Electrical Output (NEO) of 262 GWh to the national grid with a load factor of 56% as compared to 27% in Q1 2022. Last year, lower load factor was on account of scheduled maintenance outage due to major overhaul.

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

### financial performance

Sales revenue for the period was PKR 3,380 Mn compared to PKR 1,387 Mn in the same period last year. The increase in sales revenue is attributable to higher dispatch as well as higher Period Weighing Factor (PWF) applicable on capacity payments during Q1 2023. Consequently, gross profit for the period was also higher at PKR 483 Mn, as compared to PKR 109 Mn in the same period last year. The Company earned a net profit of PKR 438 Mn in Q1, 2023 as compared to PKR 151 Mn in Q1, 2022. Earnings per share stood at PKR 1.35 as compared to PKR 0.47 for the same period last year due to higher capacity payments on the back of higher PWF.

## quarter 2

### operating performance

The EPQL Plant demonstrated a billable availability factor of ~100% in Q2 2023. It dispatched a total Net Electrical Output (NEO) of 235 GWh to the national grid with a load factor of 50% compared to 45% in Q2 2022. Load factor was lower last year due to scheduled outage for major overhaul carried out during the period.

### financial performance

Sales revenue for Q2 2023 was PKR 3,700 Mn compared to PKR 2,873 Mn in the same period last year. The increase in sales revenue is attributable to higher applicable tariff, higher dispatch along with higher availability. As a result, gross profit for Q2 2023 stood higher at PKR 889 Mn as compared to PKR 317 Mn in the same period last year. The Company earned a net profit of PKR 783 Mn in Q2 2023 as compared to PKR 255 Mn in Q2 2022. Earnings per share stood at PKR 2.42 as compared to PKR 0.79 for the same period last year.

## quarter 3

### operating performance

The EPQL Plant demonstrated a billable availability factor of ~100% in Q3 2023. It dispatched a total Net Electrical Output (NEO) of 212 GWh to the national grid with a load factor of 45% compared to 49% in Q3 2022.

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

### financial performance

Sales revenue for Q3 2023 was PKR 3,821 Mn compared to PKR 3,303 Mn in Q3 2022. The increase in sales revenue during the quarter is mainly attributable to higher tariff applicable on capacity and energy payments. Consequently, gross profit for Q3 2022 stood at PKR 1,213 Mn as compared to PKR 1,076 Mn in the same period last year. The Company earned a net profit of PKR 1,221 Mn in Q3 2023 as compared to PKR 971 Mn in Q3 2022. Earnings per share stood at PKR 3.77 as compared to PKR 3.0 for Q3 2022.

## quarter 4

### operating performance

The EPQL Plant demonstrated a billable availability factor of ~100% in Q4 2023. It dispatched a total Net Electrical Output (NEO) of 162 GWh to the national grid with a load factor of 34% compared to 44% in Q4 2022. Lower load factor in Q4 2023 was on account of scheduled maintenance activity during the period.

### financial performance

Sales revenue for the period was PKR 2,355 Mn compared to PKR 2,464 Mn in the same period last year mainly due to lower capacity payments resulting primarily from lower applicable PWF during the period. Gross profit for the period stood at PKR 78 Mn as compared to PKR 209 Mn in the same period last year due to lower PWF. The company earned a net profit of PKR 69 Mn in Q4 2023. Earnings per share stood lower at PKR 0.21 as compared to PKR 0.29 for Q4 2023.

Description	Q1	Q2	Q3	Q4	FY 2023
Net Sales	3,380,286	3,700,190	3,820,972	2,354,929	13,256,377
Cost of Sales	(2,896,859)	(2,811,292)	(2,608,100)	(2,277,387)	(10,593,638)
Gross Profit	483,427	888,898	1,212,872	77,542	2,662,739
Administrative expenses	(71,144)	(110,947)	(81,259)	(163,155)	(426,505)
Other expenses	(2,737)	(3,884)	(21,698)	(4,890)	(33,209)
Other income	2,077	8,932	3,846	2,439	17,294
Profit from operations	411,623	782,999	1,113,761	(88,064)	2,220,319
Finance Income-net	28,491	2,583	110,284	160,663	302,021
Profit before Tax	440,114	785,582	1,224,045	72,599	2,522,340
Tax	(1,806)	(2,768)	(2,935)	(3,712)	(11,221)
Profit after tax	438,308	782,814	1,221,110	68,887	2,511,119
<b>EPS</b>	<b>1.35</b>	<b>2.42</b>	<b>3.77</b>	<b>0.21</b>	<b>7.76</b>

# horizontal analysis

## balance sheet

Rs In '000

	2023	23 Vs. 22 %	2022	22 Vs. 21 %	2021	21 Vs. 20 %	2020	20 Vs. 19 %	2019	19 Vs. 18 %	2018
<b>EQUITY AND LIABILITIES</b>											
<b>EQUITY</b>											
Share capital	3,238,000	-	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	-	80,777
Maintenance reserve	948,156	317	227,182	-	227,182	-	227,182	-	227,182	-	227,182
Hedging reserve	-	-	-	(100)	11,575	(7)	12,449	(7)	13,325	(6)	14,199
Unappropriated profit	10,215,674	7	9,558,830	(24)	12,620,274	4	12,078,318	16	10,403,899	30	7,972,617
<b>Total equity</b>	<b>14,482,607</b>	<b>11</b>	<b>13,104,789</b>	<b>(19)</b>	<b>16,177,808</b>	<b>3</b>	<b>15,636,726</b>	<b>12</b>	<b>13,963,183</b>	<b>21</b>	<b>11,532,775</b>
<b>NON-CURRENT LIABILITIES</b>											
Borrowings	-	-	-	-	-	-	-	-	-	(100)	758,568
Other Payable	-	-	-	-	-	(100)	986,605	100	-	-	-
<b>CURRENT LIABILITIES</b>											
Trade and other payables	4,475,786	(7)	4,822,707	(25)	6,432,479	24	5,190,675	(38)	8,406,839	60	5,241,411
Unclaimed dividend	20,233	(1)	20,386	(1)	20,589	(9)	22,575	(2)	23,002	(4)	23,933
Accrued interest / mark up	235,030	18	199,306	225	61,319	11	55,268	(40)	92,640	72	53,892
Short term borrowings	3,863,822	(36)	6,014,459	27	4,752,443	31	3,618,445	(3)	3,712,840	(1)	3,758,495
Current portion of borrowings	-	-	-	-	-	-	-	(100)	857,047	(69)	2,804,531
Unpaid dividend	-	-	-	-	-	-	-	(100)	485,700	100	-
<b>Total current liabilities</b>	<b>8,594,871</b>	<b>(22)</b>	<b>11,056,858</b>	<b>(2)</b>	<b>11,266,830</b>	<b>27</b>	<b>8,886,963</b>	<b>(35)</b>	<b>13,578,068</b>	<b>14</b>	<b>11,882,262</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,077,478</b>	<b>(4)</b>	<b>24,161,647</b>	<b>(12)</b>	<b>27,444,638</b>	<b>8</b>	<b>25,510,294</b>	<b>(7)</b>	<b>27,541,251</b>	<b>14</b>	<b>24,173,605</b>
<b>ASSETS</b>											
<b>NON-CURRENT ASSETS</b>											
Property, plant and equipment	10,609,432	(5)	11,112,553	(6)	11,814,962	(7)	12,685,728	(5)	13,299,480	(3)	13,664,179
Intangible assets	184,184	(11)	206,095	(9)	225,726	273	60,459	(12)	68,651	(3)	70,945
Long term loans and advances	12,473	(4)	12,966	(7)	13,938	(40)	23,233	(33)	34,659	(65)	100,057
Long term deposits	2,574	-	2,574	-	2,574	-	2,574	-	2,574	-	2,574
<b>Total non-current assets</b>	<b>10,808,663</b>	<b>(5)</b>	<b>11,334,188</b>	<b>(6)</b>	<b>12,057,200</b>	<b>(6)</b>	<b>12,771,994</b>	<b>(5)</b>	<b>13,405,364</b>	<b>(3)</b>	<b>13,837,755</b>
<b>CURRENT ASSETS</b>											
Inventories	943,250	12	844,297	55	544,469	(36)	853,335	(1)	863,183	(4)	895,149
Trade debts	8,767,848	(11)	9,800,242	(17)	11,842,552	68	7,040,059	(28)	9,806,697	29	7,601,705
Short term Investment	49,993	(89)	449,997	815	49,179	(0)	49,321	(1)	49,963	(0)	50,004
Loans, advances, deposits and prepayments	155,283	5	148,006	62	91,304	(12)	104,018	(8)	113,298	(9)	125,059
Other receivables	2,053,003	39	1,473,159	(47)	2,780,455	(40)	4,644,272	44	3,225,441	103	1,587,041
Taxes recoverable	29,257	(8)	31,637	(10)	35,042	2	34,254	(47)	64,919	1	64,152
Balances with banks	270,181	237	80,121	80	44,437	241	13,041	5	12,386	(3)	12,740
<b>Total current assets</b>	<b>12,268,815</b>	<b>(4)</b>	<b>12,827,459</b>	<b>(17)</b>	<b>15,387,438</b>	<b>21</b>	<b>12,738,300</b>	<b>(10)</b>	<b>14,135,887</b>	<b>37</b>	<b>10,335,850</b>
<b>TOTAL ASSETS</b>	<b>23,077,478</b>	<b>(4)</b>	<b>24,161,647</b>	<b>(12)</b>	<b>27,444,638</b>	<b>8</b>	<b>25,510,294</b>	<b>(7)</b>	<b>27,541,251</b>	<b>14</b>	<b>24,173,605</b>

Note: Commercial operations commenced from March 27, 2010

# vertical analysis

## balance sheet

Rs In '000

	2023		2022		2021		2020		2019		2018	
	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%	Rs.	%
<b>EQUITY AND LIABILITIES</b>												
<b>EQUITY</b>												
Share capital	3,238,000	14	3,238,000	13	3,238,000	12	3,238,000	13	3,238,000	12	3,238,000	13
Share premium	80,777	0	80,777	-	80,777	-	80,777	-	80,777	-	80,777	-
Maintenance reserve	948,156	4	227,182	1	227,182	1	227,182	1	227,182	1	227,182	1
Hedging reserve	-	-	-	-	11,575	-	12,449	-	13,325	-	14,199	-
Unappropriated profit	10,215,674	44	9,558,830	40	12,620,274	46	12,078,318	47	10,403,899	38	7,972,617	33
<b>Total equity</b>	<b>14,482,607</b>	<b>63</b>	<b>13,104,789</b>	<b>54</b>	<b>16,177,808</b>	<b>59</b>	<b>15,636,726</b>	<b>61</b>	<b>13,963,183</b>	<b>51</b>	<b>11,532,775</b>	<b>48</b>
<b>NON-CURRENT LIABILITIES</b>												
Borrowings	-	-	-	-	-	-	-	-	-	-	758,568	3
Other Payable	-	-	-	-	-	-	986,605	4	-	-	-	-
<b>CURRENT LIABILITIES</b>												
Trade and other payables	4,475,786	19	4,822,707	20	6,432,479	23	5,190,675	20	8,406,839	31	5,241,411	22
Unclaimed dividend	20,233	0	20,386	-	20,589	-	22,575	-	23,002	-	23,933	-
Accrued interest / mark up	235,030	1	199,306	1	61,319	-	55,268	-	92,640	-	53,892	-
Short term borrowings	3,863,822	17	6,014,459	25	4,752,443	17	3,618,445	14	3,712,840	13	3,758,495	16
Current portion of borrowings	-	-	-	-	-	-	-	-	857,047	3	2,804,531	12
Unpaid dividend	-	-	-	-	-	-	-	-	485,700	2	-	-
<b>Total current liabilities</b>	<b>8,594,871</b>	<b>37</b>	<b>11,056,858</b>	<b>46</b>	<b>11,266,830</b>	<b>41</b>	<b>8,886,963</b>	<b>35</b>	<b>13,578,068</b>	<b>49</b>	<b>11,882,262</b>	<b>49</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>23,077,478</b>	<b>100</b>	<b>24,161,647</b>	<b>100</b>	<b>27,444,638</b>	<b>100</b>	<b>25,510,294</b>	<b>100</b>	<b>27,541,251</b>	<b>100</b>	<b>24,173,605</b>	<b>100</b>
<b>ASSETS</b>												
<b>NON-CURRENT ASSETS</b>												
Property, plant and equipment	10,609,432	46	11,112,553	46	11,814,962	43	12,685,728	50	13,299,480	48	13,664,179	57
Intangible assets	184,184	1	206,095	1	225,726	1	60,459	-	68,651	-	70,945	-
Long term loans and advances	12,473	0	12,966	-	13,938	-	23,233	-	34,659	-	100,057	-
Long term deposits	2,574	0	2,574	-	2,574	-	2,574	-	2,574	-	2,574	-
<b>Total non-current assets</b>	<b>10,808,663</b>	<b>47</b>	<b>11,334,188</b>	<b>47</b>	<b>12,057,200</b>	<b>44</b>	<b>12,771,994</b>	<b>50</b>	<b>13,405,364</b>	<b>48</b>	<b>13,837,755</b>	<b>57</b>
<b>CURRENT ASSETS</b>												
Inventories	943,250	4	844,297	3	544,469	2	853,335	3	863,183	3	895,149	4
Trade debts	8,767,848	38	9,800,242	41	11,842,552	44	7,040,059	29	9,806,697	36	7,601,705	31
Short term Investment	49,993	0	449,997	2	49,179	-	49,321	-	49,963	-	50,004	-
Loans, advances, deposits and prepayments	155,283	1	148,006	1	91,304	-	104,018	-	113,298	1	125,059	1
Other receivables	2,053,003	9	1,473,159	6	2,780,455	10	4,644,272	18	3,225,441	12	1,587,041	7
Taxes recoverable	29,257	0	31,637	-	35,042	-	34,254	-	64,919	-	64,152	-
Balances with banks	270,181	1	80,121	-	44,437	-	13,041	-	12,386	-	12,740	-
<b>Total current assets</b>	<b>12,268,815</b>	<b>53</b>	<b>12,827,459</b>	<b>53</b>	<b>15,387,438</b>	<b>56</b>	<b>12,738,300</b>	<b>50</b>	<b>14,135,887</b>	<b>52</b>	<b>10,335,850</b>	<b>43</b>
<b>TOTAL ASSETS</b>	<b>23,077,478</b>	<b>100</b>	<b>24,161,647</b>	<b>100</b>	<b>27,444,638</b>	<b>100</b>	<b>25,510,294</b>	<b>100</b>	<b>27,541,251</b>	<b>100</b>	<b>24,173,605</b>	<b>100</b>

Note: Commercial operations commenced from March 27, 2010

# horizontal and vertical analysis

## profit and loss account

Amounts in '000

	2023 Rs.	23 Vs. 22 %	2022 Rs.	22 Vs. 21 %	2021 Rs.	21 Vs. 20 %	2020 Rs.	20 Vs. 19 %	2019 Rs.	19 Vs. 18 %	2018 Rs.
<b>Horizontal Analysis</b>											
Sales	13,256,377	32	10,026,884	(2)	10,203,775	26	8,097,818	(39)	13,201,094	11	11,874,365
Cost of Sales	(10,593,638)	27	(8,315,592)	(6)	(8,820,758)	39	(6,358,895)	(34)	(9,584,745)	8	(8,837,993)
Gross profit	2,662,739	56	1,711,292	24	1,383,017	(20)	1,738,923	(52)	3,616,349	19	3,036,372
Administrative Expenses	(426,505)	33	(321,133)	91	(168,020)	62	(103,724)	4	(99,509)	(21)	(125,582)
Other expenses	(33,209)	(52)	(69,310)	23	(56,414)	(15)	(66,350)	21	(54,807)	(38)	(87,894)
Other income	17,294	(24)	22,764	457	4,090	(95)	79,681	4,779	1,633	(9)	1,785
Profit from operations	2,220,319	65	1,343,613	16	1,162,673	(29)	1,648,530	(52)	3,463,666	23	2,824,681
Finance income / (cost) - net	302,021	123	135,180	(69)	433,529	(3)	445,715	(873)	(57,663)	(71)	(196,005)
Profit before taxation	2,522,340	71	1,478,793	(7)	1,596,202	(24)	2,094,245	(39)	3,406,003	30	2,628,676
Taxation	(11,221)	59	(7,037)	271	(1,895)	(87)	(15,075)	354	(3,321)	212	(1,063)
<b>Profit for the year</b>	<b>2,511,119</b>	<b>71</b>	<b>1,471,756</b>	<b>(8)</b>	<b>1,594,307</b>	<b>(23)</b>	<b>2,079,170</b>	<b>(39)</b>	<b>3,402,682</b>	<b>29</b>	<b>2,627,613</b>

	2023 Rs.	23 Vs. 22 %	2022 Rs.	22 Vs. 21 %	2021 Rs.	21 Vs. 20 %	2020 Rs.	20 Vs. 19 %	2019 Rs.	19 Vs. 18 %	2018 Rs.
<b>Vertical Analysis</b>											
Sales	13,256,377	100	10,026,884	100	10,203,775	100	8,097,818	100	13,201,094	100	11,874,365
Cost of Sales	(10,593,638)	(80)	(8,315,592)	(83)	(8,820,758)	(86)	(6,358,895)	(79)	(9,584,745)	(73)	(8,837,993)
Gross profit	2,662,739	20	1,711,292	17	1,383,017	14	1,738,923	21	3,616,349	27	3,036,372
Administrative expenses	(426,505)	(3)	(321,133)	(3)	(168,020)	(2)	(103,724)	(1)	(99,509)	(1)	(125,582)
Other expenses	(33,209)	-	(69,310)	(1)	(56,414)	(1)	(66,350)	(1)	(54,807)	-	(87,894)
Other income	17,294	-	22,764	-	4,090	-	79,681	1	1,633	-	1,785
Profit from operations	2,220,319	17	1,343,613	13	1,162,673	11	1,648,530	20	3,463,666	26	2,824,681
Finance income / (cost) - net	302,021	2	135,180	1	433,529	4	445,715	6	(57,663)	-	(196,005)
Profit before taxation	2,522,340	19	1,478,793	15	1,596,202	16	2,094,245	26	3,406,003	26	2,628,676
Taxation	(11,221)	-	(7,037)	-	(1,895)	-	(15,075)	-	(3,321)	-	(1,063)
<b>Profit for the year</b>	<b>2,511,119</b>	<b>19</b>	<b>1,471,756</b>	<b>15</b>	<b>1,594,307</b>	<b>16</b>	<b>2,079,170</b>	<b>26</b>	<b>3,402,682</b>	<b>26</b>	<b>2,627,613</b>

Note: Commercial operations commenced from March 27, 2010

# key summary

Rs In '000

		2023 Rs.	2022 Rs.	2021 Rs.	2020 Rs.	2019 Rs.	2018 Rs.
<b>SUMMARY OF BALANCE SHEET</b>							
Share capital		3,238,000	3,238,000	3,238,000	3,238,000	3,238,000	3,238,000
Maintenance Reserve		948,156	227,182	227,182	227,182	227,182	227,182
Shareholders' funds / Equity		14,482,607	13,104,789	16,177,808	15,636,726	13,963,183	11,532,775
Long term borrowings		-	-	-	-	857,047	3,563,099
Other payable		-	-	2,775,636	3,295,495	-	-
Capital employed		14,482,607	13,104,789	16,177,808	15,636,726	14,820,230	15,095,874
Property, plant & equipment		10,609,432	11,112,553	11,814,962	12,685,728	13,299,480	13,664,179
Long term assets		10,808,663	11,334,188	12,057,200	12,771,994	13,405,364	13,837,755
Net current assets (liabilities) / Working capital		3,673,944	1,770,601	6,896,244	6,160,227	1,414,866	1,258,119
<b>SUMMARY OF PROFIT AND LOSS</b>							
Sales		13,256,377	10,026,884	10,203,775	8,097,818	13,201,094	11,874,365
Gross profit		2,662,739	1,711,292	1,383,017	1,738,923	3,616,349	3,036,372
Profit from operations		2,220,319	1,343,613	1,162,673	1,648,530	3,463,666	2,824,681
Profit before taxation		2,522,340	1,478,793	1,596,202	2,094,245	3,406,003	2,628,676
Profit for the year		2,511,119	1,471,756	1,594,307	2,079,170	3,402,682	2,627,613
EBITDA		4,432,138	2,890,102	2,720,198	3,365,696	4,799,969	3,859,641
<b>SUMMARY OF CASH FLOWS</b>							
Net cash flow from operating activities		4,407,771	4,281,665	374,796	2,457,308	4,234,290	3,376,823
Net cash flow from investing activities		97,145	(544,366)	(108,518)	(53,889)	(114,387)	(162,582)
Net cash flow from financing activities		(2,164,219)	(4,963,631)	(1,368,880)	(2,308,369)	(4,124,606)	(3,758,729)
Changes in cash & cash equivalents		2,340,697	(1,226,332)	(1,102,602)	95,050	(4,703)	(544,488)
Cash & cash equivalents at year end		(3,593,641)	(5,934,338)	(4,708,006)	(3,605,404)	(3,700,454)	(3,695,751)
<b>SUMMARY OF ACTUAL PRODUCTION</b>							
Maximum Generation Possible	MWh	1,887,518	1,860,982	1,862,519	1,865,859	1,867,043	1,863,724
Declared Capacity Billable	MWh	1,887,518	1,742,045	1,862,519	1,860,213	1,865,583	1,862,203
Net Electrical Output	MWh	870,380	768,202	861,197	550,415	1,097,427	1,526,309

## cash flow statement - direct method

(Rupees in thousand)

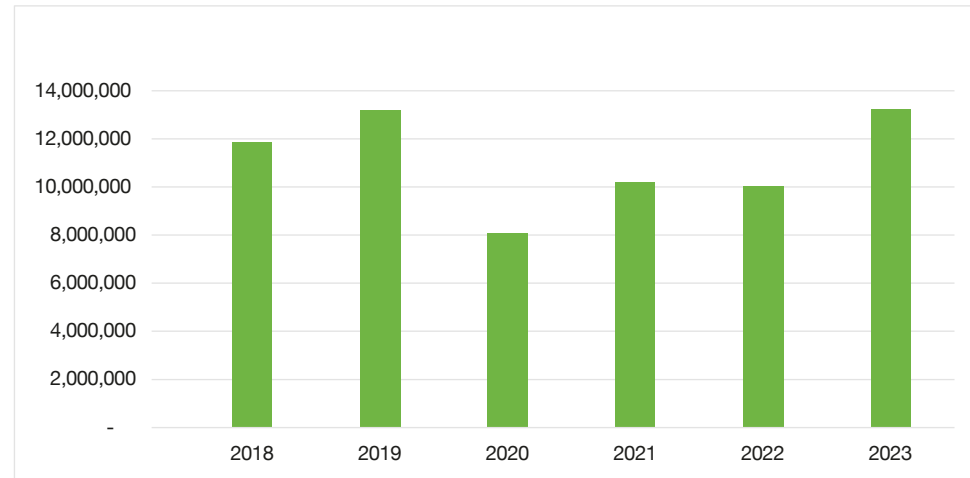
	2023	....Rupees....	2022
<b>Cash Flows from Operating Activities</b>			
Cash receipts from customers - net	15,562,868		14,851,741
Cash paid to suppliers / service providers and employees - net	(11,010,006)		(10,491,444)
Payment to Workers' Profit Participation fund - net	(136,250)		(75,000)
Taxes recovered / (paid) - net	(8,841)		(3,632)
Net cash generated from operating activities	4,407,771		4,281,665
<b>Cash Flows from Investing Activities</b>			
Purchase of property, plant and equipment	(327,651)		(110,468)
Purchase of intangible assets	(2,612)		(12,767)
Proceeds from disposal of property, plant and equipment	19,838		2,113
Investments made during the year	(197,862)		(6,179,940)
Investments encashed/matured during the year	605,432		5,756,696
Net cash utilised in investing activities	97,145		(544,366)
<b>Cash Flows from Financing Activities</b>			
Repayments of long-term borrowings			
Finance cost paid	(1,030,766)		(430,228)
Dividends paid	(1,133,453)		(4,533,403)
Net cash utilised in financing activities	(2,164,219)		(4,963,631)
Net increase/(decrease) in cash and cash equivalents	2,340,697		(1,226,332)
Cash and cash equivalents at beginning of the year	(5,934,338)		(4,708,006)
Cash and cash equivalents at end of the year	<u>(3,593,641)</u>		<u>(5,934,338)</u>

## ratios of last six years

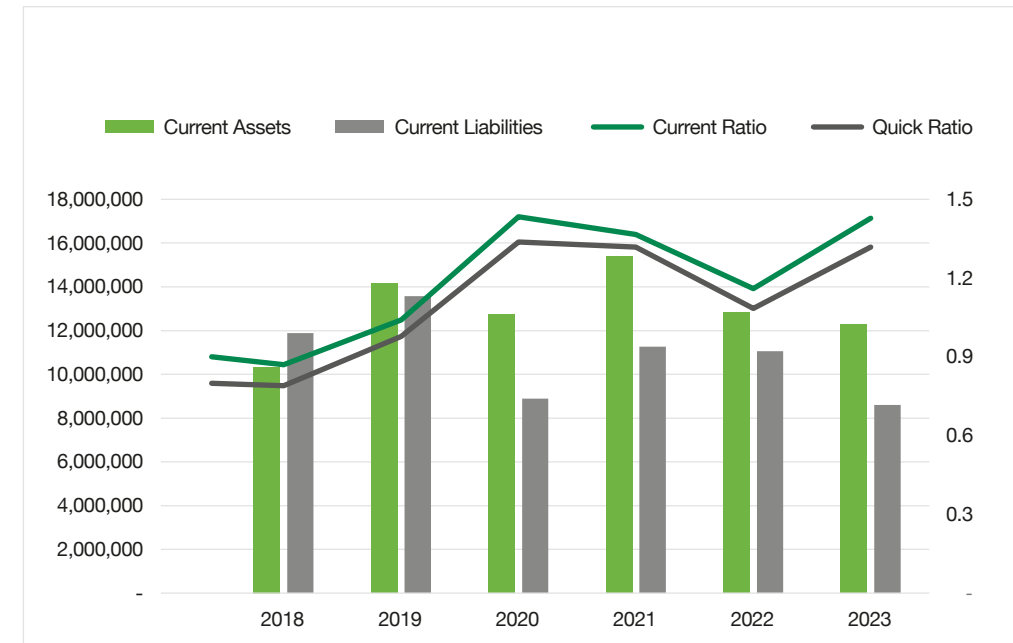
		2023	2022	2021	2020	2019	2018
<b>Profitability Ratios:</b>							
Gross profit to sales	%	20%	17%	14%	21%	27%	26%
Net profit to sales	%	19%	15%	16%	26%	26%	22%
EBITDA Margin to Sales	%	33%	29%	27%	42%	36%	33%
Return on Equity	%	17%	11%	10%	13%	24%	23%
Return on Capital Employed	%	17%	11%	10%	14%	23%	18%
Operating leverage ratio	Times	2.3	-3.9	-1.0	0.9	2.6	4.0
<b>Liquidity Ratios:</b>							
Current ratio	Times	1.43	1.16	1.37	1.43	1.04	0.87
Quick / acid test ratio	Times	1.32	1.08	1.32	1.34	0.98	0.79
Cash and cash equivalents to Current Liabilities	%	-42%	-54%	-42%	-41%	-27%	-31%
Cash flow from Operations to Sales	%	33%	43%	4%	30%	32%	28%
<b>Activity / Turnover Ratios:</b>							
No. of days in receivables	Days	249	394	338	380	241	202
Debtors turnover ratio	Times	1.43	0.93	1.08	0.96	1.52	1.80
No. of days in payables	Days	125.37	131.82	108.48	194.73	185.44	170.45
Credit turnover ratio	Times	2.91	2.77	3.36	1.87	1.97	2.14
Total assets turnover ratio	Times	0.57	0.41	0.37	0.32	0.48	0.49
Fixed Assets turnover ratio	Times	1.23	0.88	0.85	0.63	0.98	0.86
Operating cycle	Days	124	262	229	185	55	32
<b>Investment / Market Ratios:</b>							
Earnings per share	PKR	7.76	4.55	4.92	6.42	10.51	8.11
Price earnings ratio	Times	4.11	5.45	3.93	3.10	2.49	3.51
Price to book ratio	Times	0.71	0.61	0.39	0.41	0.61	0.80
Dividend payout ratio	%	45%	176%	152%	47%	29%	18%
Dividend cover ratio	%	222%	57%	66%	214%	350%	541%
Dividend yield ratio	%	16%	32%	39%	15%	11%	5%
Market value per share at the end of the year and	PKR	31.92	24.78	19.33	19.90	26.19	28.50
high during the year	PKR	32.05	30.15	23.19	27.63	30.45	35.50
low during the year	PKR	19.78	19	16.76	17.17	18.93	28.00
Breakup value per share	PKR	44.73	40.47	49.96	48.29	43.12	35.62
Cash dividend per share	PKR per share	5.00	8.00	7.50	3.00	3.00	1.50
<b>Capital Structure Ratios:</b>							
Financial leverage ratio	Times	0.00	0.00	0.00	0.00	0.06	0.31
Weighted average cost of debt	%	0%	0%	0%	5%	8%	6%
Debt to Equity ratio (as per book)	Times	0.00	0.00	0.00	0.00	0.06	0.24
Debt to Equity ratio (as per market value)	Times	0.00	0.00	0.00	0.00	0.10	0.39
Interest cover ratio	Times	0.00	0.00	0.00	79.39	19.61	10.61

