

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

March 6, 2023

Dear Sir/Madam,

Transmission of the Annual Report 2022 for the year ended December 31, 2022.

We have to inform you that the Annual Report of the Company for the year ended December 31, 2022 have been transmitted through PUCARS and is also available on Company's website which can be downloaded from the following link:

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

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours faithfully,

For and on behalf of
Engro Powergen Qadirpur Limited



Hanan Batool
Company Secretary

Cc:

1. The Director (Enforcement), Securities & Exchange Commission of Pakistan, NIC Building, 63 Jinnah Avenue, Blue Area, Islamabad (with 3 printed copies of the Annual Report 2022 of the Company for the year ended December 31, 2022).
2. The Registrar, Company Registration Office, State Life Building No. 2, 4th Floor, North Wing, Wallace Road, I.I. Chundrigar Road, Karachi.

Head Office

16th Floor, Harbor Front Building
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www.engroenergy.com/engro-powergen-qadirpur-limited/



engro powergen qadirpur limited

annual report 2022



engro powergen qadirpur

enabling growth for progress



annual
report
2022

about the theme

The economic and social progress of a country relies heavily on its power sector. Engro Powergen Qadirpur, through a green power plant, has opened vast opportunities for growth and progress within Pakistan.

Engro Powergen Qadirpur strongly adheres to its goal of alleviating the energy crisis and, in doing so, is constantly on the look-out for new solutions for the Country's power industry. We envision a future for Pakistan which is enlightened and bright and, thus, pledge to continue lending our support by enabling growth for progress.

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corporate
information

company information

Board Audit Committee

Kaiser Bengali - Chairperson
Shabbir Hashmi
Farooq Barkat Ali

Company Secretary

Hanan Batool

Chief Financial Officer

Amir Qasim

Head of Internal Audit

Ekta Sitani

board of directors

Yusuf Jamil Siddiqui
Chairman

Shahab Qader
Chief Executive Officer

Fauzia Viqar
Nausheen Ahmad
Farooq Barkat Ali

Shabbir Hashmi
Kaiser Bengali
Vaqar Zakaria

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 Limited

Standard Chartered Bank (Pakistan) Ltd.

shares registrar

FAMCO Associates (Private) Limited
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

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

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/

ceo message (video link)

