

February 08, 2021

By PUCARS

The General Manager  
Pakistan Stock Exchange  
Stock Exchange Building  
Stock Exchange Road  
Karachi

**SUBJECT: DISCLOSURE OF MATERIAL INFORMATION**

Dear Sir,

In accordance with Section 96 of the Securities Act, 2015 and Clause 5.6.1(a) of the Rule Book of Pakistan Stock Exchange, we hereby inform you that following our Disclosure of Material Information dated August 17, 2020, whereby Engro Powergen Qadirpur Limited (EPQL) had announced that it had entered into a Memorandum of Understanding dated August 12, 2020 (MOU) with Committee for negotiations with Independent Private Power Producers notified by the Government of Pakistan, in line with the understanding reached in the MOU, EPQL and Central Power Purchasing Agency (Guarantee) Limited (the "Parties") will now enter into a binding agreement based on the terms of the MOU, which include inter alia: that all undisputed outstanding amounts due and payable to EPQL under the power purchase agreement, as on 30<sup>th</sup> November 2020, will be paid in two (2) instalments (*each instalment comprising of one-third cash and two-thirds government issued PIBs and Sukuks*). Further, in the larger national interest, EPQL has agreed to (prospectively) accept a reduction in the tariff component, whereby the Return on Equity ("RoE") and the Return on Equity During Construction ("RoEDC") will be fixed at 17% per annum in PKR (on NEPRA approved equity at Commercial Operation Date for RoE and RoEDC, calculated at USD/PKR exchange rate of PKR 148/USD, with no future USD indexation ("**Revised ROE and ROEDC**"). However, the existing RoE and RoEDC, together with the applicable indexations, shall continue to be applied until the date when the applicable exchange rate under the present Tariff reaches PKR 168/USD 1 (i.e. the date of the signing of the MoU), whereupon the Revised RoE and RoEDC shall become applicable and shall apply for the remainder of the Term of the power purchase agreement. Upon notification of Tariff Determination by NEPRA, first instalment of 40% shall be paid to EPQL and remaining 60% shall be paid within six months after the date of the first installment.

You are requested to disseminate the information to the Members of the Exchange accordingly.

Sincerely,  
For and on behalf of  
Engro Powergen Qadirpur Limited



Sameen Asad  
Company Secretary

**cc:** Director/HOD, Surveillance, Supervision and Enforcement Department,  
Securities and Exchange Commission of Pakistan  
NIC Building, 63 Jinnah Avenue,  
Blue Area, Islamabad.