# snapshots

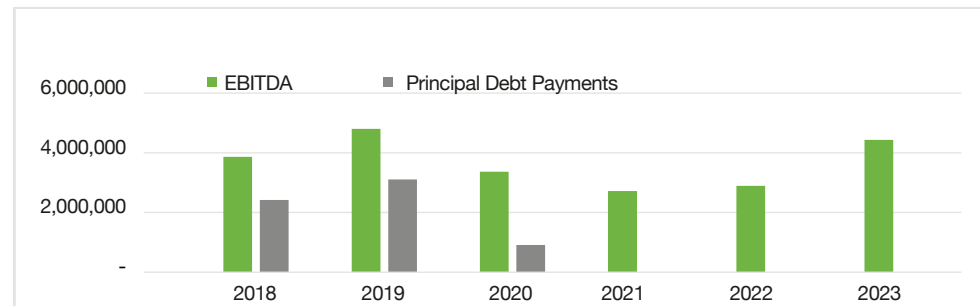
### Sales (Rs. in 000's)



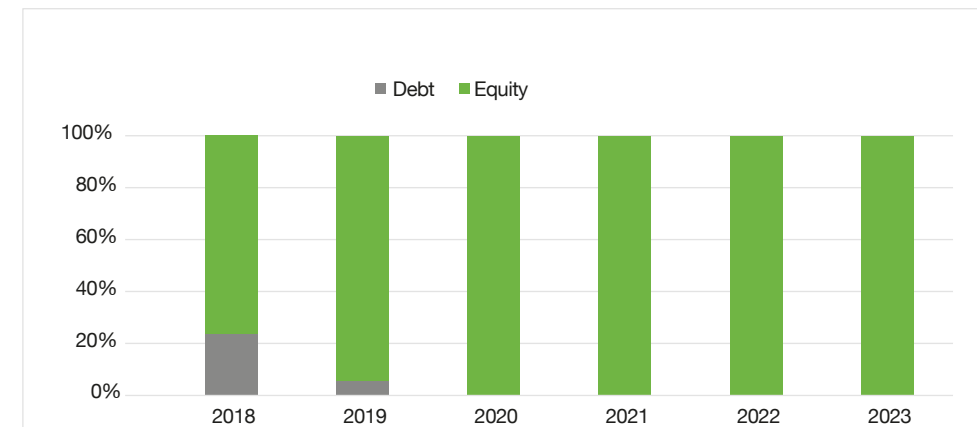
### Liquidity Analysis (Rs. in 000's)



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

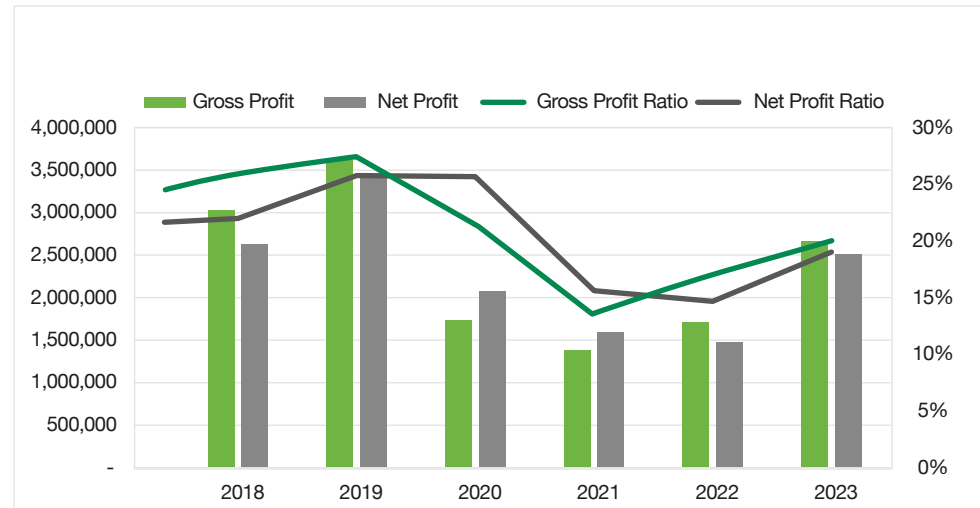


### Capital Structure

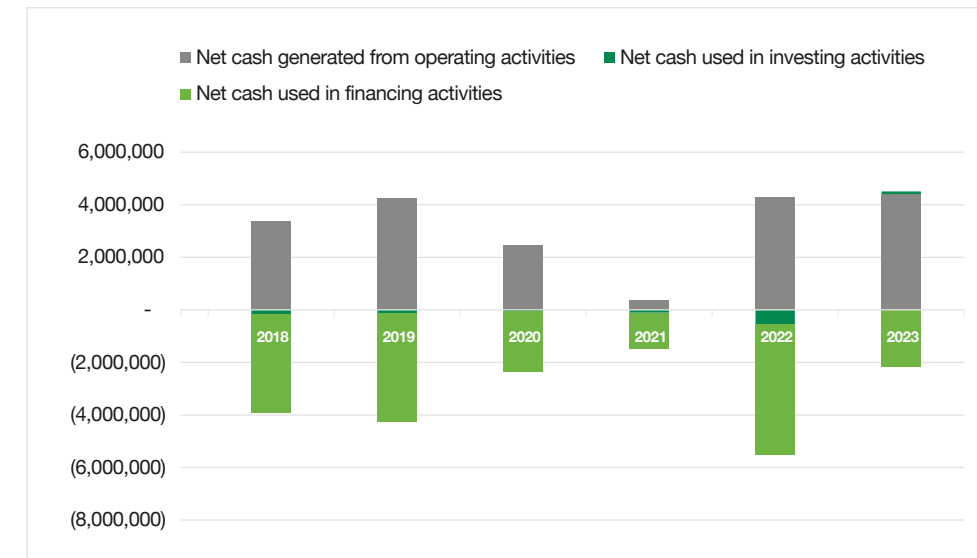


# snapshots

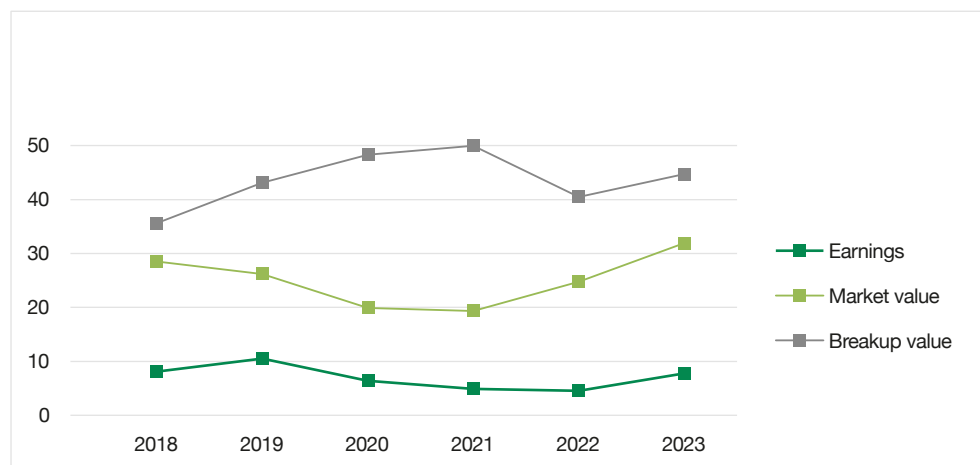
## Gross Profit and Net Profit (Rs. in 000's)



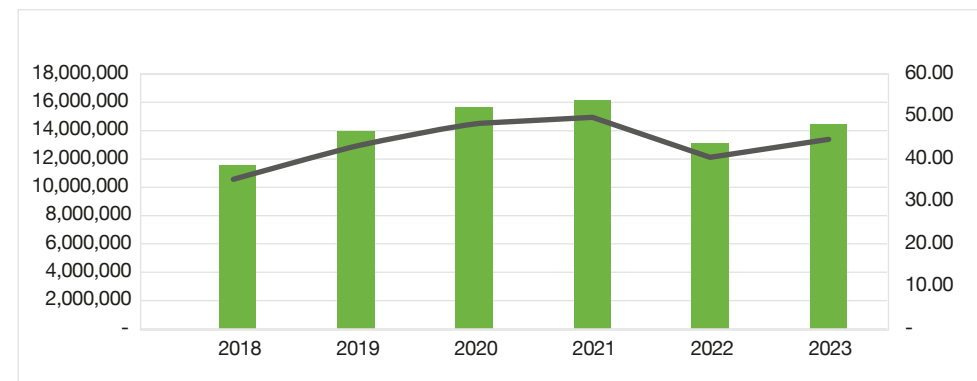
## Cash Flow Analysis (Rs. in 000's)



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

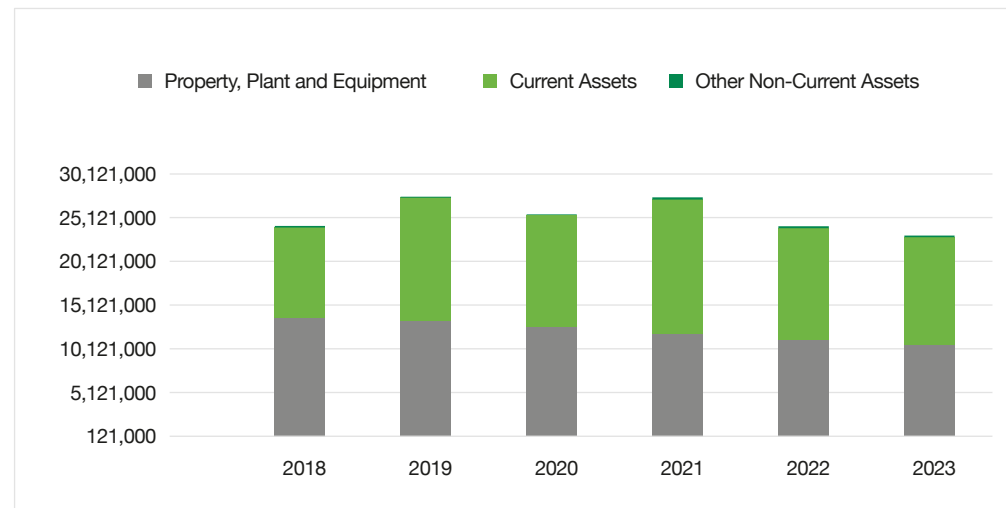


## Equity and Net Assets Per Share

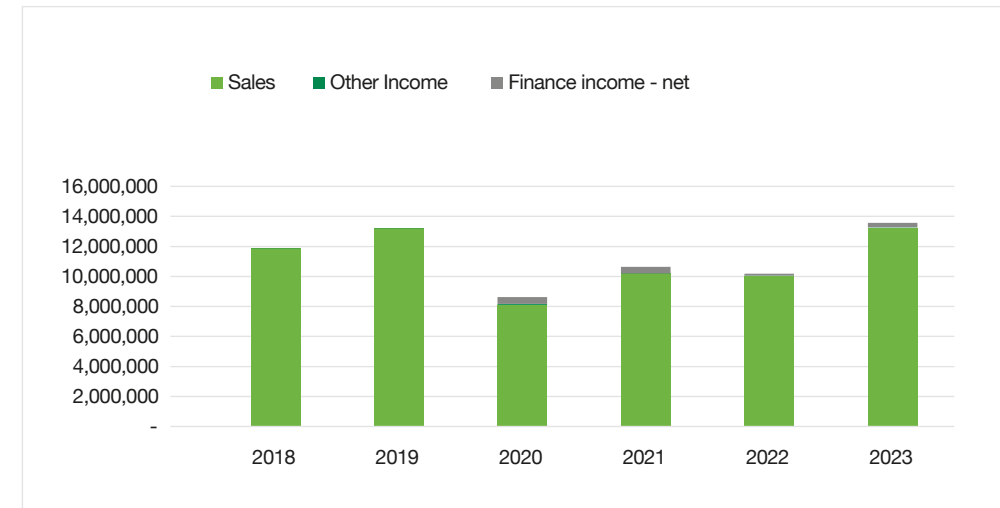




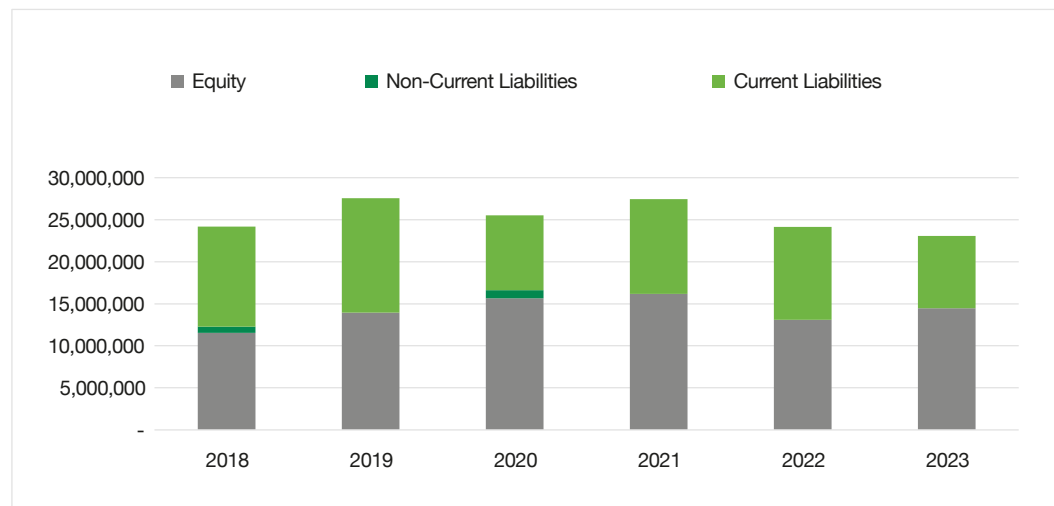
## Balance Sheet Analysis (Assets) (Rs. in 000's)



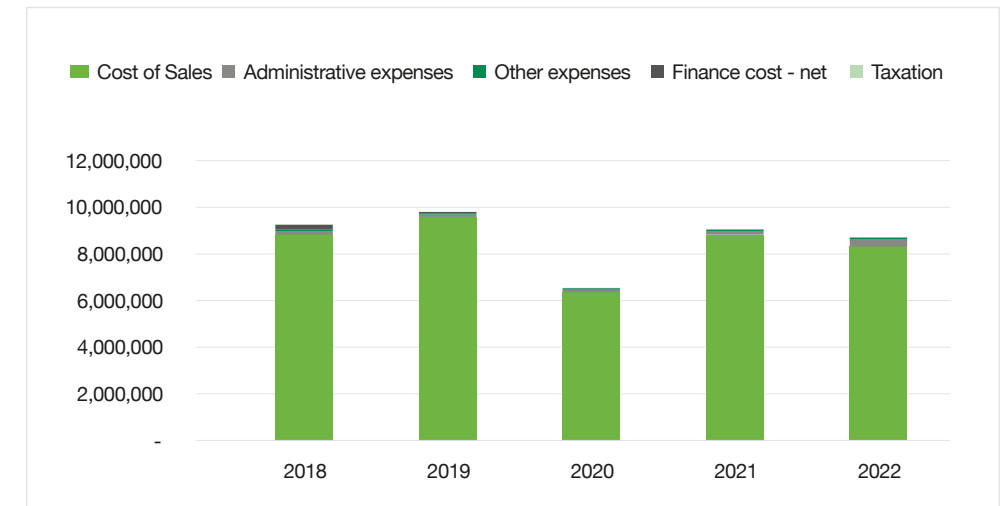
## Profit and Loss Analysis (Income) (Rs. in 000's)



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

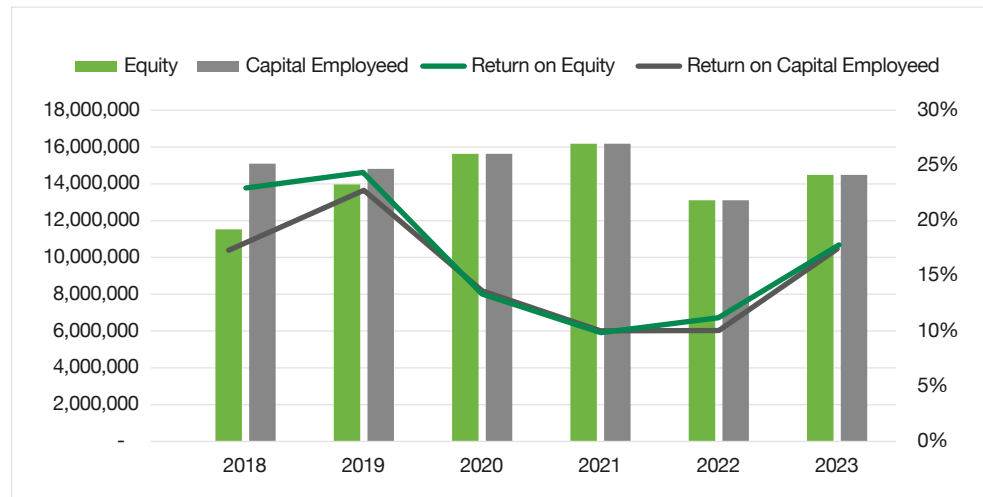


## Profit and Loss Analysis (Expenses) (Rs. in 000's)

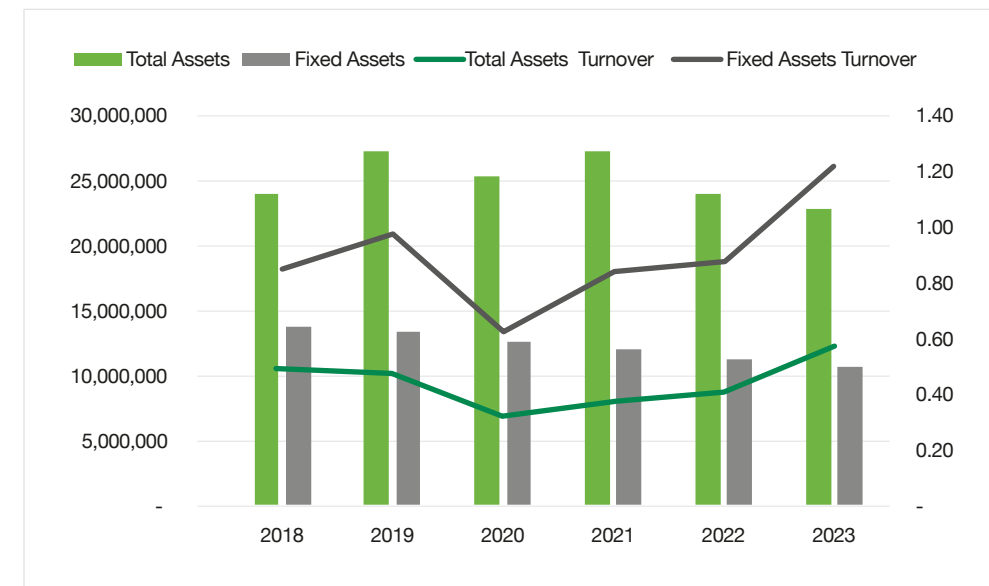


# snapshots

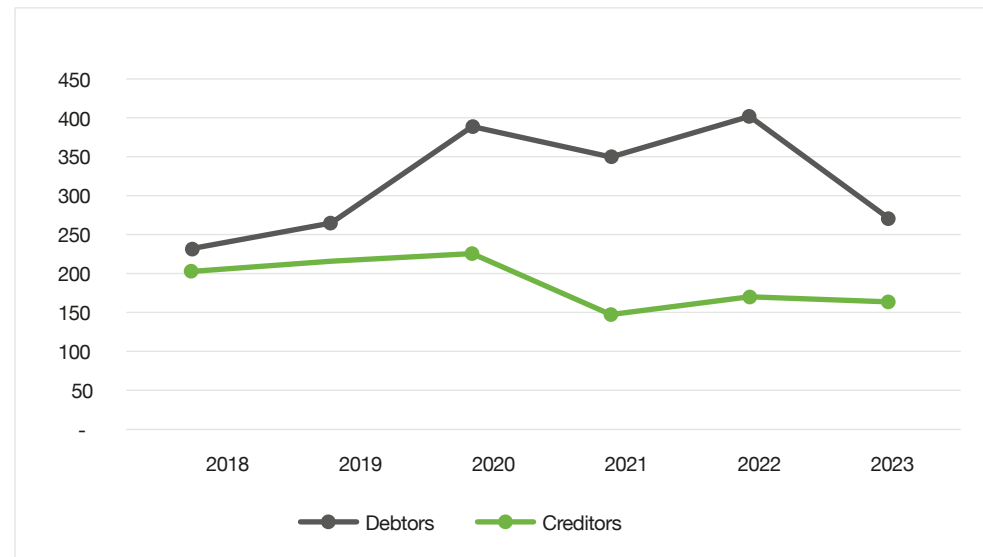
### Return on Equity & Capital Employed (Rs. in 000's & in Percentage)



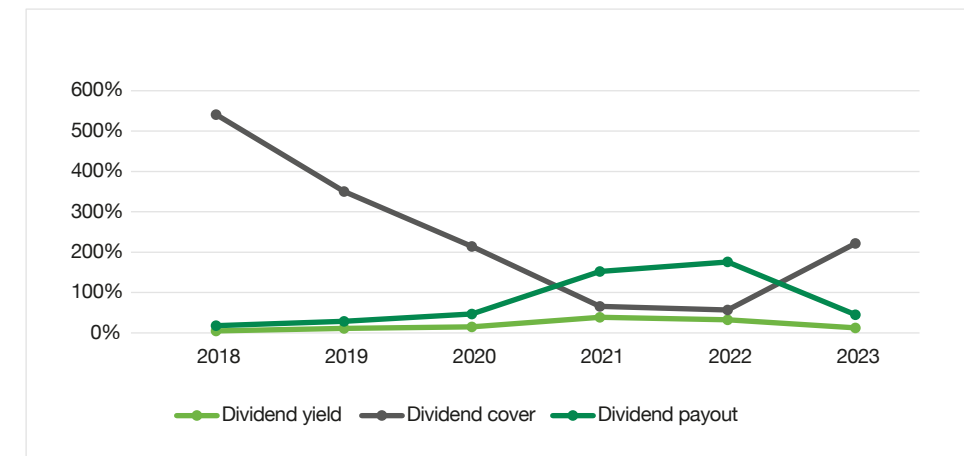
### Total Assets and Fixed Assets Turnover (Rs. in 000's & in Times)



### Operating Life Cycle Ratios in Days

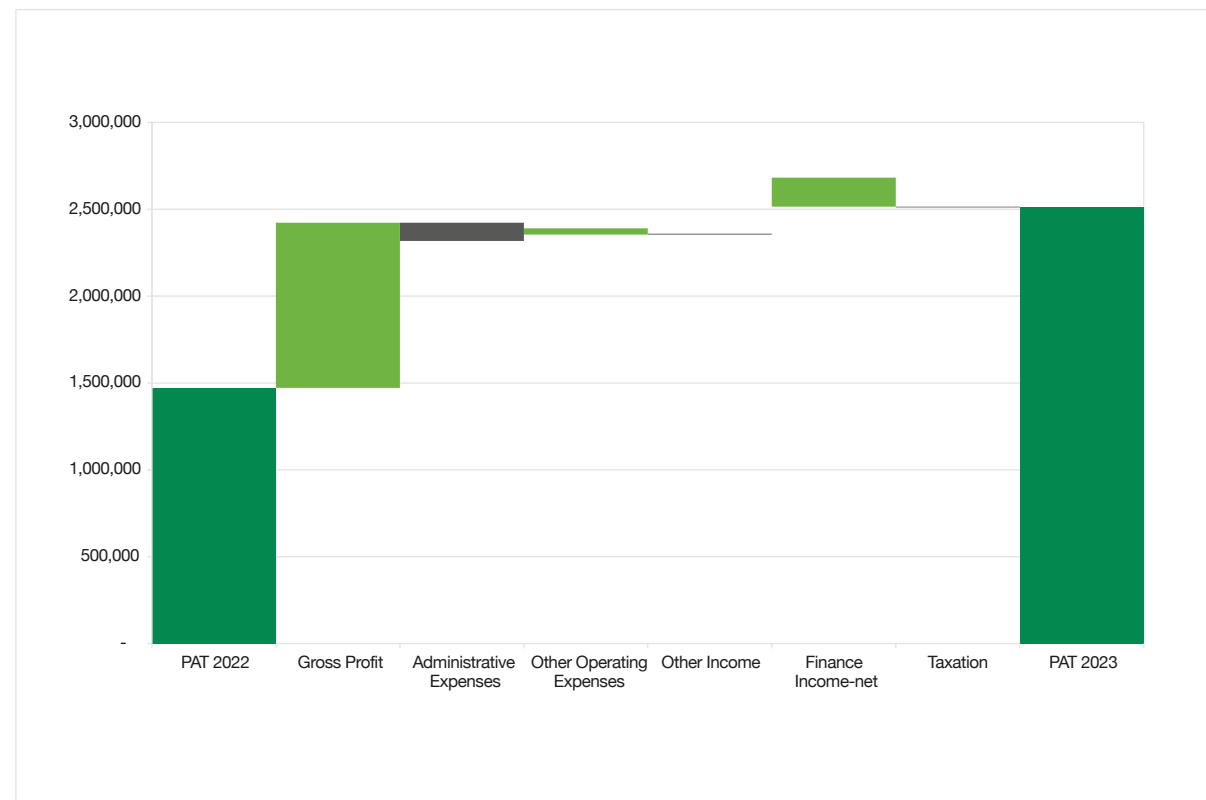


### Dividend Yield, Cover and Payout (in Percentages)



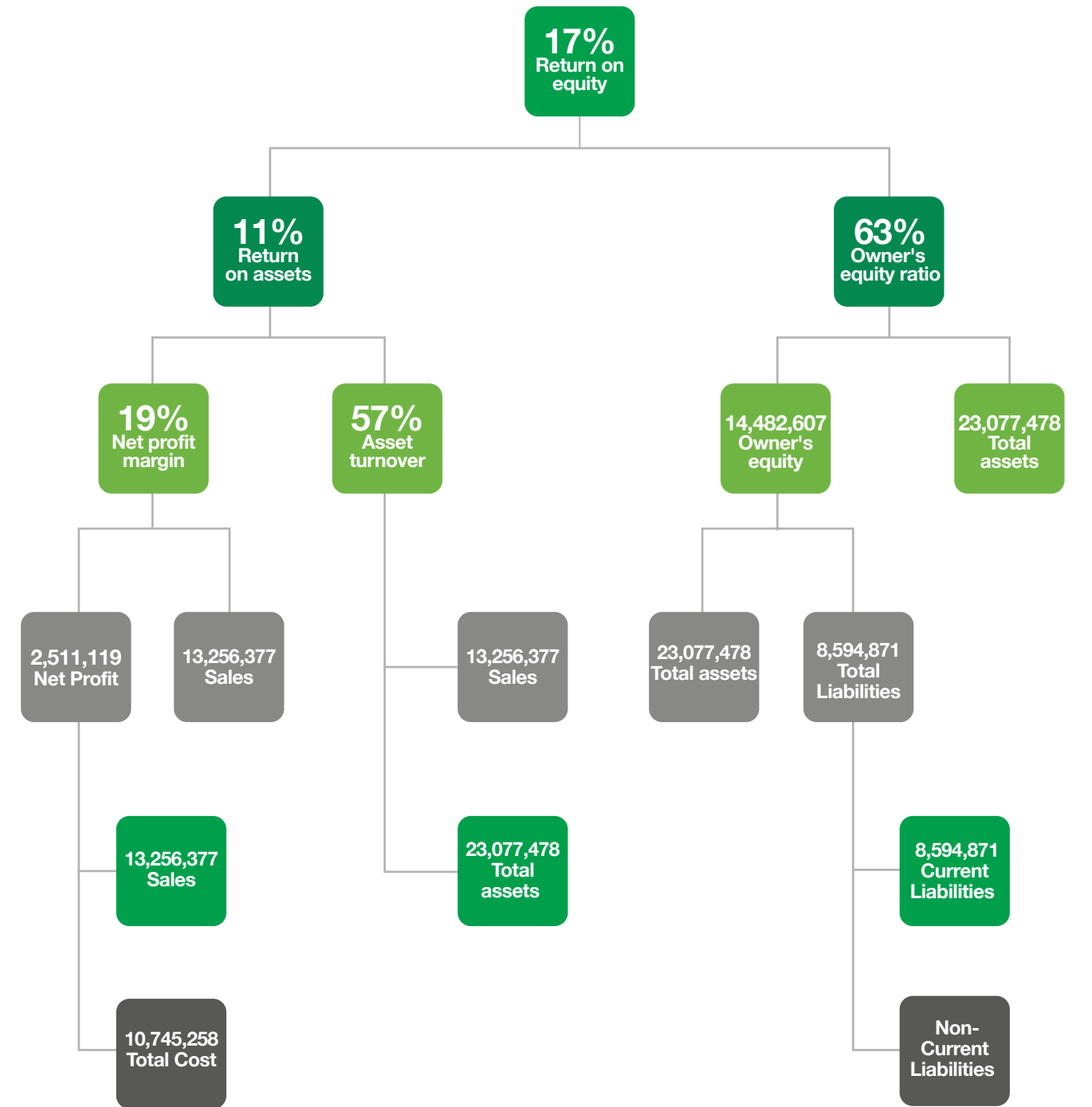
# variance analysis

Variance Analysis (Rs. in 000's)



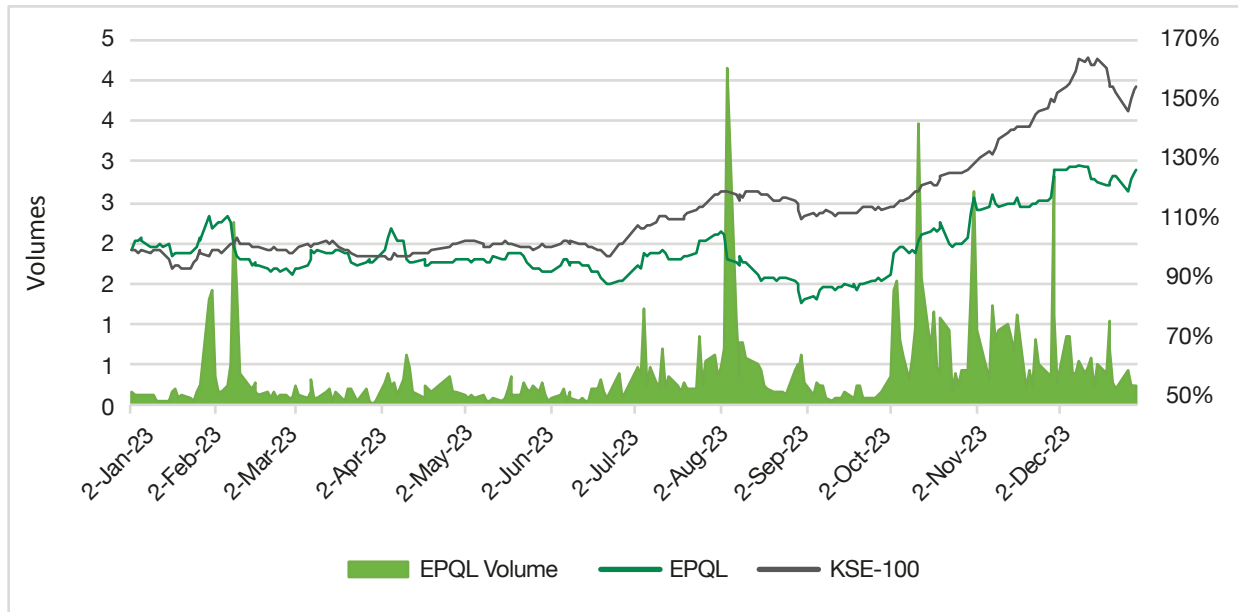
# dupont analysis

(Rupees in thousand)



# share price sensitivity analysis using key variables

During the year, ~96 Mn shares were traded at Pakistan stock exchange at an average price per share of Rs 25.45. The stock price peaked at Rs 32.60 and bottomed at Rs 20.55.



## interest rate

Interest rate is a key variable in the company’s revenue and cost structure. EPQL’s revenue from the working capital component of the CPP tariff and delayed payment income from WAPDA are highly sensitive to interest rates. On the other hand, the company utilizes RF lines to ensure adequate liquidity, therefore interest rates also play a key role in the company’s short-term borrowing costs.

## exchange rate sensitivity

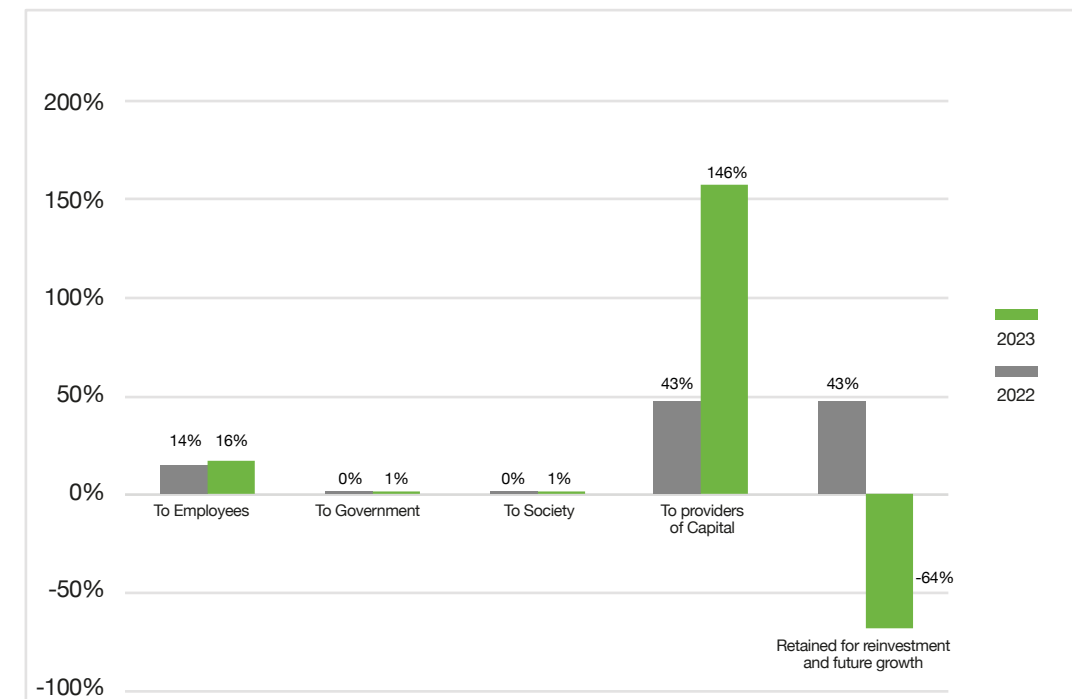
Foreign fixed O&M and foreign variable O&M components are indexed to the exchange rate.

# statement of value addition & distribution

(Rupees in thousand)

	2023	2022
<b>Wealth Generated</b>		
Total revenue inclusive of sales tax and other income	16,345,754	11,932,033
Bought-in-raw material and services	(11,190,665)	(8,438,684)
	<u>5,155,089</u>	<u>3,493,349</u>
<b>Wealth Distributed</b>		
To Employees		
Salaries, benefits and other costs	707,423	558,484
To Government		
Taxes and duties	3,463	34,165
To Society		
Donation towards education, health, environment and natural disaster	11,068	17,635
To Providers of Capital		
Dividend to shareholders	1,133,453	4,533,200
Mark-up/interest expense on borrowed money	1,066,490	568,215
	<u>2,199,943</u>	<u>5,101,415</u>
Retained for reinvestment and future growth		
Depreciation, amortization and retained profit (net of dividend paid)	2,221,127	(2,218,350)
	<u>5,155,089</u>	<u>3,493,349</u>

## Statement of Value Addition 2023 vs. 2022



# 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, while disclosures to the stock exchange on strategic events are made as and when required.

## customers

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

## suppliers

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

## host communities (local to our facilities and throughout pakistan)

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

## employees

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

## government

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

## regulators

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

## media

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

## competitive landscape and market positioning

Power purchase in the sector is mainly determined through a merit order, which is based on variable pricing of electricity of power producers. Some power plants, particularly renewables, operate out of merit order. EPQL has received dispatch throughout the period due to its high merit order position. EPQL recorded load factor of 46% in 2023, which is higher than last year on account of scheduled maintenance outage carried out in 2022. However, with increasing power generation capacity base and with the addition of new power producers that either operate out of merit order or rank higher in the merit order, threat to dispatch is imminent during winter months, especially if demand growth does not keep up given the ongoing economic situation in the country. During the year, power demand remained subdued due to economic slowdown and high inflation. Moreover, the sector is gripped by circular debt, resulting from inefficiencies in the system, which affects the performances of the power producers by translating into liquidity constraints. Cash available in the system is scarce while payments required to be made continue to increase, especially given the devaluation of Pakistani Rupee recently. The Company rigorously focuses on increasing shareholder value through remaining committed to promote the long-term development of Power Sector. EPQL has strong key business drivers which enable it to differentiate its offering and create value for the customers. The Company uses low-BTU high sulfur content permeate gas from Qadirpur gas field, which was previously being flared, for electricity generation. This utilization results in lower carbon emissions compared to other thermal plants and is hence considered a 'green solution'. The unique fuel usage makes the Company one of the lowest opportunity cost thermal power plants in the Country.

EPQL demonstrated operation excellence and maintained system reliability and remained compliant with international standards in safety and environment in providing reliable and affordable energy.

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

Gas depletion remains a critical challenge and as envisaged, the Company is currently facing curtailment from Qadirpur Gas field and has made its plant available in mixed mode. EPQL has submitted the final Gas Depletion Mitigation Plan (GDMP) to PPIB. It is engaged extensively with relevant parties to ensure conclusion of alternate fuel plan. The Company has a highly experienced management team which is in continuous engagement with stakeholders to avert any risk. To minimize the impact of gas depletion, it has also identified a local fuel source from PEL to supply 8 – 13 mmcf/d of gas to EPQL. Generation License Modification has been approved by NEPRA; meanwhile, NEPRA has also issued the decision on Fuel Cost Component for gas to be supplied by PEL.

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

# taking responsibility

environmental stewardship



# environmental stewardship

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.

## our 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 2023, 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 plan of the operations-phase environmental monitoring at Qadirpur Site 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.
Liquid Effluent Discharge	To ensure the discharge of liquid effluent in compliance with NEQS	pH, TDS, oil, Temperature	in house & 3rd party SEPA Lab on set frequency	Waste water dilution pit	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		At the plant stack	Once every three months on a typical working day	Done as per plan. No deviation occurred.
Exhaust Gas Quality	To estimate the air emissions from actual fuel consumption	Fuel consumed per day	Estimated through actual fuel usage	Import pipeline gas metering station	Monthly	Done as per plan. No deviation occurred.
Ambient Air Quality	To ensure that the ambient air quality around the plant site is within the required standards	NOx, SOx, CO, and PM10	12-hour ambient air sampling at each of the selected points	Maximum points of pollutant concentration worked out from air dispersion modeling	Once in 3 months	Done as per plan. No deviation occurred.
Solid Waste Disposal	To check the availability of waste management system and implementation	Inspection of waste generation, collection, segregation, storage, recycling and disposal will be undertaken at each site of the project activity	Visual inspections, waste records	Plant and office areas	Monthly	Done as per plan. No deviation occurred.

# certifications

## ISO-14001 & ISO-45001

Engro Powergen Qadirpur Limited is an ISO14001 (Environmental Management Systems) & ISO45001(Occupational Health & Safety) Certified Company. Surveillance audits were carried out in 2023 to ensure that the Company remains in conformity with the above certifications.

- Engro Powergen Qadirpur has achieved two remarkable milestones in 2023 by continuing its exceptional safety record, reaching safety streak of 10 Million Safe Man-Hours and 5,000 Consecutive days without Lost Work injury (LWI) Since Its commercial operations Date on March 27,2010.
- HSE MIS Velocity-EHS Software went Live at Site after site user training. It includes Incident, Audits, MOCs, Meetings, Operational Risk modules for tracking all HSE related data.
- As part of Hazards and Effects Management Process, Engro Powergen Qadirpur Limited (EPQL) carried out Quantitative Risk Assessment (QRA) study of the EPQL facility at Ghotki Sindh. QRA was carried out by M/S Shepherd Risk consultants. A Quantitative Risk Assessment (QRA) is used to make decisions for the terminal on whether it should consider alternatives to reduce the risk to meet the risk tolerance criteria.
- 5000 Trees Planted in Year-2023 at Near by Schools & Plant Site.

# occupational health and safety performance

Indicators	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Number of Man-Hours Worked	709,931	808,501	781,332	982,596	781,332	813,331	834,915	876,296	793,238	551,236	516,354	791,825	741,983
Contractual Man-hours	496,103	587,619	543,877	667,423	543,877	497,340	527,540	589,528	535,003	303,576	278,004	516,959	507,971
Total Number of Fatalities	0	0	0	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	0	0	0
Lost Day Rate	0	0	0	0	0	0	0	0	0	0	0	0	0
Fatality Rate	0	0	0	0	0	0	0	0	0	0	0	0	0

# incident statistics

Incident Statistics for the year 2019	Incident Statistics for the year 2020	Incident Statistics for the year 2021	Incident Statistics for the year 2022	Incident Statistics for the year 2023
Total Injuries 0	Total Injuries 0	Total Injuries 0	Total Injuries 0	Total Injuries 0
Fatalities 0	Fatalities 0	Fatalities 0	Fatalities 0	Fatalities 0
LWIs 0	LWIs 0	LWIs 0	LWIs 0	LWIs 0
RWCs 0	RWCs 0	RWCs 0	RWCs 0	RWCs 0
MTCs 0	MTCs 0	MTCs 0	MTCs 0	MTCs 0
1st Aids 1	1st Aids 0	1st Aids 1	1st Aids Cases 17	1st Aids Cases 03
Fire 1	Fire 1	Fire 1	Process Fire Incident 01 & General Fire Incident 04	Process Fire Incident 00 & General Fire Incident 01
Violation of Safety Procedure 78	Violation of Safety Procedure 42	Violation of Safety Procedure 40	Violation of Safety Procedure 186	Violation of Safety Procedure 97
Environmental Accident 2	Environmental Accident 1	Environmental Accident 2	Environment Internal incident 09	Environment Internal incident 07
Process Safety Incident:1	Process Safety Incident 5	Process Safety Incident 01	Process Safety Incident 01	Process Safety Incident 01
Near misses 47	Near misses 23	Near misses 196	Total Incident+ Near Miss Year-2022 (430)	Total Incident+ Near Miss Year-2023 (260)
Vehicle Incident : 00	Vehicle Incident : 1	Vehicle Incident : 0	Vehicle Incident : 7	Vehicle Incident: 10

# summary of waste management

Type of waste (e.g. hazardous or non-hazardous)	Disposal method (e.g. Composting, Landfill, Incineration)	Unit	2023	Recycling Rate (%)
<b>Hazardous</b>				
COVID-19 & Medical Waste		Kg	11	100%
Lab Waste	Incineration	Kg	500	100%
Plastic Waste	Recycling	Kg	315	100%
Used Tires	Recycling	Kg	600	100%
Used Batteries	Recycling	Kg	3120	100%
Used Oil	reclamation	Ltrs	25200	100%
<b>Non-Hazardous</b>				
Solid Waste	Landfill	Kg	36505	100%
Metal Waste	Recycling	Kg	16200	100%
Paper Waste	Recycling	Kg	4000	100%
Wooden Waste		Kg	ND	100%
Kitchen Waste (Food & Kitchen Waste)		Kg	9324	100%
Toilet (Tissue Roll/Towel Tissue)	Landfill	Bags	6337	100%



# ambient air quality compliance

Air Quality Parameters	Unit	World Bank Ambient Air Quality Guidelines	SEQS Standard (mg/Nm3)	Result of Monitoring Year-2022	Result of Monitoring Year-2023	Compliance Status
Particulate Matter (<10µm) - Annual Mean - Max 24-hour Average	µg/Nm3	50 /150	400	11	39.805	Compliant
SO2 - Annual Mean - Max 24-hour Average	µg/Nm3	80 /150	1700	126	80.0625	Compliant
NOx as NO2 - Annual Mean - Max 24-hour Average - Max 1-hour Average	µg/Nm3	100 /150 N.A.	300	11.7	8	Compliant

# water consumption 2023

Year-2023	
Water Withdrawl (M3/hr)	291
Water Discharge (M3/hr)	69
Water Evaporated / Consumed (M3/hr)	222
Mega Watt Generated (MWHr)	106



# inspiring the future

shareholder information



# notice of annual general meeting

Notice is hereby given that the Eighteenth Annual General Meeting (“AGM”) of the members of Engro Powergen Qadirpur Limited (the “Company”) will be held at Karachi School of Business and Leadership (KSBL) situated at National Stadium Road, Opp. Liaquat National Hospital, Karachi – 74800 on Wednesday, March 27, 2024, at 02:30 p.m. to transact the following businesses:

**Members are encouraged to attend the AGM through a video conference facility managed by the Company (please see the notes section for details).**

## a) ordinary business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2023, together with the Directors’ and Auditor’s Reports thereon and Chairman’s Review Report.

As required under section 223(6) of the Companies Act, 2017 (the “Act”), Financial Statements of the Company have been uploaded on the website of the Company which can be downloaded from the following link and/or QR enabled code:

<https://www.engroenergy.com/epql/#financial>



2. To declare and approve, as recommended by the Directors, the payment of final cash dividend at the rate of PKR 1.50 per share i.e. 15 % for the year ended December 31, 2023. This is in addition to interim cash dividends of PKR 3.50 per share i.e. 35 %.
3. To appoint Auditors for the year 2024 and fix their remuneration. The Members are hereby noticed that the Board Audit Committee and the Board of Directors have recommended the name of retiring Auditors M/s. A. F. Ferguson & Co., for re-appointment as Auditors of the Company.

## b) special business

4. To approve the circulation of the Annual Report (including the audited financial statements, auditor’s report, directors’ report, chairman’s review report, notice of the shareholders’ meeting) to the Members of the Company through weblink and QR enabled code, in accordance with Section 223(6) of the Act, read with S.R.O. 389(I)/2023 dated March 21, 2023.

“resolved that Engro Powergen Qadirpur Limited (the “Company”) be and is hereby authorized to circulate its annual report including annual audited financial statements, auditor’s report, directors’ report, chairman’s review report , notice of the shareholders’ meeting and other reports contained therein to the Members of the Company through weblink and QR enabled code.”

By Order of the Board



**Khawaja Haider Abbas, ACA**  
Company Secretary

Dated: February 15, 2024  
Karachi

## notes

### 1. prohibition on grant of gifts to shareholders

The Securities and Exchange Commission of Pakistan (the “SECP”), through its Circular 2 of 2018, dated February 9, 2018, has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens/coupons/lunches/takeaway packages) in any form or manner, to Shareholders at or in connection with general meetings. Under Section 185 of the Act, any violation of this directive is considered an offense, and companies failing to comply may face penalties.

### 2. participation in the agm proceeding via video conferencing facility

All Shareholders/Members interested in attending the AGM, either physically or through video-conferencing facility are requested to register their Name, Folio Number, Cell Number, CNIC / Passport number at <https://forms.office.com/r/2nKNTGkxJN>. Confirmation email for physical meeting or video link and login credentials will be shared with only those Shareholders whose registration are received at least 48 hours before the time of AGM.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address [agm.epql@engro.com](mailto:agm.epql@engro.com).

### 3. electronic transmission of annual report 2023

In compliance with section 223(6) of the Act, the Company has electronically transmitted the Annual Report 2023 through email to Shareholders whose email addresses are available with the Company’s Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited. In those cases, where email addresses are not available with the Company’s Share Registrar, printed notices of AGM along with the weblink and QR enabled code to download the said Annual Report have been dispatched. However, the Company will provide hard copies of the Annual Report to any member on their demand, at their registered address, free of cost, within one week of receiving such request.

Further, Shareholders are requested to kindly provide their valid email address (along with a copy of valid CNIC) to the Company’s Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited if the member hold shares in physical form or, to the Member’s respective Participant/Investor Account Services, if shares are held in book entry form.

### 4. The Share Transfer Book of the Company will be closed from Wednesday, March 20, 2024 to Wednesday, March 27, 2024 (both days inclusive). Transfers received in order at the office of our Registrar, M/s. FAMCO Share Registration Services (Private) Limited, 8-F, Near Hotel Faran, Block 6, P.E.C.H.S. Shahrah-e-Faisal, Karachi, PABX No. (+92-21) 34380101-5 and email: [info.shares@famcosrs.com](mailto:info.shares@famcosrs.com) by the close of business (03:00 p.m.) on Tuesday, March 19, 2024 will be treated in time for purpose of determining entitlement of final cash dividend, and to attend and vote at the meeting.

### 5. A Member entitled to attend and vote at the AGM shall be entitled to appoint another person, as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have all such rights in respect of attending, speaking and voting at the AGM as are available to a Member. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting. A proxy holder may not need to be a member of the Company.

### 6. requirements for appointing proxies

- In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, shall submit the proxy form as per the above requirement.
- The proxy form shall be witnessed by two male persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of the valid CNICs or the passports of the beneficial owner(s) and the proxy shall be furnished with the proxy form.
- The proxy shall produce his/her valid original CNIC or original passport at the time of the AGM.
- In case of a corporate entity, the Board of Directors’ resolution/power of attorney, with specimen signature of the nominee, shall be submitted to the Company along with the proxy form unless the same has been provided earlier.

### 7. Pursuant to Companies (Postal Ballot) Regulations, 2018 and read with Sections 143 and 144 of the Act, 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.

### 8. electronic dividend mandate

Under Section 242 of the Act, it is mandatory for all listed companies to pay cash dividend to its Shareholders through electronic mode directly into the bank account designated by the entitled Shareholders.

To receive dividend directly into their bank account, Shareholders are requested (if not already provided) to fill in the Shareholder Information Form for Electronic Credit of Cash Dividend available on the Company’s website and send it duly signed along with a copy of valid CNIC to the Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited, in case of physical shares.

In case of shares held in CDC, Electronic Dividend Mandate Form must be directly submitted to Shareholder’s brokers / participant / CDC account services.

In case of non-receipt of information, the Company will be constrained to withhold payment of dividend to Shareholders.

9. In compliance with Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001 withholding tax on dividend income will be deducted for “filer” and “non-filer” Shareholders at 7.5% and 15% respectively. A “filer” is a taxpayer whose name appears in the Active Taxpayers List (ATL) issued by the FBR from time to time and a “non-filer” is a person other than a filer. To enable the Company to withhold tax at 7.5% for filers, all Shareholders are advised to ensure that their names appear in the latest available ATL on FBR website, otherwise tax on their cash dividend will be deducted at 15% for non-filers. Withholding tax exemption from the dividend income shall only be allowed if a copy of a valid tax exemption certificate is made available to the Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited, of the Company by the first day of book closure.

According to the FBR, withholding tax in the case of joint accounts will be determined separately based on the “Filer/ Non-Filer” status of the principal shareholder as well as the status of the joint holder(s) based on their shareholding proportions. Members that hold shares with joint shareholders are requested to provide the shareholding proportions of the principal shareholder and the joint holder(s) in respect of shares held by them to our Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited, in writing. In case the required information is not provided to our Registrar it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s).

10. In order to claim exemption from compulsory deduction of Zakat, Shareholders are requested to submit a notarized copy of Zakat Declaration Form “CZ-50” on NJSP of Rs.50/- to the Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited, of the Company by first day of book closure. In case shares are held in scripless form such Zakat Declaration Form (CZ-50) must be uploaded in the CDC account of the Shareholder, through their Participant / Investor Account Services.

Further, Non-Muslim Shareholders are also required to file Solemn Affirmation (available on <https://famcosrs.com/downloads/>) with the Share Registrar of the Company in case of shares are held in physical certificates or with CDC Participant / Investor Account Services in case shares are in scripless form. No exemption from deduction of zakat will be allowed unless the above documents complete in all aspects have been made available as above.

#### 11. submission of valid cnic (mandatory)

As per SECP directives, the dividend of Shareholders, whose valid CNICs are not available with the Share Registrar, may be withheld. All Shareholders having physical shareholding are therefore advised to submit a photocopy of their valid CNICs immediately, if already not provided, to the Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited without any further delay.

#### 12. unclaimed dividend

As per the provision of section 244 of the Act, any shares issued, or dividend declared by the Company which have remained unclaimed / unpaid for a period of three years from the date on which it was due and payable are required to be deposited with SECP for the credit of Federal Government after issuance of notices to the Shareholders to file their claim. The details of the shares issued, and dividend declared by the Company which have remained due for more than three years were sent to Shareholders.

Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case, no claim is lodged with the Company in the given time, the Company shall, after giving notice in the newspaper, proceed to deposit the unclaimed / unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of the Act.

#### 13. conversion of physical shares into cdc account

The SECP, through its letter No. CSD/ED/Misc/2016-639-640 dated March 26, 2021, has advised all listed companies to adhere to the provisions of Section 72 of the Act, which requires all companies to replace shares issued in physical form to book-entry form within four years of the promulgation of the Act.

Accordingly, all Shareholders of the Company having physical folios/share certificates are requested to convert their shares from physical form into book-entry form at the earliest. Shareholders may contact a PSX Member, CDC Participant, or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. Maintaining shares in book-entry form has many advantages — safe custody of shares with the CDC, avoidance of formalities required for the issuance of duplicate shares etc. The Shareholders of the Company may contact the Share Registrar and Transfer Agent of the Company, namely M/s. FAMCO Share Registration Services (Private) Limited for the conversion of physical shares into book-entry form.

#### statement of material facts under section 134 (3) of the companies act, 2017

This Statement sets out the material facts pertaining to the Special Business as described in the Notice of AGM of the Company

#### agenda item 4

Considering the optimum use of advancements in technology and in order to fulfill the Company’s corporate social responsibility to the environment and sustainability, Members approval is sought for the circulation of the Annual Report (including annual audited financial statements and other notice and reports contained therein) to the Members of the Company through weblink and QR enabled code in accordance with S.R.O. 389(I)/2023 dated March 21, 2023 issued by the SECP.

# key shareholding & shares traded

Information of shareholding required under reporting framework is as follows:

## 1. Directors, Chief Executive Officer, and their Spouse and Minor Children

S.No.	Name	No. of Shares Held
1	Mr. Yusuf Jamil Siddiqui	1
2	Mr. Shabbir Hussain Hashmi	1
3	Mr. Mohammad Yasir Khan	1
4	Mr. Vaqar Zakaria	1
5	Ms. Maryam Aziz	1
6	Ms. Nausheen Ahmad	1
7	Mr. Kaiser Bengali	1
	Total	7

## 2. Executives

S.No.	Name	No. of Shares Held
1	Total	-

## 3. Associated Companies, Undertakings and Related Parties

S.No.	Name	No. of Shares Held
1	Engro Energy Limited	223,049,992
	Total	223,049,992

## 4. NIT and ICP

S.No.	Name	No. of Shares Held
1	Total	-

## 5. Banks, Development Financial Institutions, Non-Banking Financial Institutions

S.No.	Name	No. of Shares Held
1	Total	4,966,000

## 6. Insurance Companies

S.No.	Name	No. of Shares Held
1	Total	65,000

## 7. Mutual Funds and Modarabas

S.No.	Name	No. of Shares Held
1	Lakson Equity Fund	1,105,500
2	IMAL Equity Fund	322,000
3	Lakson Tactical Fund	107,500
4	Lakson Islamic Tactical Fund	88,500
5	Faysal MTS Fund - MT	5,500
	Total	1,629,000

## 8. Shareholder holding 5% or more voting rights in the Company

S.No.	Name	No. of Shares Held
1	Engro Energy Limited	223,049,992
	Total	223,049,992

## 9. General Public (Local)

S.No.	Name	No. of Shares Held
1	Total	80,733,602

## 10. Others

S.No.	Name	No. of Shares Held
1	Total	13,356,399

## categories of shareholders as at december 31, 2023

S.No.	Director's Name	No. of Shareholders	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their Spouse and Minor Children	7	7	0.00
2	Executives	-	-	-
3	Associated Companies, Undertakings and Related Parties	1	223,049,992	68.89
4	NIT and ICP	-	-	-
5	Banks, Development Financial Institutions, Non-Banking Financial Institutions	1	4,966,000	1.53
6	Insurance Companies	2	65,000	0.02
7	Mutual Funds and Modarabas	5	1,629,000	0.50
8	Shareholder holding 5% or more	1	223,049,992	68.89
9	General Public:			
	a. Local	18022	80,733,602	24.93
	b. Foreign	-	-	-
10	Others	82	13,356,399	4.12
<b>Total (excluding shareholder holding 5% or more)</b>		<b>18,120</b>	<b>323,800,000</b>	<b>100.00</b>

Free Float Shares as of December 31, 2023

Total outstanding ordinary shares	323,800,000
Free Float shares	95,150,521
Free Float as a % of total outstanding shares	29.39%

## pattern of shareholding as at december 31, 2023

No of Shareholders	No. of Shareholdings			Total Shares
	From	To		
518	1	100	18,513	
9,973	101	500	4,884,358	
3,300	501	1,000	3,261,085	
2,648	1,001	5,000	7,122,721	
636	5,001	10,000	5,095,372	
220	10,001	15,000	2,846,292	
177	15,001	20,000	3,291,877	
109	20,001	25,000	2,554,472	
78	25,001	30,000	2,215,000	
62	30,001	35,000	2,068,000	
50	35,001	40,000	1,942,921	
26	40,001	45,000	1,120,510	
49	45,001	50,000	2,422,000	
21	50,001	55,000	1,115,112	
27	55,001	60,000	1,571,249	
15	60,001	65,000	953,000	
6	65,001	70,000	413,500	
11	70,001	75,000	812,000	
8	75,001	80,000	635,500	
8	80,001	85,000	663,247	
10	85,001	90,000	879,000	
3	90,001	95,000	276,000	
30	95,001	100,000	2,991,500	
8	100,001	105,000	825,000	
7	105,001	110,000	759,500	
6	110,001	115,000	686,000	
5	115,001	120,000	599,500	
4	120,001	125,000	497,500	

No. of Shareholdings			
No of Shareholders	From	To	Total Shares
3	125,001	130,000	385,529
2	130,001	135,000	267,500
5	135,001	140,000	694,500
1	140,001	145,000	140,500
8	145,001	150,000	1,195,500
1	150,001	155,000	155,000
3	155,001	160,000	475,500
3	160,001	165,000	491,000
1	165,001	170,000	170,000
4	170,001	175,000	696,500
2	175,001	180,000	352,500
5	180,001	185,000	913,650
1	185,001	190,000	190,000
9	195,001	200,000	1,800,000
1	200,001	205,000	200,500
1	205,001	210,000	210,000
1	215,001	220,000	219,000
1	220,001	225,000	221,000
2	225,001	230,000	456,000
1	230,001	235,000	233,500
1	240,001	245,000	242,500
1	245,001	250,000	250,000
1	250,001	255,000	251,500
1	255,001	260,000	256,000
1	260,001	265,000	263,000
1	265,001	270,000	270,000
1	270,001	275,000	273,000
1	290,001	295,000	294,500
3	295,001	300,000	900,000
3	315,001	320,000	957,000
1	320,001	325,000	322,000
1	340,001	345,000	344,500

No. of Shareholdings			
No of Shareholders	From	To	Total Shares
1	355,001	360,000	360,000
2	360,001	365,000	724,500
1	365,001	370,000	370,000
1	370,001	375,000	374,000
2	395,001	400,000	796,000
1	420,001	425,000	425,000
1	445,001	450,000	450,000
5	495,001	500,000	2,500,000
1	515,001	520,000	520,000
1	550,001	555,000	553,000
1	635,001	640,000	635,500
1	670,001	675,000	672,000
2	715,001	720,000	1,433,000
1	745,001	750,000	750,000
1	785,001	790,000	786,000
1	820,001	825,000	825,000
1	895,001	900,000	899,500
1	990,001	995,000	991,000
1	995,001	1,000,000	1,000,000
1	1,105,001	1,110,000	1,105,500
1	1,120,001	1,125,000	1,122,500
1	1,495,001	1,500,000	1,500,000
1	1,715,001	1,720,000	1,715,500
1	1,805,001	1,810,000	1,808,500
1	4,965,001	4,970,000	4,966,000
1	6,855,001	6,860,000	6,855,100
1	223,045,001	223,050,000	223,049,992
18,120			323,800,000



# shareholder information

## annual general meeting

The annual shareholders meeting will be held at Karachi School of Business and Leadership (KSBL), National Stadium Road, Opp. Liaquat National Hospital, Karachi on Wednesday, March 27, 2024, at 02:30 p.m.

Shareholders as of March 19, 2024, are encouraged to participate and vote.

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

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

## shareholders

On December 31, 2023, there were 18,120 shareholders on record of the Company's ordinary shares.

## electronic transmission of annual report 2023

In compliance with the section 223(6) of Companies Act, 2017, the Company has electronically transmitted the Annual Report 2023 through email to shareholders whose email addresses are available with the Company's Share Registrar, M/s FAMCO Share Registration Services (Private) Limited. In those cases, where email addresses are not available with the Company's Share Registrar, M/s FAMCO Share Registration Services (Private) Limited, printed notice of AGM along with the QR enabled code/weblink to download the said financial statements have been dispatched. However, the Company would provide hard copies of the Annual Report to the Shareholders on their demand at their registered addresses, free of cost, within one week of such request.

Further, shareholders are requested to kindly provide the valid email address (along with a copy of valid CNIC) to the Company's Share Registrar, M/s FAMCO Share Registration Services (Private) Limited if you hold shares in physical form or to the respective Participant/Investor Account Services if shares are held in book entry form.

## e-dividend mandate (mandatory)

In accordance with the provisions of Section 242 of the Companies Act, 2017, a listed company, is required to pay cash dividend ONLY through electronic mode directly into the bank account designated by the entitled shareholders. Accordingly, the shareholders are requested to provide the information mentioned on an E-Dividend Mandate Form available at the Company's website [www.engroenergy.com](http://www.engroenergy.com) 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 and holds periodic briefings with security analysis to discuss the results and the business environment.

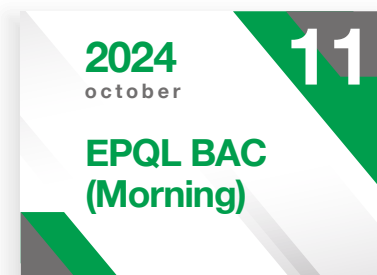
All annual/quarterly reports and periodic briefing presentations are regularly posted at the Company's website.

## change of address

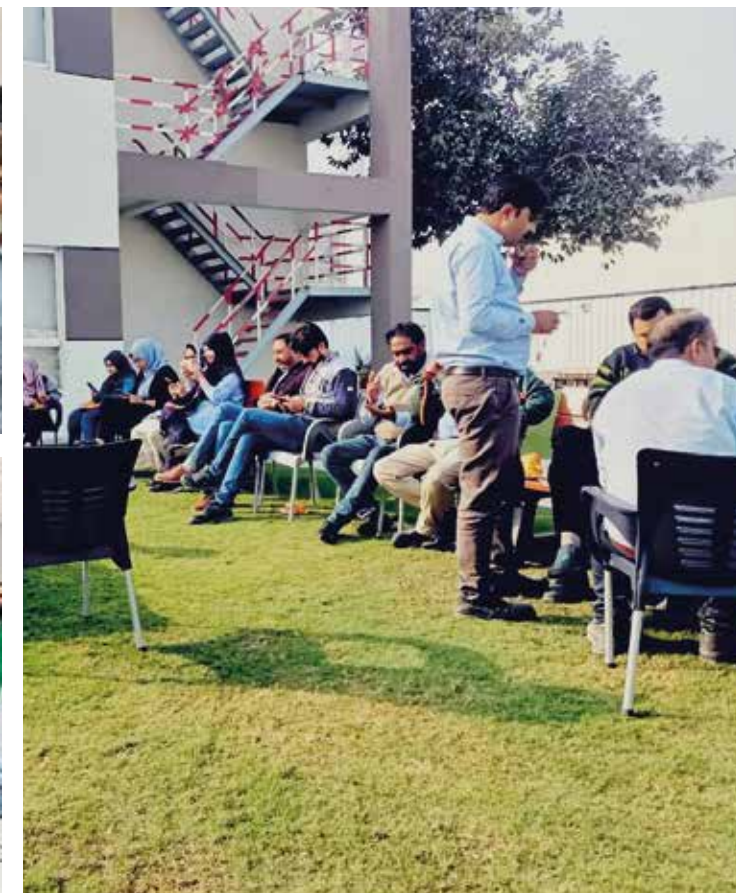
All registered shareholders should send information on changes of address to:

M/s FAMCO Share Registration Services (Private) Limited  
8-F, Near Faran Hotel, Nursery, Block-6  
PECHS, Shahrah-e-Faisal, Karachi  
[Info.shares@famcosrs.com](mailto:Info.shares@famcosrs.com)

# epql calendar 2024



# epql activities 2023





# year in review

financial statements





# independent auditor's review report

To the members of Engro Powergen Qadirpur Limited

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

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Engro Powergen Qadirpur Limited (the Company) for the year ended December 31, 2023 in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended December 31, 2023.

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

Date: March 05, 2024

UDIN: CR202310290J9bXckePs

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>

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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, 2023, and the statement of profit or loss, the statement of 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 material accounting policy information 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 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, 2023 and of the profit and other comprehensive income, 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 or 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
<p><b>i) Receivables from Central Power Purchasing Agency (Guarantee) Limited (CPPA)</b></p> <p>(Refer notes 9 and 12 to the financial statements)</p> <p>The Company under the Power Purchase Agreement (PPA) sells available capacity and electrical output to CPPA. As at December 31, 2023 the Company has following receivables from CPPA:</p> <ul style="list-style-type: none"> <li>Trade debts amounting to Rs. 8,767,848 thousand which include overdue debts of Rs. 6,431,999 thousand;</li> <li>Delayed payment charges amounting to Rs. 1,759,382 thousand which include overdue receivables of Rs. 1,180,938 thousand; and</li> <li>Reimbursable costs amounting to Rs. 273,759 thousand.</li> </ul> <p>Due to delays in recovery, the Company has financed its operations through short financing arrangements and by delaying the settlement of trade and other payables.</p> <p>In view of the significant delays in settlement of receivables, materiality of these trade receivables and the potential impairment charge, and the consequential impact of delay in settlement on liquidity and operations of the Company, we have considered this to be an area of higher assessed risk and a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>assessed whether revenue and related receivables have been recognized in accordance with the applicable accounting policies of the Company;</li> <li>tested whether invoices raised by the Company during the year were in accordance with the PPA;</li> <li>obtained confirmation of receivable balance from CPPA;</li> <li>checked receipts from CPPA with bank statements;</li> <li>made inquiries from the management of the Company 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 outstanding amounts;</li> <li>reviewed terms of the Agreement and discussed the same with the management;</li> <li>checked Implementation Agreement and assessed whether receivables are secured against guarantee from the Government of Pakistan and whether any impairment is required to be recognized there against;</li> <li>assessed the availability of finance with the Company to fund its business operations through committed credit lines obtained from various financial institutions; and</li> <li>assessed adequacy of the related disclosures in the financial statements in accordance with the applicable accounting and reporting standards.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report thereon

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

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

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

### Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgement 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.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

### Report on Other Legal and Regulatory Requirements

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

- proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes there on 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;
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- 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 Azhar Hussain.

Chartered Accountants  
Karachi

Date: March 05, 2024

UDIN: AR202310290Z3QuVOMgH



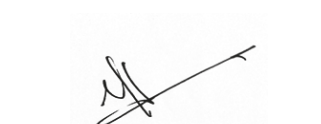
# statement of financial position

as at december 31, 2023

(Amounts in thousand)

	Note	2023	....Rupees....	2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	5	10,609,432		11,112,553
Intangible assets	6	184,184		206,095
Long-term loans and advances	7	12,473		12,966
Long-term deposits		2,574		2,574
		<u>10,808,663</u>		<u>11,334,188</u>
<b>Current assets</b>				
Inventories	8	943,250		844,297
Trade debts	9	8,767,848		9,800,242
Short-term investments	10	49,993		449,997
Loans, advances and prepayments	11	155,283		148,006
Other receivables	12	2,053,003		1,473,159
Taxes recoverable		29,257		31,637
Balances with banks	13	270,181		80,121
		<u>12,268,815</u>		<u>12,827,459</u>
<b>TOTAL ASSETS</b>		<u><u>23,077,478</u></u>		<u><u>24,161,647</u></u>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	14	3,238,000		3,238,000
Share premium		80,777		80,777
Maintenance reserve	15	948,156		227,182
Unappropriated profit		10,215,674		9,558,830
<b>Total equity</b>		<u>14,482,607</u>		<u>13,104,789</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	16	4,475,786		4,822,707
Unclaimed dividend		20,233		20,386
Accrued interest / mark-up		235,030		199,306
Short-term borrowings	17	3,863,822		6,014,459
<b>Total liabilities</b>		<u>8,594,871</u>		<u>11,056,858</u>
<b>Contingencies and commitments</b>	18			
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>23,077,478</u></u>		<u><u>24,161,647</u></u>

The annexed notes from 1 to 41 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

# statement of profit or loss

for the year ended december 31, 2023

(Amounts in thousand except for earnings per share)

	Note	2023	....Rupees....	2022
Revenue	19	13,256,377		10,026,884
Cost of revenue	20	(10,593,638)		(8,315,592)
<b>Gross profit</b>		<u>2,662,739</u>		<u>1,711,292</u>
Administrative expenses	21	(426,505)		(321,133)
Other expenses	22	(33,209)		(69,310)
Other income	23	17,294		22,764
<b>Profit from operations</b>		<u>2,220,319</u>		<u>1,343,613</u>
Finance income - net	24	302,021		135,180
Workers' Profits Participation Fund and Sindh Workers' Welfare Trust	25	-		-
<b>Profit before taxation</b>		<u>2,522,340</u>		<u>1,478,793</u>
Taxation	26	(11,221)		(7,037)
<b>Profit for the year</b>		<u><u>2,511,119</u></u>		<u><u>1,471,756</u></u>
<b>Earnings per share - basic and diluted</b>	27	<u>7.76</u>		<u>4.55</u>

The annexed notes from 1 to 41 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director



# statement of comprehensive income

## for the year ended december 31, 2023

(Amounts in thousand)

	2023	....Rupees....	2022
<b>Profit for the year</b>	2,511,119		1,471,756
<b>Other comprehensive income / (loss):</b>			
Item that may be reclassified subsequently to profit or loss:			
Hedging reserve - reclassified to profit or loss	-		(11,575)
<b>Total comprehensive income for the year</b>	<u>2,511,119</u>		<u>1,460,181</u>

The annexed notes from 1 to 41 form an integral part of these financial statements.

# statement of cash flows

## for the year ended december 31, 2023

(Amounts in thousand)

	Note	2023	....Rupees....	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash generated from operations	28	4,389,451		4,269,109
Taxes paid		(8,841)		(3,632)
Interest received		31,125		11,117
Long-term loans and advances		(3,964)		5,071
<b>Net cash generated from operating activities</b>		<u>4,407,771</u>		<u>4,281,665</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of property, plant and equipment - net		(327,651)		(110,468)
Purchase of intangible assets		(2,612)		(12,767)
Proceeds from disposal of property, plant and equipment		19,838		2,113
Investments made during the year		(197,862)		(6,179,940)
Investments encashed / matured during the year		605,432		5,756,696
<b>Net cash generated from / (utilised in) investing activities</b>		<u>97,145</u>		<u>(544,366)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Finance cost paid		(1,030,766)		(430,228)
Dividends paid		(1,133,453)		(4,533,403)
<b>Net cash utilised in financing activities</b>		<u>(2,164,219)</u>		<u>(4,963,631)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<u>2,340,697</u>		<u>(1,226,332)</u>
Cash and cash equivalents at the beginning of the year		(5,934,338)		(4,708,006)
<b>Cash and cash equivalents at the end of the year</b>	29	<u>(3,593,641)</u>		<u>(5,934,338)</u>

The annexed notes from 1 to 41 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director



Chief Financial Officer



Chief Executive Officer



Director

# statement of changes in equity

## for the year ended december 31, 2023

(Amounts in thousand)

	Reserves					Total
	Share capital	Capital		Revenue		
		Share premium	Maintenance reserve	Unappropriated profit	Hedging reserve	
<b>Balance as at January 1, 2022</b>	3,238,000	80,777	227,182	12,620,274	11,575	16,177,808
Profit for the year	-	-	-	1,471,756	-	1,471,756
Other comprehensive loss for the year	-	-	-	-	(11,575)	(11,575)
Total comprehensive income for the year	-	-	-	1,471,756	(11,575)	1,460,181
Final dividend for the year ended December 31, 2021 @ Rs. 6 per share	-	-	-	(1,942,800)	-	(1,942,800)
1st Interim dividend for the year ended December 31, 2022 @ Rs.5 per share	-	-	-	(1,619,000)	-	(1,619,000)
2nd Interim dividend for the year ended December 31, 2022 @ Rs.3 per share	-	-	-	(971,400)	-	(971,400)
<b>Balance as at December 31, 2022</b>	3,238,000	80,777	227,182	9,558,830	-	13,104,789
Profit for the year	-	-	-	2,511,119	-	2,511,119
Other comprehensive income for the year	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	2,511,119	-	2,511,119
1st Interim dividend for the year ended December 31, 2023 @ Rs.1.5 per share	-	-	-	(485,700)	-	(485,700)
2nd Interim dividend for the year ended December 31, 2023 @ Rs. 2 per share	-	-	-	(647,600)	-	(647,600)
Transfer from unappropriated profit (note 15.2)	-	-	720,974	(720,974)	-	-
<b>Balance as at December 31, 2023</b>	<b>3,238,000</b>	<b>80,777</b>	<b>948,156</b>	<b>10,215,674</b>	<b>-</b>	<b>14,482,607</b>

The annexed notes from 1 to 41 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

# notes to the financial statements

## for the year ended december 31, 2023

(Amounts in thousand)

### 1. legal status and operations

**1.1** Engro Powergen Qadirpur Limited (the Company), is a public listed company, incorporated in Pakistan, and its shares are quoted on the Pakistan Stock Exchange Limited. The Company is a subsidiary of Engro Energy Limited, which is a wholly owned subsidiary of Engro Corporation Limited. Engro Corporation Limited is a subsidiary of Dawood Hercules Corporation Limited (the Ultimate Parent Company).

**1.2** The Company was established with the primary objective to undertake the business of power generation and sale. The Company owns a 217.3 MW combined cycle power plant and commenced commercial operations on March 27, 2010. The electricity generated is transmitted to the National Transmission and Despatch Company (NTDC) under the Power Purchase Agreement (PPA) dated October 26, 2007. This PPA is for a period of 25 years. The Company signed a novation agreement on February 11, 2021 with NTDC and Central Power Purchasing Agency (Guarantee) Limited (CPPA), whereby NTDC has novated its rights and obligations under the PPA to CPPA.

**1.3** The business units of the Company are as follows:

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

**1.4** The gas supply from Qadirpur gas field is depleting and based on profile shared by the Sui Northern Gas Pipelines Limited (SNGPL), the Company has declared gas depletion phase and made its plant available in mixed fuel mode, i.e. on both permeate gas and High-Speed Diesel (HSD). Meanwhile, the Company is actively pursuing relevant stakeholders to finalize an alternate fuel plan for the plant. The Company is engaged with Petroleum Exploration Limited (PEL) for supply of 8–13 mmscf low BTU gas from Badar gas field. The National Electric Power Regulatory Authority (NEPRA) has approved the modification in Generation License for the Company to include gas to be supplied by PEL. The tariff in respect of the gas to be supplied under the aforementioned arrangement is yet to be finalised.

### 2. basis of preparation

#### 2.1 Statement of compliance

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

(Amounts in thousand)

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

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

## 2.2 Accounting convention

These financial statements have been prepared under the historical cost convention as stated in relevant accounting policies below.

## 2.3 Functional and presentation currency

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

## 2.4 Critical accounting estimates and judgements

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

## 3. material accounting policy information

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

### 3.1 Initial application of standards, amendments or interpretations to existing accounting and reporting standards

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

##### Disclosure of Accounting Policies - Amendments to IAS I and IFRS Practice Statement 2

The amendments to IAS I and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting

(Amounts in thousand)

policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

There are certain other amendments to existing accounting and reporting standards that are applicable for the financial year beginning on January 1, 2023 but do not have any significant impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

#### 3.1.2 Standards and amendments to existing accounting and reporting standards that are not yet effective and have not been early adopted by the Company

There are standards and certain amendments to existing accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on January 1, 2023. The standards and amendments are not expected to have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

## 3.2 Property, plant and equipment

Except for freehold land, capital work-in-progress and capital spares, all assets are stated at cost less accumulated depreciation and impairment, if any. Freehold land, capital spares and capital work-in-progress are stated at cost less impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items including borrowing costs. Self constructed assets include the cost of materials, direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use and exchange losses as explained in note 5.1.4. 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 the statement of 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 the statement of profit or loss.

(Amounts in thousand)

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

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

### 3.3 Intangible assets

#### a) Computer software

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

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

Software costs and license fees capitalised as intangible assets are amortised to the statement of profit or loss from the date of use on a straight-line basis over a period of 4-8 years.

#### b) Right to use infrastructure facilities

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

### 3.4 Impairment of non-financial assets

Non-financial assets' 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 depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the statement of profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use. Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(Amounts in thousand)

### 3.5 Financial assets

#### 3.5.1 Classification, initial recognition and measurement

The Company classifies its financial assets in the following categories:

- a) those to be measured subsequently at fair value (either through other comprehensive income 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. Management determines the classification of its financial assets at initial recognition.

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 (FVOCI) 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 (FVPL) unless it is measured at amortised cost or at fair value through other comprehensive income.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets at amortised cost are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in the statement of profit or loss. Financial assets carried at FVOCI are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income.

(Amounts in thousand)

Financial assets carried at FVPL are initially recorded at fair value and transaction costs are recognised in the statement of profit or loss. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets held at FVPL are included in the statement of profit or loss in the period in which they arise.

### 3.5.2 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. On derecognition of a financial asset, in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in the statement of profit or loss.

### 3.5.3 Impairment

The Securities and Exchange Commission of Pakistan (SECP) through its SRO No. 985(I) / 2019 dated September 02, 2019 and clarification dated January 23, 2020 had exempted the applicability of expected credit losses (ECL) till June 30, 2022 on financial assets directly due from Government of Pakistan (GoP) or that are ultimately due from GoP, in consequence of circular debt, provided that the Company shall follow relevant requirements of IAS 39 'Financial Instruments: Recognition and Measurement'. On September 15, 2022, the SECP, on the Company's request, extended the exemption of application of ECL model under IFRS 9 till June 30, 2023. Subsequent to the year end, the SECP through its SRO No. 67(I) / 2023 dated January 20, 2023 has further extended the exemption from application of ECL model till December 31, 2024.

Accordingly, amounts due from the Government of Pakistan (GOP) 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 amounts due from GOP, the Company recognises lifetime Expected Credit losses (ECL) when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial assets has not increased significantly since initial recognition, the Company measures the loss allowance for that financial asset at an amount equal to 12-month ECL under IFRS 9.

### 3.5.4 Financial Liability

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. Subsequently, financial liabilities are stated at amortised cost.

(Amounts in thousand)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement profit or loss.

### 3.5.5 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle either on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### 3.6 Inventories

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

### 3.7 Trade debts and other receivables

Trade debts and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, in which case they are recognised at fair value. The Company holds trade debts and other receivables with the objective to collect contractual cash flows and, therefore, measures them subsequently at amortised cost using the effective interest rate method. Provision for impairment is recognised as per note 3.5.3.

### 3.8 Cash and cash equivalents

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

### 3.9 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.

(Amounts in thousand)

### 3.10 Borrowings

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

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

### 3.11 Trade and other payables

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

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

### 3.12 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.

### 3.13 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 PPA which are exempted from the applicability of IFRS 16 - 'Leases' (IFRS 16). SECP through its S.R.O. 986 (I) / 2019 dated September 2, 2019 exempted all companies to the extent of the power purchase agreements executed before the effective date of IFRS 16 i.e. January 1, 2019 from the application of requirements of the said standard.

### 3.14 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. Accordingly, the Company has not recognized any deferred tax. However, the Company's income from other sources is subject to taxation.

### 3.15 Retirement and other service benefits obligations

(Amounts in thousand)

### 3.15.1 Defined contribution plans

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

The intermediary holding company - Engro Corporation Limited, operates a defined contribution provident fund and gratuity fund in which the permanent employees of the Company are members. Monthly contributions are made both by the Company and employees to the fund at the rate of 10% of basic salary in case of provident fund and, only by the Company, at the rate of 8.33% of basic salary in case of gratuity fund. Investments out of the funds have been made in accordance with the provisions of section 218 of the Act.

### 3.16 Foreign currency transactions and translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at period-end exchange rates are recognised in the statement of profit or loss, except as referred to in note 5.1.4.

### 3.17 Revenue recognition

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

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

Capacity and Energy revenue is recognised overtime based on the rates determined under the mechanism laid down in the PPA. The Company on or after first business day of each month submits an invoice to CPPA for seventy percent of the estimated available capacity during that month, and thirty percent of the estimated available capacity and energy payment due in respect of previous month. The payment is due 30 days after invoicing.

### 3.18 Interest on bank deposits and delayed payment income

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

(Amounts in thousand)

### 3.19 Borrowing costs

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

### 3.20 Earnings per share

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

### 3.21 Dividend

Dividends are recognised in the financial statements in the period in which these are approved.

### 3.22 Operating segments

For management purposes, the activities of the Company are organized in one reportable segment that is generation of electricity. This reporting segment is consistent with the internal financial reporting systems.

## 4. critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Following are the significant areas where management used estimates and judgements, which are significant to the financial statements:

### 4.1 Property, plant and equipment and intangible assets

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

(Amounts in thousand)

## 5. property, plant and equipment

2023 ....Rupees.... 2022

Operating assets (note 5.1)  
Capital work-in-progress (note 5.2)  
Capital spares (note 5.3)

Operating assets (note 5.1)	10,133,522	10,897,030
Capital work-in-progress (note 5.2)	275,441	15,215
Capital spares (note 5.3)	200,469	200,308
	<u>10,609,432</u>	<u>11,112,553</u>

### 5.1 Operating assets

	Freehold land	Plant & machinery	Buildings & civil works	Furniture, fixtures and equipment	Vehicles	Total
-----Rupees-----						
As at January 1, 2022						
Cost	110,065	16,693,315	2,582,496	130,246	108,058	19,624,180
Accumulated depreciation	-	(7,012,601)	(896,990)	(117,137)	(91,373)	(8,118,101)
Net book value	<u>110,065</u>	<u>9,680,714</u>	<u>1,685,506</u>	<u>13,109</u>	<u>16,685</u>	<u>11,506,079</u>
Year ended December 31, 2022						
Net book value at the beginning of the year	110,065	9,680,714	1,685,506	13,109	16,685	11,506,079
Additions to operating assets						
Transfers from capital work-in-progress (note 5.2)	-	204,956	-	3,387	-	208,343
Disposals						
Cost	-	-	-	(157)	(2,721)	(2,878)
Accumulated depreciation	-	-	-	157	540	697
	-	-	-	-	(2,181)	(2,181)
Depreciation charge (note 5.1.2)	-	(734,010)	(73,668)	(6,496)	(1,037)	(815,211)
Net book value at the end of the year	<u>110,065</u>	<u>9,151,660</u>	<u>1,611,838</u>	<u>10,000</u>	<u>13,467</u>	<u>10,897,030</u>
As at December 31, 2022						
Cost	110,065	16,898,271	2,582,496	133,476	105,337	19,829,645
Accumulated depreciation	-	(7,746,611)	(970,658)	(123,476)	(91,870)	(8,932,615)
Net book value	<u>110,065</u>	<u>9,151,660</u>	<u>1,611,838</u>	<u>10,000</u>	<u>13,467</u>	<u>10,897,030</u>

(Amounts in thousand)

	Freehold land	Plant & machinery	Buildings & civil works	Furniture, fixtures and equipment	Vehicles	Total
-----Rupees-----						
Year ended December 31, 2023						
Net book value at the beginning of the year	110,065	9,151,660	1,611,838	10,000	13,467	10,897,030
Additions to operating assets						
Transfers from capital work-in-progress (note 5.2)	-	10,216	-	10,893	42,302	63,411
Disposals (note 5.1.1)						
Cost	-	-	-	(1,423)	(19,362)	(20,786)
Accumulated depreciation	-	-	-	1,175	7,625	8,799
	-	-	-	(249)	(11,738)	(11,987)
Depreciation charge (note 5.1.2)	-	(745,824)	(57,995)	(6,484)	(4,629)	(814,932)
Net book value at the end of the year	<u>110,065</u>	<u>8,416,052</u>	<u>1,553,843</u>	<u>14,160</u>	<u>39,402</u>	<u>10,133,522</u>
As at December 31, 2023						
Cost	110,065	16,908,487	2,582,496	142,946	128,277	19,872,271
Accumulated depreciation	-	(8,492,435)	(1,028,652)	(128,786)	(88,875)	(9,738,748)
Net book value	<u>110,065</u>	<u>8,416,052</u>	<u>1,553,843</u>	<u>14,160</u>	<u>39,402</u>	<u>10,133,522</u>
Annual rate of depreciation		<u>4% - 33%</u>	<u>2.5% - 8%</u>	<u>16% - 33%</u>	<u>20% - 25%</u>	

5.1.1 The details of assets disposed off during the year having net book value in excess of Rs. 500 are as follows:

Description	Sold to	Mode of disposal and relationship with the Company	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain
-----Rupees-----							
Vehicle	Hamza Humayun	Company policy - employee	3,824	541	3,282	3,284	2
Vehicle	Amir Qasim	Company policy - employee	8,045	798	7,247	7,657	410

5.1.2 The depreciation charge for the year has been allocated as follows:

	2023	2022
Cost of revenue (note 20)	811,631	813,344
Administrative expenses (note 21)	3,301	1,867
	<u>814,932</u>	<u>815,211</u>

(Amounts in thousand)

5.1.3 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

5.1.4 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 capitalised exchange losses aggregating Rs. 4,405,584 in prior years arising on foreign currency borrowings to the cost of the related property, plant and equipment. The amount of exchange losses net of depreciation as at December 31, 2023 amounts to Rs. 2,478,638 (2022: Rs. 2,698,961).

5.2 Capital work-in-progress

	Plant and machinery	Buildings and civil works	Furniture, fixtures and equipment	Vehicles	Capital spares	Intangible assets	Civil works	Total
-----Rupees-----								
Year ended December 31, 2022								
Balance at the beginning of the year	9,754	-	-	-	-	-	-	9,754
Additions / transfers	200,076	-	3,992	5,033	188	12,767	-	222,056
Transfers intangible assets (note 6)	-	-	-	-	-	(8,252)	-	(8,252)
Transfers to operating assets (note 5.1)	(204,956)	-	(3,387)	-	-	-	-	(208,343)
Balance at the end of the year	<u>4,874</u>	<u>-</u>	<u>605</u>	<u>5,033</u>	<u>188</u>	<u>4,515</u>	<u>-</u>	<u>15,215</u>
Year ended December 31, 2023								
Balance at the beginning of the year	4,874	-	605	5,033	188	4,515	-	15,215
Additions	131,895	67,806	15,508	80,786	27,734	2,612	3,761	330,102
Transfers to intangible assets (note 6)	-	-	-	-	-	(6,465)	-	(6,465)
Transfers to operating assets (note 5.1)	(10,216)	-	(10,893)	(42,302)	-	-	-	(63,411)
Balance at the end of the year	<u>126,554</u>	<u>67,806</u>	<u>5,220</u>	<u>43,518</u>	<u>27,922</u>	<u>662</u>	<u>3,761</u>	<u>275,441</u>

5.3 Movement in the capital spares

	2023	2022
Balance at the beginning of the year	200,308	299,129
Additions	161	31,228
Transfers to capital work-in-progress	-	(130,049)
Balance at the end of the year	<u>200,469</u>	<u>200,308</u>



(Amounts in thousand)

## 6. intangible assets

	Computer software	Right to use infra-structure facilities (note 6.2)	Total
	-----Rupees-----		
<b>As at January 1, 2022</b>			
Cost	233,138	96,627	329,765
Accumulated amortisation	(55,789)	(48,250)	(104,039)
Net book value	<u>177,349</u>	<u>48,377</u>	<u>225,726</u>
<b>Year ended December 31, 2022</b>			
Net book value at the beginning of the year	177,349	48,377	225,726
Transfers from capital work-in-progress (note 5.2)	8,252	-	8,252
Amortisation charge (note 6.1)	(24,161)	(3,722)	(27,883)
Net book value at the end of the year	<u>161,440</u>	<u>44,655</u>	<u>206,095</u>
<b>As at January 1, 2023</b>			
Cost	241,390	96,627	338,017
Accumulated amortisation	(79,950)	(51,972)	(131,922)
Net book value	<u>161,440</u>	<u>44,655</u>	<u>206,095</u>
<b>Year ended December 31, 2023</b>			
Net book value at the beginning of the year	161,440	44,655	206,095
Transfers from capital work-in-progress (note 5.2)	6,465	-	6,465
Amortisation charge (note 6.1)	(24,655)	(3,721)	(28,376)
Net book value at the end of the year	<u>143,250</u>	<u>40,934</u>	<u>184,184</u>
<b>As at December 31, 2023</b>			
Cost	247,855	96,627	344,482
Accumulated amortisation	(104,605)	(55,693)	(160,298)
Net book value	<u>143,250</u>	<u>40,934</u>	<u>184,184</u>
Amortisation rate (% per annum)	<u>13%- 25%</u>	<u>4%</u>	

6.1 Amortisation charge for the year has been allocated as follows:

	2023 ....Rupees....	2022
Cost of revenue (note 20)	13,583	13,386
Administrative expenses (note 21)	14,793	14,497
	<u>28,376</u>	<u>27,883</u>

(Amounts in thousand)

6.2 Represents right to use Engro Fertilizers Limited's (an associated undertaking) various infrastructure facilities. This entitles the employees of the Company to full use of the Engro Fertilizers Limited's facilities. The amount paid by the Company is being amortised over 25 years.

## 7. long-term loans and advances, considered good

	2023 ....Rupees....	2022
Executives (notes 7.1, 7.2 and 7.3)	26,452	22,488
Current portion shown under current assets (note 11)	(13,979)	(9,522)
	<u>12,473</u>	<u>12,966</u>

## 7.1 Movement in the loans and advances

Balance at the beginning of the year	22,488	27,559
Disbursements	19,618	13,028
Repayments / amortisation	(15,654)	(18,099)
Balance at the end of the year	<u>26,452</u>	<u>22,488</u>

7.2 Represents loans and advances for car earn out assistance, house rent, long-term incentive, retention loan and relocation assistance loans, as per the Company's policy.

7.3 The maximum aggregate amount outstanding at the end of any month in respect of loans and advances to key management personnel amounted to Rs. 774 (2022: Rs. 702).

## 8. inventories

	2023 ....Rupees....	2022
High Speed Diesel (note 8.1)	444,371	339,693
Consumable stores	79,192	52,123
Spares	511,889	452,481
Provision for slow moving spares (note 8.2)	(92,202)	-
	<u>419,687</u>	<u>452,481</u>
	<u>943,250</u>	<u>844,297</u>

8.1 This comprises of 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 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 CPPA, the Company is maintaining a lower level of HSD inventory.

(Amounts in thousand)

## 8.2 Movement in the provision for slow moving spares

	2023	....Rupees....	2022
Balance at the beginning of the year	-		-
Provision (note 20)	(92,202)		-
Balance at the end of the year	<u>(92,202)</u>		<u>-</u>

8.2.1 The provision against slow-moving spares has been recognised in accordance with the policy.

## 9. trade debts - secured, considered good

	2023	....Rupees....	2022
Receivable from CPPA	<u>8,767,848</u>		<u>9,800,242</u>

9.1 Trade debts, including delayed payment charges (note 12), are secured by a guarantee from the GOP under the Implementation Agreement and as such are considered good.

## 9.2 Trade debts include:

- Rs. 988,035 (2022: Rs. 1,375,460) which is unbilled;
- Rs. 1,347,814 (2022: Rs. 954,969) which is neither past due nor impaired; and
- Rs. 6,431,999 (2022: Rs. 7,469,813 ) which is overdue but not impaired. Consequent to payment under Master Agreement and PPA Amendment Agreement dated February 11, 2021, 'Delayed Payment Rate' has been reduced for the first 60 days from KIBOR plus 4.5% per annum to KIBOR plus 2% per annum except for energy purchase price invoices on which delayed payment rate has not been changed. The ageing of overdue receivables is as follows:

	2023	....Rupees....	2022
Upto 3 months	3,589,191		2,972,229
3 to 6 months	2,591,332		3,803,442
More than 6 months	251,476		694,142
	<u>6,431,999</u>		<u>7,469,813</u>

(Amounts in thousand)

## 10. short-term investments - amortised cost

	2023	....Rupees....	2022
Treasury Bills (note 10.1)	49,993		49,997
Pakistan Investment Bonds	-		400,000
	<u>49,993</u>		<u>449,997</u>

10.1 Investments have been made in conventional Treasury Bills in respect of maintenance reserve (note 15). These are due to mature on November 28, 2024 and carry mark-up at the rate of 21.40% (2022: 16.80%) per annum.

## 11. loans, advances and prepayments

	2023	....Rupees....	2022
Current portion of long-term loans and advances to executives (note 7)	13,979		9,522
Advances	35,770		28,288
Prepayments	105,534		110,196
	<u>155,283</u>		<u>148,006</u>

## 12 other receivables - considered good

	2023	....Rupees....	2022
Delayed payment charges (notes 12.1 and 12.2)	1,759,382		1,281,009
Receivable from associated undertakings / related parties (note 12.3):			
- Engro Powergen Thar (Private) Limited	4,286		2,958
- Engro Energy Services Limited	734		-
- Sindh Engro Coal Mining Company Limited	2,497		855
	<u>7,517</u>		<u>3,813</u>
Reimbursable cost from CPPA in respect of:			
-Workers' Profits Participation Fund	198,382		154,136
- Sindh Workers' Welfare Fund	57,841		-
- Other expense	17,536		32,627
	<u>273,759</u>		<u>186,763</u>
Workers' Profits Participation Fund (note 12.4)	11,193		1,060
Others	1,152		514
	<u>2,053,003</u>		<u>1,473,159</u>

12.1 This represents mark-up on overdue trade debts, as referred to in note 9.1, of which Rs. 1,180,938 (2022: Rs. 516,855) is overdue but not impaired. This also includes Rs. 578,444 (2022: Rs. 472,472) which is unbilled.

(Amounts in thousand)

**12.2** The ageing of delayed payment charge is as follows:

	2023	....Rupees....	2022
Not due	-		291,682
Upto 3 months	664,098		-
3 to 6 months	516,839		516,855
	<u>1,180,938</u>		<u>808,537</u>

**12.3** These receivables are unsecured and interest free. The maximum aggregate amount outstanding at the end of any month from related parties amounted to Rs. 10,597 (2022: Rs 158,865). None of the receivables are past due or impaired.

**12.4** Movement in the Workers' Profits Participation Fund

	2023	....Rupees....	2022
Balance at the beginning of the year	1,060		-
Allocation for the year (note 25)	(126,117)		(73,940)
Payments made during the year	136,250		75,000
Balance at the end of the year	<u>11,193</u>		<u>1,060</u>

### 13. balances with banks

	2023	....Rupees....	2022
Current accounts:			
Local currency	7,565		58,307
Deposit accounts:			
Foreign currency	2,742		2,273
Local currency	259,874		19,541
	<u>270,181</u>		<u>80,121</u>

### 14. SHARE CAPITAL

#### 14.1 Authorised capital

2023	2022		2023	2022
....Number of Shares....	....Number of Shares....		.....Rupees.....	.....Rupees.....
<u>330,000,000</u>	<u>330,000,000</u>	Ordinary shares of Rs. 10 each	<u>3,300,000</u>	<u>3,300,000</u>

#### 14.2 Issued, Subscribed and paid-up-capital

2023	2022		2023	2022
....Number of Shares....	....Number of Shares....		.....Rupees.....	.....Rupees.....
<u>323,800,000</u>	<u>323,800,000</u>	Ordinary shares of Rs. 10 each, fully paid in cash	<u>3,238,000</u>	<u>3,238,000</u>

(Amounts in thousand)

**14.2.1** As at December 31, 2023, Engro Energy Limited, the Holding Company, held 223,050,000 (2022: 223,050,000) ordinary shares of the Company.

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

**14.3** During the year, the changes from financing cashflows in unclaimed dividend amounted to Rs. 1,133,453 (2022: Rs. 4,533,403) against balance at the beginning of the year amounted to Rs. 20,386 (2022: Rs. 20,589) resulting in balance at the end of the year amounted to Rs. 20,233 (2022: Rs. 20,386).

### 15. maintenance reserve

	2023	....Rupees....	2022
Balance at the beginning of the year (note 15.1)	227,182		227,182
Transfer from unappropriated profit (note 15.2)	720,974		-
Balance at the end of the year	<u>948,156</u>		<u>227,182</u>

**15.1** In accordance with the 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. This represents the amount deposited in the fund with respect to the said requirement. 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 CPPA mutually agree.

In 2012, the Company, due to uncertain cash flows resulting from delayed payments by CPPA has, as per flexibility available under the PPA, reduced the amount deposited in a schedule bank, which has been invested in Treasury Bills having a face value of Rs. 50,000 (2022: Rs. 50,000) as at December 31, 2023 (note 10). Till such time the amount is deposited again to the required level, the Company has unutilised short term financing available to meet any unexpected maintenance requirement that may arise in the foreseeable future.

**15.2** This represents amount transferred from unappropriated profit to the fund because the operations and maintenance regime of the plant involves expenditure on equipment and overhaul of the complex on certain intervals that are based on plant operations. An amount covering these cost, calculated based on factored fired hours has been appropriated to maintenance reserve.

(Amounts in thousand)

## 16. trade and other payables

2023 ....Rupees.... 2022

Trade payables	2,382,419	1,496,997
Accrued liabilities (note 16.1)	1,530,799	1,104,226
Sindh Wrokers' Welfare Fund (note 25)	57,841	-
GIDC payable (note 16.2)	-	1,788,438
Security deposits (note 16.3)	33	33
Payable to related parties:		
- Defined contribution funds maintained by Engro Corporation Limited	654	2,062
- Engro Corporation Limited	18,148	13,850
- Engro Energy Services Limited	4,918	16,972
- Engro Polymer and Chemicals Limited	420	69
- Engro Energy Limited	24,090	11,109
- Engro Fertilizers Limited	9,634	1,400
Provisions (note 16.4)	381,620	381,620
Sales tax payable	63,568	1,775
Withholding tax payable	1,642	4,156
	<u>4,475,786</u>	<u>4,822,707</u>

16.1 Includes accrual in respect of gas charges amounting to Rs. 687,898 (2022: Rs. 605,671).

16.2 This amount was paid in full during the year.

16.3 The amount is kept in a separate bank account and utilised in business in accordance with the requirements of section 217 of the Companies Act, 2017.

16.4 These represent provisions recognised in respect of potential claims against the Company.

## 17. short-term borrowings, secured

2023 ....Rupees.... 2022

Finances under mark-up arrangements (notes 17.1 and 17.3)	<u>3,863,822</u>	<u>6,014,459</u>
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(Amounts in thousand)

17.1 The Company has Working Capital / Running Finance Facility Agreements with Allied Bank Limited, MCB Bank Limited, The Bank of Punjab, Soneri Bank Limited, Bank Alfalah Limited, Pak Kuwait Investment Company (Private) Limited and Habib Metropolitan Bank Limited under which Rs. 1,863,822 (2022: Rs. 4,624,459) have been utilised as at December 31, 2023. In addition, the Company has also utilised a money market loan facility with Allied Bank Limited amounting to Rs. 2,000,000 (2022: Rs. 1,000,000) for a period of one month maturing on January 27, 2024. The Company has also borrowed Rs. Nil (2022: Rs 390,000) from Pak Brunei Investment Company Limited. The available facilities under these mark-up arrangements aggregate to Rs. 7,230,000 (2022: Rs. 7,380,000). The facilities carry mark-up at the rate of 1 - 3 months KIBOR plus 0.5% - 0.75% (2022: 1 - 3 months KIBOR plus 0.5% - 0.75%).

17.2 Further, the Company has a finance facility with Engro Corporation Limited, intermediary Holding Company of upto Rs. 2,000,000 (2022: Rs. 2,000,000) carrying markup of 3 months KIBOR plus 0.2%, which remained unutilized at reporting date.

17.3 The above 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.

## 18. contingencies and commitments

2023 ....Rupees.... 2022

Contingent liabilities - guarantees (notes 18.1 and 18.2)	<u>2,496,126</u>	<u>2,496,126</u>
Commitments in respect of :		
- letters of credit (note 18.2)	110,454	-
- others	417,664	138,989
	<u>528,118</u>	<u>138,989</u>

18.1 These represent bank guarantees given to SNGPL representing an amount equivalent to three months contractual quantities of gas in accordance with the terms of GSA between the Company and SNGPL.

18.2 The facilities for opening letters of credit and bank guarantees as at December 31, 2023 amount to Rs. 2,746,126 (2022: Rs. 2,596,126) of which the amount remaining un-utilised as at year end was Rs. 139,546 (2022: Rs.100,000).

(Amounts in thousand)

**18.3** On February 11, 2021, the Company and CPPA signed Master Agreement, wherein it was agreed that the dispute related to alleged savings will be resolved through arbitration. In accordance with the Master Agreement, the Company and GoP signed the Arbitration Submission Agreement (ASA) on June 15, 2022. Subsequently, the arbitrators have been appointed as per ASA. Management believes that there are strong grounds that the matter will ultimately be decided in favour of the Company.

## 19. revenue

2023 ....Rupees.... 2022

Capacity purchase price	3,771,754	3,091,648
Energy purchase price	11,188,195	8,114,226
	14,959,949	11,205,874
Sales tax	(1,703,572)	(1,178,990)
	<u>13,256,377</u>	<u>10,026,884</u>

**19.1** Revenue is from contract with Company's customer i.e. CPPA.

## 20. cost of revenue

2023 ....Rupees.... 2022

Gas and fuel oil consumed	8,222,313	6,357,515
Depreciation (note 5.1.2)	811,631	813,344
Amortisation (note 6.1)	13,583	13,386
Salaries, wages and staff welfare (note 20.1)	525,273	433,150
Insurance	427,329	265,997
Travelling	38,841	38,315
Repairs and maintenance	42,177	47,506
Purchased services (note 20.2)	194,431	169,400
Stores and spares consumed	114,600	69,391
Provision against slow moving spares (note 8.2)	92,202	-
Security	68,002	60,096
Communication and other office expenses	43,256	47,492
	<u>10,593,638</u>	<u>8,315,592</u>

**20.1** Salaries, wages and staff welfare include Rs. 30,703 (2022: Rs. 28,106) in respect of staff retirement benefits.

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

(Amounts in thousand)

## 21. administrative expenses

2023 ....Rupees.... 2022

Salaries, wages and staff welfare (note 21.1)	182,150	125,334
Purchased services (note 20.2)	181,758	133,223
Communication and other office expenses	36,161	37,835
Depreciation (note 5.1.2)	3,301	1,867
Amortisation (note 6.1)	14,793	14,497
Travelling	8,342	8,377
	<u>426,505</u>	<u>321,133</u>

**21.1** Salaries, wages and staff welfare include Rs. 8,829 (2022: Rs.10,056) in respect of staff retirement benefits.

## 22. other expenses

2023 ....Rupees.... 2022

Legal and professional services	13,217	25,847
Contributions for corporate social responsibility (note 22.1)	15,528	17,635
Auditor's remuneration (note 22.2)	4,464	3,402
Loss on disposal of investments	-	22,426
	<u>33,209</u>	<u>69,310</u>

**22.1** These include Rs.14,500 (2022: Rs. 14,500) paid to Engro Foundation (an associated undertaking) and Rs. 960 (2022: Rs.3,135) paid to Engro Corporation Limited for reimbursement of salaries of Engro Corporation Limited employees rendering services to Engro Foundation. Yusuf Siddiqui, the Company's director, is also a director in Engro Foundation.

## 22.2 Auditor's remuneration

2023 ....Rupees.... 2022

Fee for:		
- annual statutory audit	1,000	875
- half yearly review	350	265
- other services	478	265
- taxation services	1,990	1,631
- review of compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019	75	60
Out of pocket expenses	571	306
	<u>4,464</u>	<u>3,402</u>

(Amounts in thousand)

### 23. other income

2023 ....Rupees.... 2022

#### Financial assets:

Reclassification of hedge to profit or loss	-	11,575
Profit on treasury bills	7,567	-

#### Non-financial assets:

Scrap sale	1,535	11,150
Gain / (loss) on disposal of property, plant and equipment (note 5.1.1)	7,851	(68)
Exchange gain	192	-
Insurance claim	149	107
	<u>17,294</u>	<u>22,764</u>

### 24. finance income - net

Interest income on bank deposits	31,125	11,117
Delayed payment charges - overdue trade debts	<u>1,839,466</u>	<u>1,094,966</u>
	1,870,591	1,106,083

#### Less:

Interest / mark-up on short-term borrowings (note 24.1)	(1,066,490)	(568,215)
Late payment surcharge - overdue payables	(468,560)	-
Financial / bank charges	<u>(33,520)</u>	<u>(402,688)</u>
	<u>(1,568,570)</u>	<u>(970,903)</u>
	302,021	135,180

24.1 During the year, the changes from financing cashflows in accrued mark-up amounted to Rs. 1,030,766 (2022: Rs. 430,288) against balance at the beginning of the year amounted to Rs. 199,306 (2022: Rs. 61,319) resulting in balance at the end of the year amounted to Rs. 235,030 (2022: Rs. 199,306).

### 25. workers' profits participation fund and sindh workers' welfare fund

Provision for Workers' Profits Participation Fund (note 12.4)	126,117	73,940
Provision for Sindh Workers' Welfare Fund (note 16)	<u>57,841</u>	<u>-</u>
	183,958	73,940
Recoverable from CPPA	<u>(183,958)</u>	<u>(73,940)</u>
	-	-

25.1 The Company is required to pay 5% and 2% of its profit to the Workers' Profits Participation Fund and Sindh Workers' Welfare Fund respectively. However, such payment will not effect the Company's overall profitability as this is recoverable from CPPA as a pass through item under Schedule I Part IV of the PPA.

(Amounts in thousand)

### 26. taxation - current

2023 ....Rupees.... 2022

For the year

	<u>11,221</u>	<u>7,037</u>
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Represents tax at the rate of 29% and 15% (2022: 29% and 15%) on bank profits and capital gains, respectively as per the requirements of the Income Tax Ordinance, 2001. The Company's profits from power generation are exempt and accordingly, no tax reconciliation has been presented. The Company computes tax charge based on the generally accepted interpretations of tax laws to ensure that sufficient provision for the purpose of taxation is available.

### 27. earnings per share

2023 ....Rupees.... 2022

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

Profit for the year

	<u>2,511,119</u>	<u>1,471,756</u>
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.....Number of Shares.....

Weighted average number of ordinary shares (in thousand)

	<u>323,800</u>	<u>323,800</u>
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.....Rupees.....

Earnings per share - basic and diluted

	<u>7.76</u>	<u>4.55</u>
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### 28. cash generated from operations

2023 ....Rupees.... 2022

Profit before taxation

	2,522,340	1,478,793
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Adjustment for non-cash charges and other items

Depreciation (note 5.1.2)

	814,932	815,211
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Amortisation (note 6.1)

	28,376	27,883
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Reclassification of hedge to profit and loss (note 23)

	-	(11,575)
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(Gain) / loss on disposal of investments (notes 23 and 22)

	(7,567)	22,426
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(Gain) / loss on disposal of property, plant and equipment (note 23)

	(7,851)	68
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Interest income on bank deposits (note 24)

	(23,558)	(11,117)
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Accrued interest on short-term investments

	(7,567)	-
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Interest / mark-up on short-term borrowings (note 24)

	1,066,490	568,215
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Working capital changes (note 28.1)

	3,856	1,379,205
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	<u>4,389,451</u>	<u>4,269,109</u>
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(Amounts in thousand)

## 28.1 Working capital changes

2023 ....Rupees.... 2022

Decrease / (increase) in current assets:

Inventories	(98,953)	(299,828)
Trade debts	1,032,394	2,042,310
Loans, advances and prepayments - net	(2,820)	(60,801)
Other receivables	(579,844)	1,307,296
	<u>350,777</u>	<u>2,988,977</u>

Decrease in current liabilities:

Trade and other payables	(346,921)	(1,609,772)
	<u>3,856</u>	<u>1,379,205</u>

## 29. cash and cash equivalents

2023 ....Rupees.... 2022

Balances with banks (note 13)	270,181	80,121
Short-term borrowings (note 17)	(3,863,822)	(6,014,459)
	<u>(3,593,641)</u>	<u>(5,934,338)</u>

## 30. remuneration of chief executive officer, directors and executives

30.1 The aggregate amounts charged during the year in respect of remuneration, including all benefits, of the Chief Executive Officer, Directors and Executives of the Company are as follows:

	2023			2022		
	Director Chief Executive Officers	Others	Executives	Director Chief Executive Officers	Others	Executives
Managerial remuneration	32,235	-	236,986	15,514	-	260,938
Contribution for staff retirement benefits	3,425	-	26,867	2,778	-	31,226
Bonus	8,675	-	31,654	7,874	-	53,785
Other benefits	549	-	5,506	459	-	11,714
Fees for attending meetings	-	5,775	-	-	8,225	-
Number of persons, including those who worked part of the year	<u>44,884</u>	<u>5,775</u>	<u>301,013</u>	<u>26,625</u>	<u>8,225</u>	<u>357,663</u>
	<u>2</u>	<u>9</u>	<u>70</u>	<u>1</u>	<u>5</u>	<u>89</u>

(Amounts in thousand)

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

## 31. financial instruments by category

31.1 Financial assets as per statement of financial position 2023 ....Rupees.... 2022

### Financial assets at amortised cost

Long-term deposits	2,574	2,574
Long-term loans	26,452	22,488
Trade debts	8,767,848	9,800,242
Short-term investments	49,993	449,997
Other receivables	2,041,810	1,472,009
Balances with banks	270,181	80,121
	<u>11,158,857</u>	<u>11,827,431</u>

31.2 Financial liabilities as per statement of financial position 2023 ....Rupees.... 2022

### Financial liabilities at amortised cost

Short-term borrowings	3,863,822	6,014,459
Trade and other payables	4,352,081	4,814,714
Unclaimed dividend	20,233	20,386
Accrued interest / mark-up	235,030	199,306
	<u>8,471,166</u>	<u>11,048,865</u>

## 32. financial risk management objectives and policies

### 32.1 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 program 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 of the Company.

(Amounts in thousand)

**a) Market risk**

**i) Currency risk**

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risks exists due to the Company's exposure resulting from outstanding import payments and bank deposits maintained in foreign currency accounts. As at reporting date, the Company is not materially exposed to currency risk.

**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 primarily arises from borrowings and interest bearing financial assets such as investments. These are benchmarked to variable rates which expose the Company to cash flow interest rate risk. As at reporting date, the Company is not materially exposed to currency risk.

**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. As at reporting date, the Company is not materially exposed to other price risk.

**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, short-term investments and other receivables. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The maximum exposure to credit risk is equal to the carrying amount of financial assets. The Company maintains an internal policy to place funds with commercial banks having a minimum short-term credit rating of A1. Trade debts, including delayed payment charges are secured by a sovereign guarantee from the Government of Pakistan. The Company considers that a financial asset is in default when chances of recovery are remote. Financial assets considered irrecoverable are written off.

(Amounts in thousand)

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:

	2023	....Rupees....	2022
Long-term deposits	2,574		2,574
Long-term loans	26,452		22,488
Trade debts	2,335,849		2,330,429
Short-term investments	49,993		449,997
Other receivables	860,872		955,244
Balances with banks	270,181		80,121
	<u>3,545,920</u>		<u>3,840,853</u>

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

	2023	....Rupees....	2022
Trade debts	6,431,999		7,469,813
Other receivables	1,180,938		516,855
	<u>7,612,937</u>		<u>7,986,668</u>

The credit quality of receivables can be assessed with reference to their historical performance with delays 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	Ratings	
		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 Baraka Bank (Pakistan) Limited	PACRA	A1	A
Standard Chartered Bank (Pakistan) Limited	PACRA	A1+	AAA
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+
Pak Brunei Investment Company Limited	JCR-VIS	A1+	AA+



(Amounts in thousand)

### 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 liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans. All financial liabilities of the Company are payable within one year.

The Company manages liquidity risk by keeping committed credit lines and borrowing facilities available at all times and by managing timing of payments to its suppliers. Details of borrowing facilities have been provided in note 17.

### 33. 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, 2023 and December 31, 2022, the fair values of all assets and liabilities reflected in the financial statements approximate the fair values.

### 34. 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 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.

(Amounts in thousand)

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

Short-term borrowings (note 17)

Balances with banks (note 13)

Net debt

Total equity

Total capital

Gearing ratio

2023 ....Rupees.... 2022

	3,863,822	6,014,459
	(270,181)	(80,121)
	<u>3,593,641</u>	<u>5,934,338</u>
	14,482,607	13,104,789
	<u>18,076,248</u>	<u>19,039,127</u>
	0.20	0.31

### 35. NUMBER OF EMPLOYEES

	Total number of employees		Average number of employees	
	2023	2022	2023	2022
Management employees	<u>107</u>	<u>105</u>	<u>106</u>	<u>111</u>

### 36. capacity and production

Maximum generation possible

Declared capacity billed

Net electrical output

2023 ....(MWh).... 2022

	1,887,518	1,860,982
	1,887,518	1,742,045
	<u>870,380</u>	<u>768,202</u>

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

### 37. transactions with related parties

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

(Amounts in thousand)

Name of Related parties	Direct shareholding	Relationship
Engro Energy Limited	68.89%	Parent Company
Engro Corporation Limited	N/A	Common directorship / intermediary holding company
Engro Fertilizers Limited	N/A	Common directorship
Engro Energy Services Limited	N/A	Common directorship
Engro Powergen Thar (Private) Limited	N/A	Common directorship
Engro Vopak Terminal Limited	N/A	Common directorship
Engro Polymer and Chemicals Limited	N/A	Common directorship
Sindh Engro Coal Mining Company Limited	N/A	Associated Company
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
Semeen Akhter	N/A	Chief Executive Officer
Shahab Qader Khan	N/A	Former Chief Executive Officer
Shabbir Hashmi	N/A	Director
Yusuf Jamil Siddiqui	N/A	Director
Muhammad Yasir Khan	N/A	Director
Maryam Aziz	N/A	Director
Vaqar Zakaria	N/A	Director
Fauzia Viqar	N/A	Former Director
Kaiser Bengali	N/A	Director
Nausheen Ahmad	N/A	Director
Farooq Barkat Ali	N/A	Former Director
Usman Hassan	N/A	Key management personnel

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

(Amounts in thousand)

Name of relationship	Nature of transactions	2023 ....Rupees....	2022
<b>Holding companies</b>			
	Reimbursement of expenses:		
	- incurred for the Company	367,794	251,155
	- incurred by the Company	33,460	45,856
	Contribution for Corporate Social Responsibility (CSR) activities	960	3,135
	Loan received	2,450,000	3,100,000
	Loan repaid	2,450,000	3,100,000
	Finance cost	9,861	25,798
	Dividend	780,699	3,122,700
<b>Associated companies</b>			
	Reimbursement of expenses:		
	- incurred for the Company	13,534	44,185
	- incurred by the Company	13,342	110,027
	Contribution for CSR activities	14,500	14,500
<b>Key management personnel</b>			
	Managerial remuneration, including bonuses and other benefits	55,040	34,430
	Contribution / charge for retirement benefit schemes	4,856	3,635
	Directors fee	5,775	8,225
<b>Staff retirement benefits</b>			
	Managed and operated by Engro Corporation Limited		
	Contribution to:		
	- Gratuity fund	19,344	16,759
	- Provident fund	52,167	50,543

### 38. shariah compliance disclosures

The Company being listed on KSE Meezan 30 Index has provided the following additional disclosures:

(Amounts in thousand)

**i) Account balance:**

2023 ....Rupees.... 2022

<u>Assets</u>	<u>Explanation</u>		
Short-term investments	Placed under interest arrangement Placed under Shariah permissible arrangement	49,993 -	449,997 -
		<u>49,993</u>	<u>449,997</u>
Bank balances	Placed under interest arrangement Placed under Shariah permissible arrangement	270,130 51	80,073 48
		<u>270,181</u>	<u>80,121</u>
<u>Liabilities</u>			
Short-term borrowings	Placed under interest arrangement Placed under Shariah permissible arrangement	3,863,822 -	6,014,459 -
		<u>3,863,822</u>	<u>6,014,459</u>
<b>ii) Transactions for the year ended December 31, 2023</b>			
Net sales Earned under non-Shariah compliant business		13,256,377	10,026,884
Earned under Shariah compliant business		-	-
		<u>13,256,377</u>	<u>10,026,884</u>
Interest income on bank deposits	Placed under interest arrangement Placed under Shariah permissible arrangement	31,125 -	11,117 -
		<u>31,125</u>	<u>11,117</u>
Interest / mark-up on short-term borrowings	Placed under interest arrangement Placed under Shariah permissible arrangement	(1,066,490) -	(568,215) -
		<u>(1,066,490)</u>	<u>(568,215)</u>

**39. non adjusting event after reporting date**

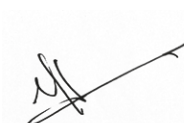
The Board of Directors in its meeting held on February 15, 2024 has proposed a final cash dividend of Rs. 1.5 per share for the year ended December 31, 2023 amounting to Rs. 485,700 for approval of the members at the Annual General Meeting to be held on March 27, 2024.

**40. date of authorisation for issue**

These financial statements were authorized for issue on February 15, 2024 by the Board of Directors of the Company.

**41. general**

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



Chief Financial Officer



Chief Executive Officer



Director

# supplementary details

annexure



# glossary

BTU	British Thermal Unit
CCG	Code of Corporate Governance
CDC	Central Depository Company
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COD	Commercial Operations Date
DAE	Diploma in Associated Engineering
DB	Defined Benefit
DC	Defined Contribution
DFI	Development Finance Institutions
DSC	Defence Saving Certificates
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
ECL	Engro Corporation Limited
EPA	Environmental Protection Agency
EEL	Engro Energy Limited
EPQL	Engro Powergen Qadirpur Limited
GIDC	Gas Infrastructure Development Cess
GSA	Gas Supply Agreement
GWh	Giga Watt hour
HRSR	Heat Recovery Steam Generator
HSD	High Speed Diesel
HSE	Health Safety & Environment
IA	Implementation Agreement
ICAP	Institute of Chartered Accountants of Pakistan
IFAC	International Federation of Accountants International
IFC	Finance Corporation
IPO	Initial Public Offering
HRB	Human Resource Business partner
TSA	Termination Settlement Agreement
IPP	Independent Power Producer

IRC	Indus Resource Center
MoU	Memorandum of Understanding
PSX	Pakistan Stock Exchange
LWI	Lost Workday Injury
MMCFD	Million Cubic Feet per Day
MWh	Mega Watt hour
NBFI	Non-Banking Finance Institutions
NCCPL	National Clearing Company of
NEO	Pakistan Limited
NEPRA	Net Electrical Output
NTDC	National Electric Power Regulatory Authority National Transmission and Dispatch Company
OHIH	Occupational Health and Industrial Hygiene
PEPCO	Pakistan Electric Power Company
PIB	Pakistan Investment Bonds
PICG	Pakistan Institute of Corporate Governance
PPA	Power Purchase Agreement
PPAF	Pakistan Poverty Alleviation Fund
PPIB	Private Power Infrastructure Board
RIC	Regular Income Certificates
SECP	Securities & Exchange Commission
SEPA	Sindh Environmental Protection Agency
SNGPL	Sui Northern Gas Pipelines Limited
SSC	Special Saving Certificates
TFC	Term Finance Certificate
TRIR	Total Recordable Injury Rate
TTC	Technical Training College
WWF	Workers' Welfare Fund
PHC	Primary Health care Center
NEQS	National Environmental Quality Standards

# standard request form

## Circulation of Annual Audited Accounts.

The Share Registrar  
 Engro Powergen Qadirpur Limited.  
 M/s. FAMCO Share Registration Services (Private) Limited  
 8-F, Near Faran Hotel, Nursery, Block-6  
 PECHS, Shahrah-e-Faisal, Karachi  
 E-mail: Info.shares@famcosrs.com  
 Telephone No. (9221) 3438 0101-5, 3438 4621-3

Dated: \_\_\_\_\_

Dear Sirs,  
 Subject: **Request for Hard Copy of Annual Report of Engro Powergen Qadirpur Limited.**

I, \_\_\_\_\_ S/o, D/o, W/o \_\_\_\_\_ being a registered shareholder of Engro Powergen Qadirpur Limited 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 member register instead of providing the same through email.

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

Yours truly,

\_\_\_\_\_  
 Shareholder's Signature

Copy to:  
 Company Secretary  
 Engro Powergen Qadirpur Limited  
 16<sup>th</sup> Floor, The Harbour Front, Dolmen City  
 HC-3, Block 4, Clifton, Karachi-75600.



# 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/her \_\_\_\_\_ of \_\_\_\_\_ as  
 my proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to  
 be held on the 27<sup>th</sup> day of March, 2024 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024.

## WITNESSES:

- Signature: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_  
 CNIC No: \_\_\_\_\_  
 or Passport No: \_\_\_\_\_
- Signature: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_  
 CNIC No: \_\_\_\_\_  
 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 holder may not need to 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.



میں اہم (نام) \_\_\_\_\_  
 جس/جن کا تعلق \_\_\_\_\_ (شہر) \_\_\_\_\_ سے ہے اینگرو پاور جن قدر پور لمیٹڈ کے ممبر کی حیثیت سے  
 \_\_\_\_\_ (شہر/زکی تعداد) \_\_\_\_\_ (شہر/زکی تعداد) \_\_\_\_\_ میں اہم  
 \_\_\_\_\_ (نام) \_\_\_\_\_ یا ان کی عدم حاضری کی صورت میں \_\_\_\_\_ کو جس/جن کا  
 تعلق \_\_\_\_\_ سے ہے، کو 27 مارچ 2024 کو منعقد ہونے والے سالانہ اجلاس عام یا ملتوی ہونے کی صورت میں دیگر تاریخ پر اپنی ہماری غیر موجودگی  
 میں شرکت اور ووٹ دینے کے لیے اپنا/ہمارا پراکسی مقرر کرتا کرتے ہیں۔

دستخط کئے \_\_\_\_\_ (دن) \_\_\_\_\_ 2024  
 گواہان:

1 دستخط \_\_\_\_\_  
 نام \_\_\_\_\_  
 ایڈریس \_\_\_\_\_  
 سی این آئی سی \_\_\_\_\_

دستخط \_\_\_\_\_ پاسپورٹ نمبر \_\_\_\_\_  
 دستخط کمپنی میں رجسٹرڈ دستخط کے نمونے کے مطابق ہونے چاہئیں۔

2 دستخط \_\_\_\_\_  
 نام \_\_\_\_\_  
 ایڈریس \_\_\_\_\_  
 سی این آئی سی \_\_\_\_\_  
 پاسپورٹ نمبر \_\_\_\_\_

نوٹ: پراکسی کے موثر ہونے کے لیے یہ لازم ہے کہ پراکسیز اجلاس کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کو موصول ہوں۔ کمپنی کے ممبر کے علاوہ کوئی  
 بھی فرد پراکسی کے طور پر کام نہیں کر سکتا۔  
 سی ڈی سی شیئر ہولڈرز اور ان کے پراکسیز سے درخواست کی جاتی ہے کہ پراکسی فارم کے ساتھ اپنے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ  
 کاپیاں یا پاسپورٹ کمپنی میں جمع کرائیں۔

## compliance with ICAP's BCR

### 2022 evaluation criteria

1 Organizational Overview and External Environment		
S.No.		Pg no.
1.01	Mission, vision, code of conduct, ethics and values.	9 & 10
1.02	Principal business activities and markets (local and international) including key brands, products and services.	7
1.03	Geographical location and address of all business units including sales units and plants.	5 & 6
1.04	Ownership, operating structure and relationship with group companies (i.e. subsidiary, associated undertaking etc.) and number of countries in which the organization operates. Name and country of origin of the holding company/subsidiary company, if such companies are a foreign company.	13 & 14
1.05	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	13 & 14
1.06	Organization chart indicating functional and administrative reporting, presented with legends.	25 & 26
1.07	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain.	77
1.08	a) Explanation of significant factors effecting the external environment including political, economic, social, technological, environmental and legal environment that is likely to be faced in the short, medium and long term and the organization's response.	68 & 69
	b) The effect of seasonality on business in terms of production and sales.	93 & 94
1.09	The legislative and regulatory environment in which the organization operates.	85 & 88
1.10	The legitimate needs, interests of key stakeholders and industry trends.	51 & 86
1.11	SWOT Analysis of the company.	79 & 80
1.12	Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, relative strengths and weaknesses of competitors and customer demand and the intensity of competitive rivalry).	118
1.13	The political environment where the organization operates and other countries that may affect the ability of the organization to implement its strategy.	68
1.14	History of major events.	17,85 & 86
1.15	Details of significant events occurred during the year and after the reporting period.	N/A

2 Strategy and Resource Allocation		
S.No.		Pg no.
2.01	Short, medium and long-term strategic objectives and strategies in place to achieve these objectives.	83
2.02	Resource allocation plans to implement the strategy. Resource mean 'Capitals' including: a) Financial Capital; b) Human Capital; c) Manufactured Capital; d) Intellectual Capital; e) Social and Relationship Capital; and f) Natural Capital.	83 & 84
2.03	The capabilities and resources of the company to provide sustainable competitive advantage and as result value created by the business.	81 & 82
2.04	The effects of the given factors on company strategy and resource allocation: technological changes, ESG reporting and challenges, initiatives taken by the company in promoting and enabling innovation and resource shortages (if any).	68 & 69
2.05	Key performance indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.	69
2.06	The company's sustainability strategy with measurable objectives/ targets.	75
2.07	Board's statement on the significant plans and decisions such as corporate restructuring, business expansion, major capital expenditure or discontinuance of operations.	83 & 85
2.08	a) Information about defaults in payment of any debts with reasons and b) Board strategy to overcome liquidity problem and its plan to manage repayment of debts and meet operational losses.	N/A 84

3 Risks and Opportunities		
S.No.		Pg no.
3.01	Key risks and opportunities (internal and external) effecting availability, quality and affordability of Capitals.	72-75
3.02	A Statement from Board for determining the following: a) company's level of risk tolerance by establishing risk management policies. b) the company has carried out a robust assessment of the principal risks facing the company, including those that would threaten the business model, future performance and solvency or liquidity.	70-72 70
3.03	Risk Management Framework covering principal risk and uncertainties facing the company, risk methodology, risk appetite and risk reporting.	70-72
3.04	Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.	72-74
3.05	Disclosure of a risk of supply chain disruption due to an environmental, social or governance incident and company's strategy for monitoring and mitigating these risks (is any).	74

4 Sustainability and Corporate Social Responsibility (CSR)		
S.No.		Pg no.
4.01	Board's statement for adoption of best practices for CSR.	52
4.02	Board's statement about the company's strategic objectives on ESG (environmental, social and governance)/ sustainability reporting.	N/A
4.03	A chairman's overview on how the company's sustainable practices can affect their financial performance.	64
4.04	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability and CSR as per best business practices including: a) environment related obligations applicable on the company; b) company progress towards ESG initiatives during the year; and c) company's responsibility towards the staff, health & safety.	121-125
4.05	Status of adoption/compliance of the Corporate Social Responsibility (Voluntary) Guidelines, 2013 issued by the SECP or any other regulatory framework as applicable.	N/A
4.06	Certifications acquired for best sustainability and CSR practices or have a membership of any environmental or social groups.	123

5 Governance		
S.No.		Pg no.
5.01	Board composition:	29-36
4.02	a) Leadership structure of those charged with governance. b) Name of independent directors indicating justification for their independence. c) Diversity in the board i.e. competencies, requisite knowledge & skills, and experience. d) Profile of each director including education, experience and involvement /engagement of in other entities as CEO, Director, CFO or Trustee etc. e) No. of companies in which the executive director of the reporting organization is serving as non-executive director.	N/A
5.02	A brief description about role of the Chairman and the CEO.	43
5.03	A statement of how the board operates, including a high-level statement of which types of decisions are to be taken by the board and which are to be delegated to management.	46 & 47
5.04	Chairman's Review Report on the overall performance of the board and effectiveness of the role played by the board in achieving the company's objectives.	63 & 64
5.05	Annual evaluation of performance, along with description of criteria used for the members of the board including CEO, Chairman and board's committees.	43-46
5.06	Disclosure if the board's performance evaluation is carried out by an external consultant once in three years.	N/A
5.07	Details of formal orientation courses for directors.	43



5 Governance		
S.No.		Pg no.
5.08	Directors' Training Program (DTP) attended by directors, female executive and head of department from the institutes approved by the SECP and names of those who availed exemptions during the year.	55
5.09	Description of external oversight of various functions like systems audit or internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	N/A
5.10	Disclosure about related party transactions: a) Approved policy for related party transactions. b) Details of all related parties transactions, along with the basis of relationship describing common directorship and percentage of shareholding. c) Contract or arrangement with the related party other than in the ordinary course of business on an arm's length basis, if any along with the justification for entering into such contract or arrangement. d) Disclosure of director's interest in related party transactions. e) In case of conflict, disclosure that how such a conflict is managed and monitored by the board.	43
5.11	Disclosure of Board's Policy on the following significant matters: a) Governance of risk and internal controls. b) Diversity (including gender), any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives. c) Disclosure of director's interest in significant contracts and arrangements. d) Remuneration of non-executive directors including independent directors for attending board meetings and general meetings. e) Retention of board fee by the executive director earned by him against his services as non-executive director in other companies. f) Security clearance of foreign directors. g) Board meetings held outside Pakistan. h) Human resource management including preparation of succession plan. i) Social and environmental responsibility. j) Communication with stakeholders. k) Investors' relationship and grievances. l) Employee health, safety and protection. m) Whistle blowing policy including mechanism to receive and handle complains in a fair and transparent manner and providing protection to the complainant against victimization and reporting in Audit Committee's report. n) Safety of records of the company. o) Company's approach to managing and reporting policies like procurement, waste and emissions.	39, 40 & 49 44,45, 47-52 & 88

5 Governance		
S.No.		Pg no.
5.12	Board review statement of the organization's business continuity plan or disaster recovery plan.	50 & 51
5.13	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	51
5.14	a) Shares held by Sponsors / Directors / Executives; b) Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors/Executives or close family member of Directors/Executives etc.) or foreign shareholding (if any).	50 & 51 135 & 136
5.15	Salient features of TOR and attendance in meetings of the board committees (Audit, Human Resource, Nomination and Risk management).	41 & 42
5.16	Timely Communication: within 40 days - 6 marks (within 50 days - 6 marks in case of holding company who has listed subsidiary /subsidiaries) within 60 days - 3 marks (Entities requiring approval from a Regulator before finalization of their financial statements would be provided a 20 days relaxation, on providing evidence to the Committee).	194
5.17	Audit Committee report should describe the work of the committee in discharging its responsibilities. The report should include: a) Composition of the committee with at least one member qualified as "financially literate and all members are non-executive / Independent directors including the Chairman of the Audit Committee. b) Committee's overall role in discharging its responsibilities for the significant issues in relation to the financial statements, and how these issues were addressed. c) Committee's overall approach to risk management and internal control, and its processes, outcomes and disclosure. d) Role of Internal Audit to risk management and internal control, and approach to Internal Audit to have direct access to Audit Committee and evaluation of Internal Auditor's performance. e) Review of 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 and recommended instituting remedial and mitigating measures. f) An explanation as to how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or reappointment of the external auditor,; and if the external auditor provides non-audit services, an explanation as to how auditor's objectivity and independence is safeguarded. g) If Audit Committee recommends external auditors other than the retiring external auditors, before the lapse of three consecutive years, reasons shall be reported.	57-60

5 Governance		
S.No.		Pg no.
	h) The Audit Committee's views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information to shareholders to assess the company's position and performance, business model and strategy.	
	i) Results of the self-evaluation of the Audit Committee carried out of its own performance.	
	j) Disclosure of the number of whistle-blowing incidences reported to the Audit Committee during the year.	
5.18	Presence of the chairman of the Audit Committee at the AGM to answer questions on the Audit Committee's activities / matters that are within the scope of the Audit Committee's responsibilities.	52
5.19	Board disclosure on Company's use of Enterprise Resource Planning (ERP) software including: a) how it is designed to manage and integrate the functions of core business processes/ modules like finance, HR, supply chain and inventory management in a single system; b) management support in the effective implementation and continuous updation; c) details about user training of ERP software; d) how the company manages risks or control risk factors on ERP projects; e) how the company assesses system security, access to sensitive data and segregation of duties.	51
5.20	Where an external search consultancy has been used in the appointment of the Chairman or a non-executive director, a disclosure if it has any other connection with the company.	No external search consultancy was used
5.21	Chairman's significant commitments and any changes thereto.	29, 63 & 64
5.22	Disclosure about the Government of Pakistan policies related to company's business/sector in Directors' Report and their impact on the company business and performance.	85 & 86

6 Analysis of the Financial Information		
S.No.		Pg no.
6.01	Analysis of the financial and non-financial performance using both qualitative and quantitative indicators showing linkage between: a) Past and current performance; b) Performance against targets /budget; and The analysis should cover significant deviations from previous year in operating results and the reasons for loss, if incurred and future prospects of profits.	93-114
6.02	a) Analysis of financial ratios (Annexure I). b) Explanation of negative change in the performance against prior year.	104-114 93 & 94
6.03	Vertical and horizontal analysis of Balance Sheet, Profit and Loss Account and summary of Cash Flow Statement for last 6 years.	95-102
6.04	Graphical presentation of 6.02 and 6.03 above.	105-114
6.05	Methods and assumptions used in compiling the indicators.	PBS, PSX, SBP and external sources
6.06	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	103
6.07	Segmental review and analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	N/A
6.08	a) Share price sensitivity analysis using key variables (i.e. selling price, raw material cost, interest rate and currency) with the consequent impact on the company's earning. b) Composition of local versus imported material and sensitivity analysis in narrative form due to foreign currency fluctuations.	115 115
6.09	Brief description and reasons for not declaring dividend despite earning profits and future prospects of dividend.	89
6.1	CEO presentation video on the company's business performance of the year covering the company business strategy to improve and future outlook. (Please provide relevant webpage link of the video in the company's annual report).	5

7 Business Model		
S.No.		Pg no.
7.01	Describe the business model including inputs, business activities, outputs and outcomes in accordance with the guidance as set out under section 4C of the International Integrated Reporting Framework.	81 & 82
7.02	Explanation of any material changes in the entity's business model during the year.	N/A

8 Disclosures on IT Governance and Cybersecurity		
S.No.		Pg no.
8.01	The Board responsibility statement on the evaluation and enforcement of legal and regulatory implications of cyber risks and the responsibilities of the board in case of any breaches.	48
8.02	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	48
8.03	Disclosures about how cybersecurity fits into the board's risk oversight function and how the board is engaging with management on this issue.	48
8.04	Disclosure that at least one board-level committee is charged with oversight of IT governance and cybersecurity matters and how the board administers its IT risk oversight function related to these risks.	48
8.05	Disclosure about Company's controls and procedures about an "early warning system" that enables the company to identify, assess, address, make timely disclosures and timely communications to the board about cybersecurity risks and incidents.	48
8.06	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	48
8.07	Disclosure about resilient contingency and disaster recovery plan in terms of dealing with a possible IT failure or cyber breach and details about company's cyber insurance.	48
8.08	Disclosure of advancement in digital transformation on how the organization has leveraged 4.0 Industrial revolution (RPA, Block Chain, AI, Cloud Computing etc.) to improve transparency, reporting and governance.	48
8.09	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	48

9 Future Outlook		
S.No.		Pg no.
9.01	Forward-looking statement in narrative and quantitative form including projections or forecasts about known trends and uncertainties that could affect the company's resources, revenues and operations in the short, medium and long term.	75,85, 86 & 87
9.02	Explanation as to how the performance of the company meets the forward-looking disclosures made in the previous year.	85-87
9.03	Status of the projects in progress and were disclosed in the forward-looking statement in the previous year.	N/A
9.04	Sources of information and assumptions used for projections / forecasts in the forward-looking statement and assistance taken by any external consultant.	N/A

10 Stakeholders Relationship and Engagement		
S.No.		Pg no.
10.01	Stakeholders engagement policy of the company and how the company has identified its stakeholders.	117&118
10.02	Stakeholders' engagement process and the frequency of such engagements during the year. Explanation on how these relationships are likely to affect the performance and value of the company, and how those relationships are managed. These engagements may be with: a) Institutional investors; b) Customers & suppliers; c) Banks and other lenders; d) Media; e) Regulators; f) Local committees; and g) Analysts.	117&118
10.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	52
10.04	Investors' Relations section on the corporate website.	51
10.05	Issues raised in the last AGM, decisions taken and their implementation status.	52
10.06	Statement of value added and its distribution with graphical presentation: a) Employees as remuneration; b) Government as taxes (separately direct and indirect); c) Shareholders as dividends; d) Providers of financial capital as financial charges; e) Society as donation; and f) Retained within the business.	116
10.07	Steps board has taken to solicit and understand the views of stakeholders through corporate briefing sessions and disclosure of brief summary of Analyst briefing conducted during the year.	117
10.08	Highlights about redressal of investors' complaints.	47

11 Striving for Excellence in Corporate Reporting		
S.No.		Pg no.
11.01	Board's responsibility statement on full compliance of financial accounting and reporting standards as applicable in Pakistan (i.e. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB)).	52
11.02	Adoption of International Integrated Reporting Framework by fully applying the 'Fundamental Concepts', 'Content Elements' and 'Guiding Principles'.	EPQL is committed to adopt International Integrated Reporting Framework
11.03	BCR criteria cross referred with page numbers of the annual report. (details can be maintained by companies on the Investor Relation section of the company's website).	117&118

2023 میں، بورڈ آڈٹ کمیٹی کے 14 اجلاس منعقد کئے جس میں ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے:


ڈائریکٹر کا نام	اجلاسوں میں شرکت
جناب قیصر بنگالی	4
جناب شبیر ہاشمی	4
جناب محمد یاسر خان**	2
جناب فاروق برکت علی	2


\*\* محترم محمد یاسر خان کو ڈائریکٹر کے طور پر 4 مئی 2023 کو منتخب کیا گیا انہوں نے 4 مئی 2023 کو ڈائریکٹر کے طور پر مستعفی ہونے والے جناب فاروق برکت علی کی جگہ پر کیا۔

2023 میں، بورڈ پیپلز کمیٹی کے 2 اجلاس منعقد کئے گئے جس میں ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے:

ڈائریکٹر کا نام	اجلاسوں میں شرکت
محترمہ نوشین احمد	2
محترمہ مریم عزیز	0
جناب وقار زکریا	2
محترمہ فوزیہ وقار	2

\* محترمہ مریم عزیز کو ڈائریکٹر کے طور پر 16 اکتوبر 2023 کو منتخب کیا گیا انہوں نے 8 مئی 2023 کو ڈائریکٹر کے طور پر مستعفی ہونے والی محترمہ فوزیہ وقار کی جگہ پر کیا۔

  
سید امین اختر  
چیف ایگزیکٹو آفیسر

  
یوسف جمیل صدیقی  
ڈائریکٹر

15 فروری 2024

## 12 Specific Disclosures of the Financial Statements

S.No.	Pg no.
12.01	Specific disclosures of the financial statements required under the Companies Act, 2017 and IFRSs (Annexure II).

## 13 Assessment based on Qualitative Factors

S.No.	Pg no.
13.01	Overall quality of information contained in the annual report based on the following qualitative factors: N/A

## Annexure II - Specific Disclosures of the Financial Statements (refer section 12 of the criteria)

S.No.	Pg no.
1	Fair value of Property, Plant and Equipment. N/A
2	Particulars of significant/ material assets and immovable property including location and area of land. 172
3	Capacity of an industrial unit, actual production and the reasons for shortfall. 190
4	Forced sale value in case of revaluation of Property, Plant and Equipment or investment property. N/A
5	Specific disclosures required for shariah compliant companies/ companies listed on the Islamic Indices as required under clause 10 of the Fourth Schedule of the Companies Act, 2017. 192 & 193
6	Disclosure requirements for common control transactions as specified under the Accounting Standard on 'Accounting for common control transactions' developed by ICAP and notified by SECP (through SECP S.R.O. 53 (I)/2022 dated January 12, 2022) N/A
7	Disclosure about Human Resource Accounting (includes the disclosure of process of identifying and measuring the cost incurred by the company to recruit, select, hire, train, develop, allocate, conserve, reward and utilize human assets). 181 & 182
8	In financial statements issued after initial or secondary public offering(s) of securities or issuance of debt instrument(s) implementation of plans as disclosed in the prospectus/offering document with regards to utilization of proceeds raised till full implementation of such plans. N/A
9	Where any property or asset acquired with the funds of the company and is not held in the name of the company or is not in the possession and control of the company, this fact along with reasons for the property or asset not being in the name of or possession or control of the company shall be stated; and the description and value of the property or asset, the person in whose name and possession or control it is held shall be disclosed. N/A

الف، آزاد ڈائریکٹرز	جناب قیصر بنگالی محترمہ مریم عزیز* محترمہ نوشین احمد
ب، نان ایگزیکٹو ڈائریکٹرز	جناب یوسف جمیل صدیقی جناب شبیر حسین ہاشمی جناب وقار زکریا
ج، چیف ایگزیکٹو آفیسر	جناب محمد یاسر خان** محترمہ تبیین اختر

- \* محترمہ مریم عزیز کو ڈائریکٹر کے طور پر 16 اکتوبر 2023 کو منتخب کیا گیا انہوں نے 8 مئی 2023 کو ڈائریکٹر کے طور پر مستعفی ہونے والی محترمہ فوزیہ وقار کی جگہ کو پر کیا۔
- \*\* محترمہ محمد یاسر خان کو ڈائریکٹر کے طور پر 4 مئی 2023 کو منتخب کیا گیا انہوں نے 4 مئی 2023 کو ڈائریکٹر کے طور پر مستعفی ہونے والے جناب فاروق برکت علی کی جگہ کو پر کیا۔
- \*\*\* محترمہ تبیین اختر کو ڈائریکٹر کے طور پر یکم مئی 2023 کو منتخب کیا گیا انہوں نے یکم مئی 2023 کو ڈائریکٹر کے طور پر مستعفی ہونے والے جناب شہاب قادر کی جگہ کو پر کیا۔

1: رقوم میں دیگر اینگریڈیبل اداروں کے بقایا جات شامل ہیں اور انہیں اینگریڈیبل پوریشن کی جانب سے مرکزی طور پر منظم کیا جاتا ہے۔

3- بورڈ آڈٹ کمیٹی کی تشکیل درج ذیل ہے:

ڈائریکٹر کا نام	جناب قیصر بنگالی (چیئرمین) جناب محمد یاسر خان جناب شبیر حسین ہاشمی
4- بورڈ پیپلز کمیٹی کی تشکیل درج ذیل ہے:	
ڈائریکٹر کا نام	محترمہ نوشین احمد (چیئرمین) مسز مریم عزیز جناب وقار زکریا

### ڈائریکٹرز کا مشاہرہ

بورڈ ممبران کا مشاہرہ بورڈ کی طرف سے ہی منظور کیا جاتا ہے۔ تاہم کوڈ آف کارپوریٹ گورننس کی تعمیل میں، یقینی بنایا جاتا ہے کہ کوئی بھی ڈائریکٹر اپنے مشاہرے کا فیصلہ کرنے میں شامل نہیں ہوتا۔ کمپنی نان ایگزیکٹو ڈائریکٹرز کو اجلاس میں شرکت کی فیس کے علاوہ کسی طرح کا مشاہرہ نہیں دیتی۔ بہترین ٹیلنٹ کو برقرار رکھنے کے پیش نظر، کمپنی کی مشاہرے کی

پالیسیوں کو موجودہ انڈسٹری ٹرینڈز اور بزنس پریکٹس کے مطابق مرتب کیا جاتا ہے۔ 2023 میں ڈائریکٹرز اور چیف ایگزیکٹو آفیسر کے مشاہرے کی معلومات کے لیے مالیاتی گوشواروں کے نوٹس ملاحظہ کریں۔

### ڈائریکٹرز کی ذمہ داریوں سے متعلق اسٹیٹمنٹ

ڈائریکٹرز نے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے کوڈ آف کارپوریٹ گورننس اور فنانشل رپورٹنگ فریم ورک پر عمل درآمد کی تصدیق کی ہے:

- 1- کمپنی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے، کمپنی کے معاملات، آپریشن کے نتائج، کیش فلوز اور ایکویٹی میں تبدیلیوں کی شفاف صورتحال پیش کر رہے ہیں۔
- 2- کمپنی کی جانب سے باقاعدہ طور پر اکاؤنٹس کی بکس برقرار رکھی گئی ہیں۔
- 3- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں پر عمل درآمد کیا جاتا ہے اور اکاؤنٹنگ تخمینے مناسب اور محتاط انداز کی بنیاد پر لگائے گئے ہیں۔
- 4- مالیاتی گوشواروں کی تیاری پاکستان میں لاگوانٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز کے تحت کی جاتی ہے اور کسی قسم کے انحراف کو واضح کیا جاتا ہے۔
- 5- انٹرنل کنٹرول کا سسٹم بہترین ہے اور اس پر موثر انداز میں عمل درآمد اور نگرانی کی جاتی ہے۔
- 6- کمپنی کے استحکام اور آگے بڑھنے کی صلاحیت پر کسی بھی شک و شبہ کی کوئی گنجائش نہیں۔
- 7- کارپوریٹ گورننس کی کارروائیوں سے کسی طرح کا بھی انحراف دیکھنے میں نہیں آیا جیسا کہ لسٹنگ ریگولیشنز میں تفصیل ہے۔

### بورڈ کے اجلاس اور حاضری

2023 میں، کاروباری امور کی نگرانی کے لیے بورڈ آف ڈائریکٹرز کے 15 اجلاس منعقد کئے۔ جس میں ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے:

ڈائریکٹر کا نام	اجلاسوں میں شرکت
جناب یوسف جمیل صدیقی	4
جناب فاروق برکت علی	2
جناب شبیر ہاشمی	5
جناب وقار زکریا	4
مسز نوشین احمد	5
جناب قیصر بنگالی	5
جناب فوزیہ وقار	2
محترمہ تبیین اختر***	3
محترمہ محمد یاسر خان**	3
محترمہ مریم عزیز*	1
محترمہ شہاب قادر خان	2

- \* محترمہ مریم عزیز کو ڈائریکٹر کے طور پر 16 اکتوبر 2023 کو منتخب کیا گیا انہوں نے 8 مئی 2023 کو ڈائریکٹر کے طور پر مستعفی ہونے والی محترمہ فوزیہ وقار کی جگہ کو پر کیا۔
- \*\* محترمہ محمد یاسر خان کو ڈائریکٹر کے طور پر 4 مئی 2023 کو منتخب کیا گیا انہوں نے 4 مئی 2023 کو ڈائریکٹر کے طور پر مستعفی ہونے والے جناب فاروق برکت علی کی جگہ کو پر کیا۔
- \*\*\* محترمہ تبیین اختر کو ڈائریکٹر کے طور پر یکم مئی 2023 کو منتخب کیا گیا انہوں نے یکم مئی 2023 کو ڈائریکٹر کے طور پر مستعفی ہونے والے جناب شہاب قادر کی جگہ کو پر کیا۔

کمپنی ایسے پلانز ترتیب دیتی ہے جن سے ملازمت یارٹائرمنٹ کے بعد کمپنی کے ملازمین کو فوائد حاصل ہوتے ہیں۔ ان میں ڈیفائنڈ کٹری ہیوشن (ڈی سی) گریجویٹ فنڈ اور ڈی سی پروویڈنٹ فنڈ شامل ہیں۔ اینگریو کارپوریشن گریجویٹ فنڈز اور اینگریو کارپوریشن پروویڈنٹ فنڈز حتمی پیرنٹ کمپنی، اینگریو کارپوریشن کی جانب سے ان کے ملازمین، متعلقہ ذیلی اداروں بشمول اینگریو پاور جن قاورپورلیٹڈ کے لیے چلائے جاتے ہیں۔

کمپنی اپنے پلانٹ کے لیے متبادل فیول کے آپشن کو حتمی شکل دینے کے لیے ریگولیشنز اور متعلقہ اسٹیک ہولڈرز کے ساتھ تبادلہ خیال جاری رکھے ہوئے ہے۔

مذکورہ بالا فنڈز ٹیکس اتھارٹیز سے تصدیق ہیں اور کمپنی ایکٹ 2017 کے سیکشن 218 کے تحت ان پر عمل درآمد ہوتی ہے۔

EPQL موثر انداز میں، متبادل مقامی فیول کے آپشنز تلاش کر رہی ہے۔ کمپنی PEL کی جانب سے چلائی جانے والی بدر فیلڈ سے 8-13 mmscf کی فراہمی کے سلسلے میں PEL کے ساتھ مصروف عمل ہے۔ کمپنی نے فیول کے اضافی ذرائع پر لائسنس کی مجوزہ ترمیم اور ٹیرف کے لیے نیچر اکورڈرخواست دی تھی۔ نیچر اتھارٹی نے EPQL کے پیداواری لائسنس میں ترمیم کی منظوری دی ہے جس میں PEL کے ذریعے فراہم کی جانے والی گیس شامل ہے، اور حال ہی میں نیچر کی جانب سے PEL سے فراہم کردہ گیس کے فیول لاگت کمپوننٹ پر فیصلے کا اعلان کیا گیا ہے۔ مزید اس سلسلے میں متعلقہ حکام سے منظوریاں حاصل کی جائیں گی۔

مہنگائی، بجلی کی قیمتوں میں اضافے اور اقتصادی ترقی کی سست روی کے ساتھ میکرو اکنامک چیلنجز کی وجہ سے ملک میں بجلی کی طلب کم رہنے کی توقع ہے۔ اس کے باوجود، EPQL اپنے ہم پلہ پلانٹس کے مقابلے میں سستی بجلی پیدا کرنے کی صلاحیت کو دیکھتے ہوئے، کمپنی کو اندازہ ہے کہ پلانٹ کو بجلی کے خریداروں سے فراہمی کا آرڈر ملتا رہے گا۔

### اہم شیئر ہولڈنگ اور شیئرز کی تجارت

31 دسمبر 2023 کے مطابق، کمپنی کے اکثریتی شیئر ہولڈر اینگریو انرجی لمیٹڈ، سابقہ اینگریو پاور جن لمیٹڈ ہے۔ رپورٹنگ فریم ورک کے تحت مطلوب شیئر ہولڈنگ کے عمومی طریقہ کار کا اسٹیٹمنٹ بشمول شیئر ہولڈرز کی کچھ مخصوص کلاسز کی شیئر ہولڈنگ اور ڈائریکٹرز، ان کے شریک حیات اور چھوٹے بچوں کی جانب سے شیئرز کی خرید و فروخت کا اسٹیٹمنٹ آگے اس رپورٹ میں دیکھا جاسکتا ہے۔

### آڈیٹرز

کمپنی کے موجودہ آڈیٹرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس ریٹائر ہو رہے ہیں، اور اہلیت کی بنیاد پر انہوں نے خود کو دوبارہ انتخاب کے لیے پیش کیا ہے۔ بورڈ آڈٹ کمیٹی نے 31 دسمبر 2024 کو ختم ہونے والے سال کے لیے انہیں منتخب کرنے کی تجویز دی ہے۔

### ڈیویڈنڈ (منافع منقسمہ)

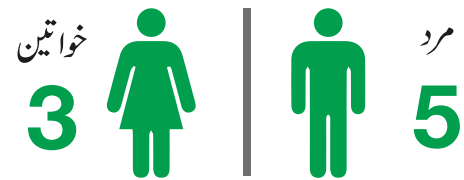
بورڈ 15 فروری 2024 کے مطابق 1.5 روپے فی شیئر حتمی نقد منافع منقسمہ کی تجویز پر مسرت کا اظہار کرتا ہے، اس کے علاوہ 4 اگست 2023 کو 1.5 روپے فی شیئر کا عبوری ڈیویڈنڈ اور دوسرا عبوری ڈیویڈنڈ 12 اکتوبر 2023 کو 2.0 روپے فی شیئر دیا گیا، اس طرح سال کے لیے مجموعی ڈیویڈنڈ 5.0 روپے فی شیئر بنتا ہے۔

ریٹائرمنٹ فنڈز*		اینگریو کارپوریشن لمیٹڈ پروویڈنٹ فنڈ 1		اینگریو کارپوریشن لمیٹڈ گریجویٹ فنڈز 1	
		31 دسمبر 2023	31 دسمبر 2023	31 دسمبر 2023	31 دسمبر 2023
		روپے بلین میں			
ٹوٹل اثاثہ جات		5,559	3,976		
سیونگ اسکیمز		1,052	897		
گورنمنٹ سیکورٹیز		2,997	2,294		
لسٹڈ سیکورٹیز		984	528		
بینک ٹیلنس اور ٹرم ڈپازٹ رسپنڈس		264	151		
دیگر		262	106		
ٹوٹل		5,559	3,976		

\* غیر آڈٹ شدہ

### 31 دسمبر 2023 کے مطابق بورڈ آف ڈائریکٹرز اور بورڈ کمیٹیوں کی تشکیل

1۔ درج ذیل کے مطابق ڈائریکٹرز کی کل تعداد 8 ہے:



\* بشمول چیف ایگزیکٹو آفیسر

اس وقت، سماجی اور ماحولیاتی اعتبار سے ایک ذمہ دار ادارے کی صورت میں، زندگیوں میں مثبت تبدیلی لانا، معیار زندگی بلند کرنا اور اپنے قریبی آبادیوں میں واضح تبدیلی لانا ہمارا اہم مقصد ہے۔ اینگرو فاؤنڈیشن جو ایک موثر ادارے کے طور پر اینگرو کے تمام برنسز کے سماجی بہبود کے کاموں میں مصروف عمل ہے، اور مختلف آبادیوں میں فلاحی امور انجام دے رہی ہے۔ ہم مختلف کمیونٹیز سے ساتھ کام کرتے ہوئے وہاں کے اصل مسائل اور ان کے حل کی سمجھ بوجھ رکھتے ہیں۔ ان آبادیوں میں ہماری سرمایہ کاری تعلیم، ٹیکنیکل ٹریننگ، مہارتوں کی ترقی اور صحت کی بہتری کے ذریعے انسانی فلاح پر خرچ ہو رہی ہے۔

2023 میں، ہمارے وقف پرائمری ہیلتھ کیئر سینٹر (PHC) نے قریبی دیہات کے لیے ہینڈز کے تعاون سے 11,000 سے زائد مریضوں کو علاج معالجہ کی سہولیات فراہم کیں۔ ادارے نے 40 سے زائد آگے سیشن منعقد کئے جس میں شرکاء کی تعداد 550 سے بھی زائد رہی۔ اینگرو پاور جن قادر پور لمیٹڈ، اینگرو فاؤنڈیشن اور انڈس ریورس سینٹر کے تعاون سے ضلع گھوٹکی کے سب سے بڑے ایڈیٹڈ اسکول نیٹ ورک کو چلا رہا ہے۔ اس نیٹ ورک کے ذریعے گھوٹکی کے رشید احمد رائیں، گل محمد عار بانی اور جمعہ خان عار بانی کے نام سے تین سرکاری اسکول چلاتے ہوئے سالانہ 700 سے زائد اسٹوڈنٹس کو تعلیم کے زیور سے آراستہ کیا جا رہا ہے۔ ہم اپنے افراد کے ساتھ اشتراک عمل کا سفر جاری رکھے ہوئے ہیں اور امور کو با مقصد بنانے کے لیے کوشاں ہیں۔

مزید برآں، EPQL کے ہنر پروگرام کے تحت، کوچنگ اکیڈمی اور سلائی سینٹر جیسے واقعات کامیابی کے ساتھ مکمل کئے گئے، کوچنگ اکیڈمی کے تحت، تقریباً 28 لڑکیوں نے ڈپلومہ آف ایسوسی ایٹڈ انجینئرنگ (DAE) میں داخلے کے لیے انٹری ٹیسٹ کی تیاری والی کلاسز میں شرکت کی اور ان تمام نے داخلہ کا امتحان پاس کیا۔ تاہم، 16 لڑکیوں نے DAE (الیکٹریکل) میں داخلہ لیا۔ 16 میں سے، پسماندہ کمیونٹی کی 15 مستحق لڑکیوں کو ٹیکنیکل تعلیم یعنی ٹیکنیکل ٹریننگ کالج (TTC) ڈہرکی میں ایسوسی ایٹڈ انجینئرنگ (الیکٹریکل پروگرام) کا تین سالہ ڈپلومہ حاصل کرنے کے لیے اسکالرشپ کے ذریعے مدد کی گئی۔

دریں اثناء، سلائی کے تربیتی مرکز نے مقامی کمیونٹی کی تقریباً 25 خواتین کو کامیابی سے تربیت دی ہے۔ ان کے 3 ماہ کے تربیتی پروگرام کی تکمیل کے بعد، ہر خاتون کو ایک سلائی مشین فراہم کی گئی ہے، جس سے وہ اپنی خودداری کے ساتھ اپنی روزی روٹی کو محفوظ بنانے کے قابل بن گئیں۔

## ہمارے ملازمین

سالہا سال سے ہماری جہد مسلسل کا نتیجہ ہمارے محنت کش اور باصلاحیت ملازمین ہیں جو ہمارا اہم ترین اثاثہ ہیں۔ ملازمین کی شمولیت، پیشہ وارانہ مہارت یافتہ اور با اختیار ہونے کا ماحول ایسا ماحول یقینی بناتے ہیں جس میں ہمارے ملازمین محفوظ، با اختیار اور جدت سے آراستہ رہتے ہیں اور اسی سے ہی پاکستان میں توانائی کا استحکام حاصل کیا جاسکتا ہے۔

ہماری ٹیمیں ایک ایسا ماحول پیدا کرنے کے لیے بھرپور انداز میں کوشاں ہیں جہاں ہمارے ملازمین کی جسمانی اور ذہنی تندرستی کو ترجیح دی جائے۔ اس سال ہماری خصوصی توجہ ایسی سرگرمیوں کو ترتیب دینا تھی جو ہمارے لوگوں کو ان کی جسمانی اور ذہنی تندرستی پر توجہ مرکوز کرنے کے قابل بنائیں۔ لہذا، سال کے دوران ہم نے Sayaa ہیلتھ ویئرینس سیشن، ورک لائف مینجمنٹ انٹروینشن، اور گیمنگ اینڈ ونچرسوسائٹی کی طرف سے کئی اقدامات اٹھائے۔ ہمارے ملازمین کی پیشہ وارانہ ترقی کے لیے سال کے دوران 1,600 سے زیادہ ٹریننگ آؤٹریچس کئے، جس سے ہماری ٹیموں کی اپنی دلچسپی کے شعبوں میں پیشہ وارانہ ترقی کے لیے لگن ظاہر ہوتی ہے۔

EPQL کی قیادت نے کمپنی کی کارکردگی پر تبادلہ خیال کرنے کے لیے سال بھر مختلف ٹاؤن ہال سیشنز کا انعقاد بھی کیا اور ملازمین کو درپیش چیلنجز کے بارے میں سوچ بوجھ حاصل کرنے کے لیے ہینڈلنگ ٹیکنیک سیشنز کا انعقاد کیا۔ ہم نے ایکسی لینس ایوارڈز، سپاٹ اور لانگ سروس ایوارڈ تقریب کے ذریعے ملازمین کی کامیابیوں کو سراہا گیا اور ملازمین کی غیر معمولی کارکردگی کی حوصلہ افزائی بھی کی گئی۔

ہماری ایچ آر ٹیم کمپنی کی خواتین ملازمین کے ساتھ بھرپور معاونت کو یقینی بنانے کے لیے ان کے ممکنہ مسائل سے متعلق سیشن منعقد کرائی رہی ہے تاکہ ایک متنوع اور اجتماعیت کی حامل کام کی جگہ بننے کی ہماری کوششیں تکمیل پذیر ہوں۔ اسی کے پیش نظر، ہم نے مقامی علاقوں سے 10 ٹرینی خواتین انجینئرز شامل کیں جو قادر پور پلانٹ پر ٹیکنیکل کردار ادا کرنے والی پہلی مقامی خواتین تھیں۔

کمپنی کی جانب سے سالانہ ایملپوائی انجمنٹ سروے کیا گیا تاکہ 2023 کے دوران ملازمین ورک فورس سے متعلق اطمینان کا معیار معلوم ہو، جس میں کمپنی نے کامیابی کے ساتھ 86 فیصد کا بہتر انجمنٹ انڈیکس برقرار رکھا۔

## ہیلتھ، سیفٹی اینڈ انوائرنمنٹ

اینگرو پاور جن قادر پور لمیٹڈ نے اس سال اپنے غیر معمولی حفاظتی ریکارڈ کو جاری رکھتے ہوئے، 27 مارچ 2010 کو اپنے کمرشل آپریشنز کی تاریخ کے بعد سے لگاتار 5,000 دنوں تک بغیر کسی ورک ڈے انجری (LWI) کے حفاظتی سلسلے کو جاری رکھتے ہوئے ایک قابل فخر سنگ میل عبور کیا۔

ہم نہ صرف اپنے ملازمین کی قدر کرتے ہیں بلکہ اپنے کام کے ماحول سے بھی باخبر رہتے ہیں۔ ہماری عمل درآمد اور گورننس کی سرگرمیوں سے یقینی بنایا جاتا ہے کہ اینگرو پاور جن قادر پور لمیٹڈ کی کارروائیاں اور HSE معیارات، بہترین عالمی تجربات کے مطابق ہوتے ہیں۔ اس کے علاوہ ہم نیشنل انوائرنمنٹل کوالٹی اسٹینڈرڈز (NEQS) اور ورلڈ بینک گروپ کی ہدایات کے مطابق 100 فیصد عمل درآمد کو یقینی بناتے ہیں۔ دوران سال، تقریباً 200 ورکرز کی افرادی قوت پر مشتمل ایک بندش یا تعطل (outage) کی سرگرمی بحفاظت انجام پائی۔

کمپنی نے ISO 14001 اور ISO 45001 ریٹنگ کی کامیابی کے ساتھ دوبارہ سرٹیفیکیشن حاصل کی جس سے HSE سے متعلق کمپنی کے عزم کا ثبوت ملتا ہے۔ اپنے ملازمین اور قریبی آبادیوں کے لیے محفوظ اور پاک صاف ماحول کی فراہمی کو یقینی بنانے کی کوششوں نے خطرناک اشیاء کی ہینڈلنگ اور اسٹوریج کے لیے SEPA سے این اوسی حاصل کرنے میں معاونت کی۔

تحفظ سے متعلق ہماری ترجیح ہمیشہ سخت رہی ہے۔ ہماری پروسیس سیفٹی مینجمنٹ (PSM) کا معیار اور پروسیس سیفٹی اینڈ رسک مینجمنٹ (PSRM) سسٹم اس حقیقت سے واضح ہوتا ہے کہ کمپنی نے کام کے دوران صفر نقصان کی شرح کو برقرار رکھا ہے اور آج تک 5,028 گزرے ہوئے دنوں میں 10.5 ملین محفوظ مین آؤرز کا سنگ میل عبور کر لیا گیا ہے۔

2023 کے دوران، ہم نے پلانٹ کے آس پاس علاقوں اور قریبی اسکولوں میں 5,000 سے زائد درخت لگائے ہیں جو ماحول دوستی کے ہمارے عزم کا اظہار اور ہماری HSE کی کوششوں کا ایک لازمی حصہ بھی ہیں۔

ڈائریکٹرز 31 دسمبر 2023 کو ختم ہونے والے سال کے لیے کمپنی کے آڈٹ شدہ مالیاتی گوشواروں اور کمپنی کی کارکردگی کا جائزہ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

### مالیاتی گوشوارہ

سال 2023 کے لیے کمپنی کی سیلز آمدنی 13,256 ملین روپے رہی جو پچھلے سال 10,027 ملین روپے تھی۔ کمپنی نے 2022 کے 1,472 ملین روپے کے مقابلے میں 2023 کے دوران 2,511 ملین روپے کا خالص منافع کمایا، جس کے نتیجے میں 2023 کے لیے فی شیئر منافع 7.7 روپے بنتا ہے جو 2022 میں 4.55 روپے فی شیئر تھا۔

اس سال کی ایک اہم بات یہ ہے کہ نیچر اتھارٹی نے پی ای ایل (PEL) کے ذریعے فراہم کی جانے والی گیس کو جزییشن لائسنس میں شامل کرنے کے لیے ترمیم کی منظوری دیدی ہے۔ یہ اینگرو پاور جن قادر پور لمیٹڈ کے لیے متبادل ایندھن کی پہلی باضابطہ منظوری ہے جو مستقبل کے پائیدار آپریشنز کے لیے راہ ہموار کرتی ہے۔ مزید برآں، نیچر ان پی ای ایل سے فراہم کی جانے والی گیس پر ایندھن کی لاگت کے اجزاء کے فیصلے کا بھی اعلان کیا ہے۔

### بنیادی مقصد

اینگرو پاور جن قادر پور لمیٹڈ (EPQL) کے قیام کا بنیادی مقصد بجلی کی پیداوار اور اس کی فروخت ہے۔ اس مقصد کے لیے کمپنی نے ضلع گھنگی میں قادر پور کے قریب 217.3 میگا واٹ کا کمبائنڈ سائیکل پاور پلانٹ لگایا اور 27 مارچ 2010 کو اپنے کمرشل آپریشنز کا آغاز کیا۔

اینگرو پاور جن قادر پور (EPQL) پاکستان کی ان ماحول دوست کمپنیوں میں سے ایک ہے جو پریمیٹ گیس (کم BTU اور زیادہ سلفر کے حامل گیس) کو بجلی پیدا کرنے کے لیے استعمال کرتی ہیں۔ EPQL سے قبل پریمیٹ گیس ضائع ہو جاتی تھی۔ 26 اکتوبر 2007 کو دستخط شدہ پاور پراجیز ایگریمنٹ (PPA) کے تحت بجلی پیشکش ٹرانسمیشن اینڈ ڈسپینچ کمپنی (NTDC) کو منتقل کی جاتی ہے۔ یہ معاہدہ تجارتی سرگرمیوں کے آغاز کی تاریخ سے 25 سال کی مدت کے لیے فعال ہے۔

کمپنی اینگرو انرجی لمیٹڈ کا ماتحت ادارہ ہے جو پہلے اینگرو پاور جن لمیٹڈ (EPL) کہلاتا تھا، اینگرو انرجی لمیٹڈ، کمپنی میں 68.89 فیصد کے ساتھ اکثریتی شیئر ہولڈنگ رکھتی ہے۔ کمپنی کو پاکستان اسٹاک ایکسچینج (PSX) میں 2014 میں شامل کیا گیا۔

### مارکیٹ کا جائزہ

اقتصادی سرگرمیوں میں سست روی اور مہنگائی میں اضافے نے 2023 میں بجلی کی طلب کو متاثر کیا نتیجے میں CPPA-G سسٹم میں بجلی کی پیداوار 130 بلین یونٹس کے ساتھ 2023 میں 5 فیصد کم رہی۔ تاہم، EPQL نے اپنے اعلیٰ میرٹ آرڈر پوزیشن کی وجہ سے سال بھر بجلی کی فراہمی جاری رکھی۔ بجلی کی طلب میں اضافہ گزشتہ سالوں کے اضافی اخراجات اور پائمنٹ لائن میں کمی کی لاگت کو کم کرنے میں بہت معاون رہا۔ مزید برآں، یہ ضروری ہے کہ مجموعی نظام زیادہ موثر ہو اور نقصانات کو کم سے کم کیا جائے۔

گردشی قرضہ توانائی کے مقامی شعبے کے لیے ایک مستقل مسئلہ رہا ہے۔ سرکلر ڈیٹ کے بڑھنے میں T&D کے زیادہ نقصانات، کم ریکوری اور بجلی کی چوری اہم اسباب ہیں۔ مستقل گردشی قرضہ بھی کرنسی کی قدر میں کمی اور اہلیت کی بہتری کے اخراجات میں ہوشربا اضافے کا نتیجہ ہے۔ کمپنی اپنی لیکویڈیٹی پوزیشن کو منظم کرنے کے لیے متعلقہ اسٹیک ہولڈرز کے ساتھ بڑے پیمانے پر مصروف عمل رہتی ہے۔

### انتظامی کارکردگی

2023 میں کمپنی کا پلانٹ 100% قابل فروخت بجلی کی موجودگی کے قابل رہا اور پلانٹ سے نیشنل گرڈ کو 41% لوڈ فیکٹر کے ساتھ 870 GWh کا ٹوٹل میٹ الیکٹریکل آؤٹ پٹ فراہم کیا جبکہ گزشتہ سال کا لوڈ فیکٹر میجر انسپیکشن کے نتیجے میں بہت کم تھا۔

### مالیاتی کارکردگی

زیر جائزہ سال کے لیے سیلز کی آمدنی گزشتہ سال کی اسی مدت کے 10,027 ملین روپے کے مقابلے میں 13,256 ملین روپے رہی۔ سیلز کی آمدنی میں اضافہ زیر جائزہ سال کے دوران بجلی کی فراہمی میں اضافے کے ساتھ ساتھ قیمت فروخت بڑھ جانے سے ہوا۔ نتیجتاً زیر جائزہ مدت کے لیے مجموعی منافع 2,663 ملین روپے کے ساتھ گزشتہ سال کے 1,711 ملین روپے کے مقابلے میں زائد رہا۔

کمپنی نے 2023 کے دوران 2,533 ملین روپے کا خالص منافع کمایا جو 2022 میں 1,472 ملین روپے تھا۔ اس طرح گزشتہ سال کے 4.55 روپے فی شیئر کے مقابلے میں 2023 کے لیے ہر ایک شیئر پر منافع 7.82 روپے بنتا ہے۔

بجلی خریداری طرف زائد المیعاد رقم 31 دسمبر 2023 کو 7.7 بلین روپے بنتی ہے جو کہ 31 دسمبر 2022 کو 8.0 بلین روپے تھی۔ SNGPL کو قابل الادا رقم 31 دسمبر 2023 کے مطابق 1.5 بلین روپے بنتی ہے جو کہ 2022 میں 2.4 بلین روپے تھی۔ کمپنی نے اپنے فنانسز کو منظم کرنے پر توجہ برقرار رکھی ہوئی ہے اور تمام شرائط داروں کو بروقت ادائیگی یقینی بنانے کے لیے کوشاں ہے۔

### گیس کی صورتحال

قادر پور گیس فیلڈ سے پریمیٹ گیس کی فراہمی کے لئے کمپنی کا سوئی ناردرن گیس پائپ لائنز لمیٹڈ کے ساتھ گیس سپلائی کا معاہدہ (GSA) ہے۔ قادر پور گیس فیلڈ سے گیس کی سپلائی ختم ہو رہی ہے اور گیس سپلائر کے فراہم کردہ پروفائل کی بنیاد پر، کمپنی نے گیس کی کمی کا مرحلہ قرار دیا ہے اور اس پلانٹ کو کس موڈ میں دستیاب کر دیا ہے۔ چنانچہ پلانٹ گیس اور ہائی اسپنڈ ڈیزل دونوں پر چلایا جا رہا ہے۔ اس کے ساتھ ساتھ کمپنی متعلقہ اسٹیک ہولڈرز کے ساتھ متبادل فیول پلان سے متعلق بھرپور انداز میں مصروف عمل ہے۔ EPQL نے پیٹرولیم ایکسلوریشن لمیٹڈ (PEL) سے بدرگیس فیلڈ کے ذریعے 13-8 کم BTU والی گیس لینے کے لیے کوششیں جاری رکھی ہوئی ہیں۔ دوسری جانب NEPRA اتھارٹی نے EPQL کے لیے PEL سے گیس کی فراہمی سمیت پیداوار لائسنس میں ردوبدل کرنے کی منظوری دی ہے۔ PEL سے فراہم کی جانے والی گیس پر فیول کی لاگت کے متعلق نیچر ان کی جانب سے بھی اعلان کیا گیا ہے۔

### سماجی سرمایہ کاری

اینگرو پاور جن قادر پور لمیٹڈ (EPQL) کارپوریٹ گورننس کے معیار کو بہتر بناتے ہوئے سماجی اہلیت کی طویل مدتی ترقی سے ہی بزنس کی ترقی پر یقین رکھتی ہے۔ ہمارے اسٹیک ہولڈرز کا اعتماد ہماری اولین ترجیح ہے، اس لئے ہم با مقصد سرمایہ کاریوں پر یقین رکھتے ہیں۔ ہم ملکی قوانین اور سماجی روایات کے عین مطابق کاروباری دیا ننداری پر یقین رکھتے ہیں۔ ہم دیانت دار، شفاف، واضح کاروباری سمت کے ساتھ اپنے اسٹیک ہولڈرز سے بھی اسی عمل کی توقع رکھتے ہیں۔



(d) پراکسی سالانہ اجلاس عام کے وقت اپنا درست اصل قومی شناخت کارڈ یا اصل پاسپورٹ پیش کرے۔

(e) کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی، نامزد شخص کے اسکیس میں کا دستخط، اگر پہلے فراہم نہ کیا گیا ہو تو بمعہ پراکسی فارم کمپنی کو فراہم کرنے ہوں گے۔

7. کمپنیز ریگولیشنز (پوسٹل بیٹ) 2018 کے مطابق، کمپنیز ایکٹ 2017 کے سیکشنز 143 اور 144 کے مطابق سے مشروط، ممبران کو اپنے ووٹ کے حق کو استعمال کرنے کے لیے بذریعہ پوسٹل بیٹ ووٹ دینے کی اجازت دی جائے گی، یعنی مذکورہ بالا ریگولیشنز میں درج مطلوبات اور طریقہ کار کے مطابق بذریعہ پوسٹ یا الیکٹرانک ووٹ دینا (الیکٹرانک ووٹ سے ووٹ دینا) شامل ہوگا۔

8. الیکٹرونک ڈیویڈنڈ مینڈیٹ

کمپنیز ایکٹ، 2017 کے سیکشن 242 کے تحت، تمام لسٹڈ کمپنیز کے لیے لازمی ہے کہ وہ اپنے شیئرز ہولڈرز کو الیکٹرانک ووٹ کے ذریعے براہ راست حق دار شیئرز ہولڈرز کے نامزد کردہ بینک اکاؤنٹ میں نقد ڈیویڈنڈ ادا کریں۔

براہ راست اپنے بینک اکاؤنٹ میں ڈیویڈنڈ حاصل کرنے کے لیے فزیکل شیئرز کی صورت میں شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ کمپنی کی ویب سائٹ پر دستیاب نقد ڈیویڈنڈ کے الیکٹرانک کریڈٹ کے لیے شیئرز ہولڈرز انفارمیشن فارم کو پُر کریں اور اسے درست قومی شناختی کارڈ کی کاپی کے ساتھ دستخط شدہ شیئرز رجسٹرار، میسرز فیکو شیئرز رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ کو بھیجیں۔ (اگر پہلے سے فراہم نہیں کی گئیں)۔

سی ڈی سی میں شیئرز ہونے کی صورت میں، الیکٹرانک ڈیویڈنڈ مینڈیٹ فارم براہ راست شیئرز ہولڈرز کے بروکرز/ امیدوار/ سی ڈی سی اکاؤنٹ سروسز کو جمع کروایا جائے گا۔

معلومات کی عدم وصولی کی صورت میں، کمپنی شیئرز ہولڈرز کو ڈیویڈنڈ کی ادائیگی روکنے پر مجبور ہوگی۔

9. اکنم ٹیکس آرڈیننس، 2001 کے پہلے شیڈول کے حصہ III کے ڈویژن I کے ساتھ پڑے گئے سیکشن 150 کی تعمیل میں 'فائلر' اور 'نان فائلر' شیئرز ہولڈرز کے لیے بالترتیب 7.5% اور 15% کی شرح سے ڈیویڈنڈ آمدنی پر وہ ہولڈنگ ٹیکس کی کوٹنگی ہوگی۔ ایک 'فائلر' جو ایک ٹیکس دہندہ ہے جس کا نام ایف بی آر کی طرف سے وقتاً فوقتاً جاری کردہ ایکٹو ٹیکس بیئرز لسٹ (اے ٹی ایل) میں ظاہر ہوتا ہے اور 'نان فائلر' فائلر کے علاوہ کوئی دوسرا شخص ہوتا ہے۔ کمپنی کو فائلرز کے لیے 7.5% ٹیکس وہ ہولڈرز کرنے کے قابل بنانے کے لیے، تمام شیئرز ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اس بات کو یقینی بنائیں کہ ان کے نام FBR کی ویب سائٹ پر تازہ ترین دستیاب (ATL) میں ظاہر ہوں، بصورت دیگر نان فائلرز کے لیے ان کے کیش ڈیویڈنڈ پر 15% ٹیکس کا ناجائز ڈیویڈنڈ کی آمدنی سے وہ ہولڈنگ ٹیکس کی چھوٹ کی اجازت صرف اس صورت میں دی جائے گی جب درست ٹیکس اسٹیٹی کے سرٹیفکیٹ کی کاپی کتاب بند ہونے کے پہلے دن تک شیئرز رجسٹرار، میسرز فیکو شیئرز رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ کو فراہم کی جائے گی۔

ایف بی آر کے مطابق مشترکہ کھاتوں کی صورت میں وہ ہولڈنگ ٹیکس کا تعین پرنسپل شیئرز ہولڈرز کے فائلر/ نان فائلر اسٹیٹس کے ساتھ ساتھ جو انٹ ہولڈرز کے اسٹیٹس کی بنیاد پر ان کے شیئرز ہولڈنگ کے تناسب کی بنیاد پر کیا جائے گا۔ جو ممبران مشترکہ شیئرز ہولڈرز کے ساتھ شیئرز رکھتے ہیں ان سے درخواست کی جاتی ہے کہ وہ پرنسپل شیئرز ہولڈرز اور جو انٹ ہولڈرز کے شیئرز ہولڈنگ کا تناسب ہمارے شیئرز رجسٹرار، میسرز کو فیکو شیئرز رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ کو تحریری طور پر فراہم کریں۔ اگر ہمارے رجسٹرار کو مطلوبہ معلومات فراہم نہیں کی گئی تو یہ فرض کیا جائے گا کہ پرنسپل شیئرز ہولڈرز اور جو انٹ ہولڈرز (ز) کے شیئرز برابر تناسب میں ہیں۔

10. زکوٰۃ کی لازمی کوٹنگی سے اسٹیٹی کا دعویٰ کرنے کے لیے، شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ NJSP پر زکوٰۃ اعلامیہ فارم CZ-50 کی ایک نوٹری شدہ کاپی شیئرز رجسٹرار، میسرز فیکو شیئرز رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ کو کتاب بند ہونے کے پہلے دن تک جمع کروائیں۔ اگر حصص غیر منقولہ شکل میں رکھے گئے ہیں تو اس طرح کے زکوٰۃ اعلامیہ فارم (CZ-50) کو شیئرز ہولڈرز کے سی ڈی سی اکاؤنٹ میں بذریعہ ان کے شریک/ سرمایہ کار اکاؤنٹ سروسز پراپ لوڈ کروائیں۔

مزید برآں، غیر مسلم حصص داران کو بھی اپنا پختہ اقرارنامہ (https://famcosrs.com/downloads) پر دستیاب ہے) اگر شیئرز فزیکل سرٹیفکیٹ کی شکل میں ہیں تو کمپنی کے شیئرز رجسٹرار کو یا غیر منقولہ شکل کی صورت میں ہوں تو سی ڈی سی پرائیویٹس/ انویسٹرز اکاؤنٹ سروسز کے پاس جمع کروانا ہوگا۔

11۔ درست قومی شناختی کارڈ (CNIC) جمع کروانا (لازمی)

ایس ای سی پی کی ہدایات کے مطابق جن شیئرز ہولڈرز کے درست قومی شناختی کارڈز، شیئرز رجسٹرار کے پاس دستیاب نہیں ہیں ان کا ڈیویڈنڈ روکا جاسکتا ہے۔ اس لیے فزیکل شیئرز ہولڈنگ رکھنے والے تمام شیئرز ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اپنے درست قومی شناختی کارڈ کی فوٹو کاپی فوری طور پر، اگر پہلے سے فراہم نہیں کی گئی ہے تو، شیئرز رجسٹرار، میسرز فیکو شیئرز رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ کو بغیر کسی تاخیر کے جمع کروائیں۔

12۔ غیر دعویہ دار ڈیویڈنڈ

کمپنیز ایکٹ 2017، کے سیکشن 244 کے پروویژن کے مطابق، کمپنی کی طرف سے جاری کردہ کوئی بھی شیئرز، یا اعلان کردہ ڈیویڈنڈ جو ادائیگی کی تاریخ سے تین سال کی مدت تک غیر دعویہ دار/ غیر ادا شدہ رہ گئے ہیں اور قابل ادا ہیں، انھیں فیڈرل گورنمنٹ کے کریڈٹ اور شیئرز ہولڈرز کے دعوے کو فائل کرنے کے لیے شیئرز ہولڈرز کو جاری کردہ نوٹسز کے بعد سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان میں جمع کروایا جائے گا۔ جاری کردہ شیئرز اور کمپنی کی طرف سے اعلان کردہ ڈیویڈنڈ کی تفصیلات جو تین سال سے زائد عرصے سے بتایا نہیں، شیئرز ہولڈرز کو بھیج دی گئی ہیں۔

شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ اس بات کو یقینی بنائیں کہ ان کے غیر دعویہ شدہ ڈیویڈنڈ اور شیئرز کے دعوے فوری طور پر درج کروائیں۔ اگر مقررہ وقت میں کمپنی کے پاس کوئی دعویہ درج نہیں کیا گیا تو، کمپنیز ایکٹ 2017 کے سیکشن 244(2) کے تحت اخبار میں نوٹس دینے کے بعد غیر دعویہ دار/ غیر ادا شدہ رقم اور حصص وفاقی حکومت کے پاس جمع کروائیے جائیں گے۔

13۔ سی ڈی سی اکاؤنٹ میں فزیکل شیئرز کی تبدیلی

کے سیکشن 72 ایس ای سی پی نے اپنے لیٹر نمبر۔ CSD/ED/Misc/2016-639-640 مورخہ 26 مارچ، 2021، کے ذریعے تمام لسٹڈ کمپنیز کو مشورہ دیا ہے کہ وہ کمپنیز ایکٹ، 2017

(”ایکٹ“) کی دفعات پر عمل کریں۔ جس کے تحت تمام کمپنیز کے لیے ضروری ہوگا کہ وہ ایکٹ کے نفاذ کے چار سالوں کے اندر فزیکل فارم میں جاری کردہ شیئرز کو بک انٹری فارم میں تبدیل کروائیں۔

جس کے مطابق، فزیکل فوٹیو/ شیئرز سرٹیفکیٹ رکھنے والے کمپنی کے تمام شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے شیئرز کو فزیکل فارم سے جلد از جلد بک انٹری فارم میں تبدیل کروائیں۔ شیئرز ہولڈرز

سی ڈی ایس اکاؤنٹ کھولنے اور بعد ازاں فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنے میں مدد کے لیے پی ایس ایکس ممبر، سی ڈی سی شرکت کنندہ، یا سی ڈی سی انوسٹرا کاؤنٹ سروس پرووائیڈرز سے رابطہ کر

سکتے ہیں۔ بک انٹری فارم میں حصص کو برقرار رکھنے کے بہت سے فوائد ہیں۔ سی ڈی سی کے ساتھ حصص کی محفوظ نگہداشت، ڈیپلیٹ حصص کے اجراء کے لیے درکار سی کارروائیوں سے گریز، وغیرہ۔ کمپنی کے شیئرز ہولڈرز فزیکل شیئرز کو بک انٹری فارم میں تبدیل کروانے کے لیے کمپنی کے شیئرز رجسٹرار اور انسٹراپچٹ یعنی میسرز فیکو شیئرز رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ سے رابطہ کر سکتے ہیں۔

## سالانہ اجلاس عام کانٹولس

مطلع کیا جاتا ہے کہ مندرجہ ذیل کاروباری امور کی انجام دہی کے لیے اینگرو پاور جن قادر پور لمیٹڈ ("کمپنی") کا اٹھارواں سالانہ اجلاس عام (AGM)، بروز بدھ، مورخہ 27 مارچ 2024 کو دوپہر 02:30 بجے، کراچی اسکول آف بزنس اینڈ لیڈرشپ (KSBL) ہینٹنل اسٹیڈیم روڈ، بالمقابل لیاقت ہینٹنل ہسپتال، کراچی۔ 74800 میں منعقد ہوگا۔ ممبران سے درخواست کی جاتی ہے کہ وہ ڈیوکانٹولس فیسٹی کے ذریعے اجلاس میں شرکت کریں جس کے انتظامات کمپنی نے کیے ہیں (تفصیلات کے لیے براہ مہربانی نوٹس سیکشن کا مطالعہ کریں)۔

### (A) عمومی امور

- 1۔ کمپنی کے 31 دسمبر 2023 کو اختتام پذیر ہونے والے سال کے آڈٹ شدہ مالیاتی گوشوارے اپنانے، جائزہ اور وصولی کے لیے بشمول ڈائریکٹرز رپورٹ اور آڈیٹرز رپورٹ اور چیئر مین کی جائزہ رپورٹ۔
- کمپنیز ایکٹ، 2017 کے سیکشن (6) 223 کے مطابق کمپنی کے مالیاتی گوشوارے کمپنی کی ویب سائٹ پر اپ لوڈ کر دیئے گئے ہیں جو مندرجہ ذیل لنک/QR فعال کوڈ سے ڈاؤن لوڈ کیے جاسکتے ہیں:

<https://www.engroenergy.com/epql/#financial>



- 2۔ ڈائریکٹرز کی تجویز کے مطابق، 31 دسمبر 2023 کو ختم ہونے والے سال کے لیے 1.5 روپے فی شیئر جو کہ 15 فیصد ہے کے حتمی نقد ڈیویڈنڈ کی ادائیگی کا اعلان کرنے اور منظوری دینے کے لیے، یہ عبوری نقد ڈیویڈنڈ کے علاوہ ہے جو کہ 3.50 روپے فی شیئر جو کہ 35 فیصد ہے۔
- 3۔ ممبران کو مطلع کیا جاتا ہے کہ سال 2024 کے لیے آڈیٹرز کا تقرر اور ان کے معاوضے کا تعین کرنے کے لیے بورڈ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے کمپنی کے آڈیٹرز کے طور پر دوبارہ تقرری کے لیے ریٹائر ہونے والے آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی، کے نام کی سفارش کی ہے۔

### (B) خصوصی امور:

- 4۔ کمپنیز ایکٹ 2017 کے سیکشن (6) 223 کے مطابق S.R.O.389(1)/2023 مورخہ 21 مارچ 2023 کو سالانہ رپورٹ (بشمول آڈٹ شدہ مالیاتی گوشوارے، آڈیٹرز رپورٹ، ڈائریکٹرز رپورٹ، چیئر مین کی جائزہ رپورٹ اور حصص داران کی مینٹنگ کانٹولس) کے سرکولیشن کی منظوری دی جائے۔ منظور کیا گیا کہ اینگرو پاور جن قادر پور لمیٹڈ ("کمپنی") اپنے کمپنی کے ممبران کو اپنی سالانہ رپورٹ بذریعہ ویب لنک اور QR فعال کوڈ برائے سرکولیشن کی مجاز ہے، جس میں آڈٹ شدہ مالیاتی گوشوارے، آڈیٹرز رپورٹ، ڈائریکٹرز رپورٹ، چیئر مین کی جائزہ رپورٹ اور حصص داران کی مینٹنگ کانٹولس اور دیگر رپورٹس شامل ہیں۔

### بحکم بورڈ

مورخہ 15 فروری، 2024

کراچی

خواجہ حیدر عباس، اے سی اے

کمپنی سیکریٹری

### نوٹ:

#### 1. حصص داران کو تحائف دینے پر پابندی:

سیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے 2018 کے سرکلر 2 کے ذریعے مورخہ 9 فروری، 2018 کو کمپنیز کو تحائف جیسا کہ (ٹوکن، کوپن، لٹچ، ٹیک اوے ٹیکیز) کسی بھی صورت یا انداز میں حصص داران کو جنرل مینٹنگ یا اس کے سلسلے میں تحائف یا مراعات دینے کی سختی سے ممانعت کی ہے، ایکٹ کے سیکشن 185 کے تحت، کسی بھی قسم کی خلاف ورزی کو جرم سمجھا جائے گا، اور کمپنیز کو عمل درآمد کرنے کی صورت میں جرمانے کا سامنا کرنا پڑ سکتا ہے۔

#### 2. سالانہ اجلاس عام میں بذریعہ ڈیوکانٹولس شرکت کی سہولت:

ممبران سے درخواست کی جاتی ہے کہ وہ ڈیوکانٹولس فیسٹی کے ذریعے اجلاس میں شرکت کریں جس کے انتظامات کمپنی کی جانب سے کیے جائیں گے۔ وہ تمام شیئر ہولڈرز جو اجلاس میں شرکت کے خواہشمند ہیں، خواہ بذریعہ ڈیوکانٹولس یا براہ راست شرکت، ان سے درخواست ہے کہ وہ اپنا نام، فوٹیو نمبر، موبائل نمبر، قومی شناختی کارڈ / پاسپورٹ نمبر <https://forms.office.com/r/2nKNTGkxJN> پر رجسٹر کروائیں۔ براہ راست شرکت یا ڈیولنک اور لاگ ان کی تفصیلات کی تصدیقی ای میل صرف ان ممبران کو بھیجی جائے گی جن کی رجسٹریشن سالانہ اجلاس عام سے 48 گھنٹے قبل موصول ہوئی۔

شیئر ہولڈرز سالانہ اجلاس عام کے ایجنڈا آئیٹمز سے متعلق اپنی آراء اور سوالات [agm.epql@engro.com](mailto:agm.epql@engro.com) پر بھیج سکتے ہیں۔

#### 3. سالانہ رپورٹ 2023 کی الیکٹرانک ٹرانسمیشن

ایکٹ کے سیکشن (6) 223 کی تعمیل میں، کمپنی نے الیکٹرانک طور پر سالانہ رپورٹ 2023 کو ای میل کے ذریعے ان شیئر ہولڈرز تک پہنچا دیا ہے جن کے ای میل ایڈریس کمپنی کے شیئر رجسٹرار میسرز فیکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ کے پاس دستیاب ہیں۔ ان صورتوں میں، جہاں کمپنی کے شیئر رجسٹرار کے پاس ای میل ایڈریس دستیاب نہیں ہیں، انہیں مذکورہ سالانہ رپورٹ کو ڈاؤن لوڈ کرنے کے لیے QR فعال کوڈ/ویب لنک کے ساتھ سالانہ اجلاس عام کے پرنٹ شدہ نوٹس بھیج دیئے گئے ہیں۔ تاہم، کسی بھی ممبر کی درخواست پر کمپنی درخواست موصول ہونے کے ایک ہفتے کے اندر ان کے رجسٹرڈ پتے پر سالانہ رپورٹ کی ہارڈ کاپیاں مفت ارسال کرے گی۔

مزید، شیئر ہولڈرز سے درخواست کی جاتی ہے کہ اگر شیئر ذریعہ فیکو فارم میں ہیں تو کمپنی کے شیئر رجسٹرار میسرز فیکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ کو اپنے درست ای میل ایڈریس (درست شناختی کارڈ کی کاپی کے ساتھ) فراہم کریں یا، اگر شیئرز بک انٹری فارم میں ہیں تو ممبر کے متعلقہ شرکت کنندہ/انویسٹر کا وٹ سروسز کو فراہم کریں۔

#### 4. کمپنی کی حصص منتقلی کی کتاب بروز بدھ، 20 مارچ، 2024 تا بروز بدھ، 27 مارچ، 2024 (بشمول دونوں دن) بند رہے گی۔ ہمارے رجسٹرار بنام میسرز فیکو شیئر رجسٹریشن سروسز (پرائیویٹ) لمیٹڈ،

8-F نزد فاران ہوٹل، بلاک 6، پی۔ ای۔ سی۔ ایچ۔ ایس، شاہراہ فیصل، کراچی، پی ایے بی ایکس نمبرز: 5-34380101 (21-92) اور ای میل [info.shares@famcosrs.com](mailto:info.shares@famcosrs.com) کے آفس میں بروز منگل، 19 مارچ، 2024 کو کاروبار کی بندش سے قبل (شام 3:00 بجے) موصول شدہ ٹرانسفرز اجلاس میں شرکت کرنے اور ووٹ دینے اور فائنل کیش ڈیویڈنڈ کی حقداری کے مقاصد کے لئے بروقت تصور کئے جائیں گے۔

#### 5. وہ ممبر جو سالانہ اجلاس میں شرکت اور ووٹ کا حقدار ہے، اسے کسی دوسرے شخص کو اپنا پراکسی بنانے کا حق حاصل ہے اور نامزد کردہ پراکسی کو اجلاس میں شرکت کرنے، بولنے اور ووٹ دینے کے وہ تمام حقوق

حاصل ہوں گے جو ایک ممبر کو حاصل ہیں۔ پراکسی فارمز کو اجلاس سے 48 گھنٹے قبل کمپنی کو موصول ہونا لازمی ہے۔ پراکسی کو کمپنی کا ممبر ہونا ضروری نہیں ہے۔

#### 6. پراکسیوں کی تقرری کے تقاضے

(a) انفرادی فرد کی صورت میں، اکاؤنٹ ہولڈر یا ذیلی اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ ریگولیشنز کے مطابق اپ لوڈ کی گئی ہیں، مندرجہ بالا مطلوبات کے مطابق پراکسی فارم جمع کروائیں۔

(b) پراکسی فارم پر دو افراد (مرد) گواہ ہوں گے جن کے نام، پتے اور قومی شناختی کارڈ نمبر فارم پر درج ہوں۔

(c) نیٹیشنل اونرز کے درست قومی شناختی کارڈ کی تصدیق شدہ کاپیاں یا پاسپورٹ اور پراکسی، پراکسی فارم کے ساتھ پیش کیے جائیں۔

# اینگرو پاور جن قادر پور لمیٹڈ چیئر مین کا جائزہ

معزز حصص یافتگان،

ایک دہائی سے زائد کی عظمت کے ساتھ، اینگرو پاور جن قادر پور لمیٹڈ مقامی ایندھن کے استعمال سے پاکستان کے توانائی کے شعبے میں ایک اہم کردار ادا کر رہی ہے۔ ہم پورے ملک کی بہتری کی خواہش رکھتے ہیں اسی کے پیش نظر، قدر بڑھانے کی ہماری غیر متزلزل جھنڈ، ہمارے ملازمین، آبادیوں اور ارد گرد کے ماحول کی ترقی کے لیے اہم سرمایہ کاری سے واضح ہوتی ہے۔ جیلنجوں سے نبرد آزما ہونے اور نئے مقاصد کے لیے اپنی بصیرت استعمال کرنے، آپریشنل برتری، تحفظ اور استحکام کے لیے ہماری لگن بے مثال ہے۔

EPQL نے 2023 میں ایک بار پھر ایک قابل تعریف حفاظتی سنگ میل حاصل کیا، جس کی بدولت 2010 میں ہمارے کمرشل آپریشنز شروع ہونے کے بعد سے لگاتار 5,000 دنوں تک بغیر کسی ورک ڈے انجری (LWI) کا سلسلہ برقرار رہا۔ ماحولیاتی ذمہ داری سے متعلق ہماری وابستگی ہمارے کاموں کو مناسب انداز میں چلاتی رہی۔ ISO 14001 اور ISO 45001 ریٹنگوں کی تصدیق صحت، حفاظت اور ماحولیات (HSE) میں اعلیٰ معیاروں کو برقرار رکھنے کی ہماری لگن کی تصدیق کرتی ہے، اس سے یہ بھی ظاہر ہوتا ہے کہ اپنے ملازمین، آبادیوں اور ماحول کی حفاظت پر ہماری توجہ مرکوز ہے۔

آپریشنل کارکردگی کے لحاظ سے، کمپنی نے بین الاقوامی فیول کی بڑھتی ہوئی قیمتوں اور روپے کی قدر میں کمی کے پیش نظر اپنے مقامی ایندھن کی میرٹ آرڈر پر اپنی اعلیٰ درجہ بندی کو برقرار رکھا۔ 2023 نے ہم نے 100% دستیابی کے ساتھ، 870 GWh کے ٹوٹل نیٹ الیکٹریکل آؤٹ پٹ اور 46% کے لوڈ فیکٹر کو برقرار رکھا۔ ہم نے کامیابی کے ساتھ واجبات وصول کئے اور میرٹ آرڈر پر اعلیٰ درجہ بندی کو برقرار رکھا۔

ان پٹ سائیڈ پر، فی الحال EPQL کا قادر پور گیس فیلڈ سے پرمیٹ گیس کی فراہمی کے لیے سوئی ناردرن گیس پائپ لائنز لمیٹڈ (SNGPL) کے ساتھ گیس کی فراہمی کا معاہدہ (GSA) ہے۔ قادر پور فیلڈ سے گیس ختم ہونے پر، کمپنی کی طرف سے گیس کی کمی کے مرحلے کا اعلان کیا گیا ہے اور پلانٹ کو مکس موڈ پر دستیاب قرار دیا جس میں پرمیٹ گیس اور ہائی اسپید ڈیزل (HSD) فیول دونوں استعمال کئے جاتے ہیں۔ کمپنی نے اب PEL کو متبادل ایندھن کے طور پر منظور کرتے ہوئے نمبر اسے ترمیم شدہ جنریشن لائسنس اور نظر ثانی شدہ ٹیرف حاصل کر لیا ہے۔ اگلے مرحلے میں، کمپنی کو مذکورہ گیس سپلائی شروع کرنے سے پہلے کچھ مزید ریگولیٹری منظور یوں اور کنٹریکٹ کے لوازمات کو حتمی شکل دینے کی ضرورت ہے۔

آخر میں، میں EPQL کی انتظامیہ، ملازمین، صارفین، شراکت داروں، اور اسٹیک ہولڈرز کو ان کے بھرپور اعتماد پر تہ دل سے خراج تحسین پیش کرتا ہوں۔ آپ کا بھروسہ، اعتماد اور عزم ہمیں آگے بڑھنے کے قابل بناتا ہے۔ مجموعی کوششوں سے، ہم امید اور استقامت کے اپنے سفر کو جاری رکھتے ہوئے، EPQL اور پاکستان کے لیے 2024 کی خوشحالی میں اپنا حصہ ڈالیں گے۔

آپ کا تخلص،

یوسف صدیقی

چیئر مین، اینگرو پاور جن قادر پور لمیٹڈ (EPQL)



Sincerely,

*Yusuf Siddiqui*

**Yusuf Siddiqui**

Chairman, Engro Powergen  
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