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

plant

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





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



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



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



Ensure reliability and sustainability of operations and business processes

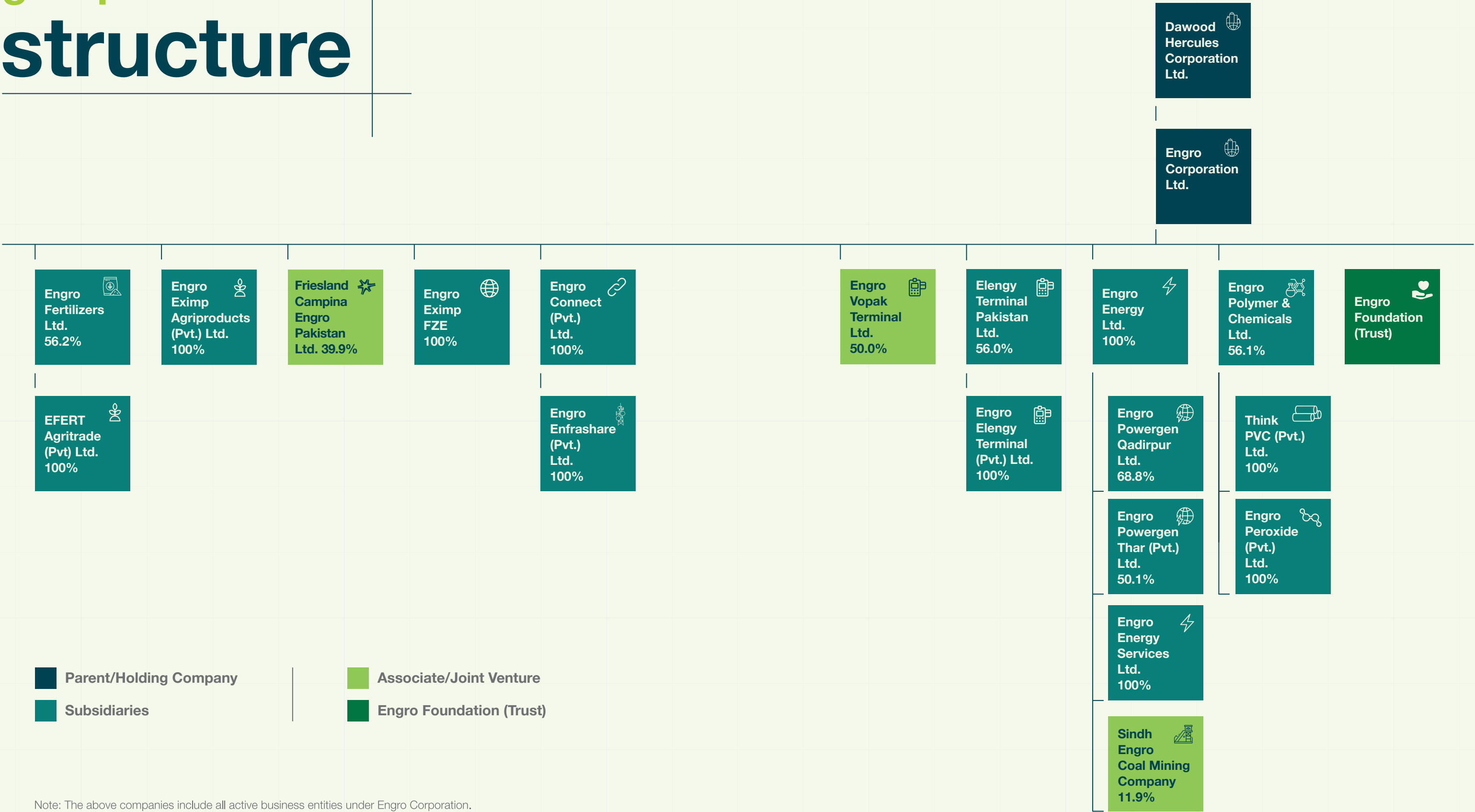


Explore options on alternate sources of fuel supply for future needs



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

group structure



group portfolio



fertilizers

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



dairy

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



telecom infrastructure

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



energy & mining

Operating Pakistan's first 217 MW power plant on permeate gas; Operating first ever 2x330 MW mine-mouth coal power plant



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

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.

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.

SAP implementation

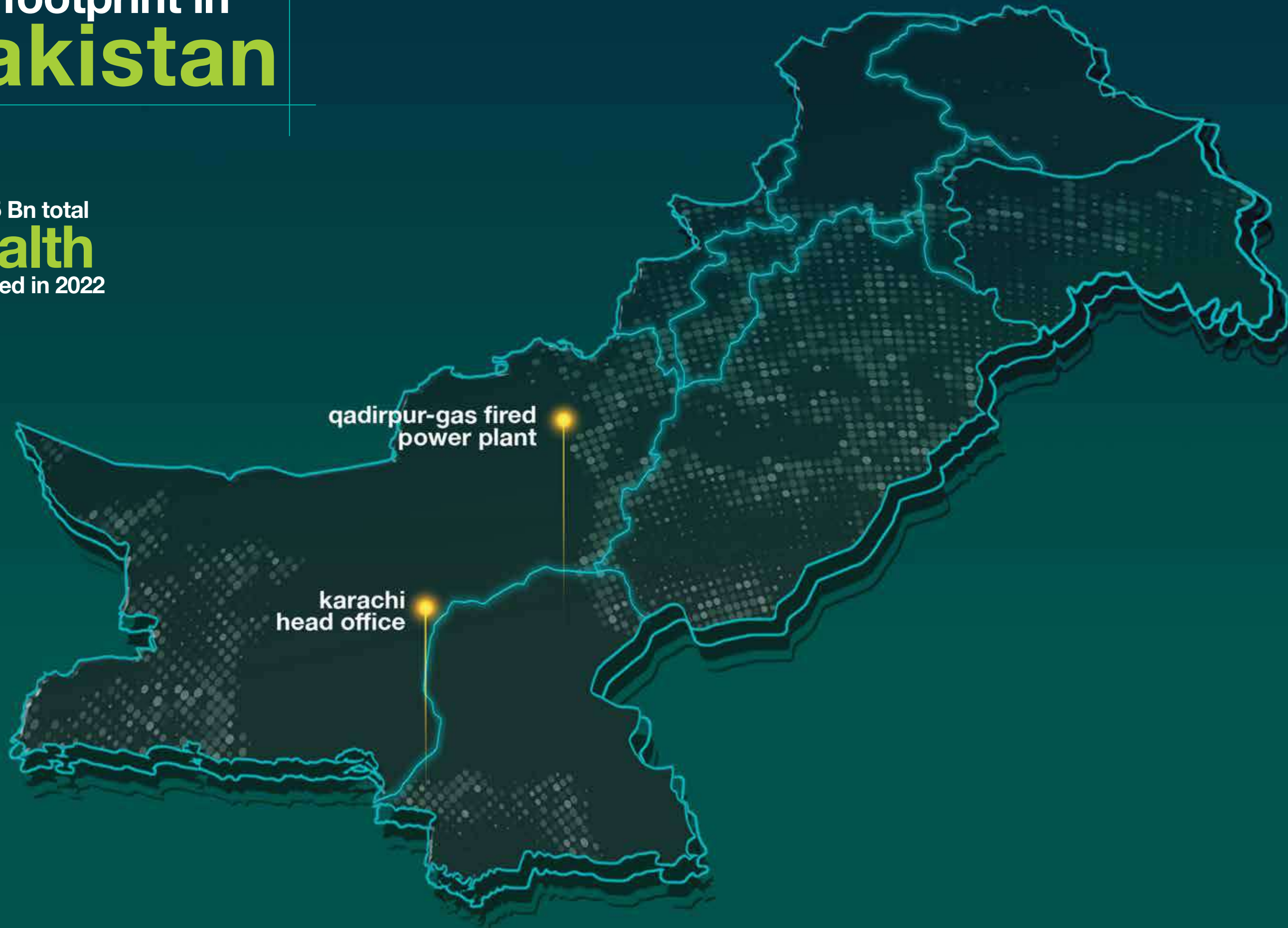
SAP S/4 HANA implemented at EPQL in 2021, improving the overall efficiency, performance and productivity for the business overall.

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.

our footprint in **Pakistan**

PKR 3.5 Bn total
wealth
generated in 2022



our timeline

**january &
september 2005**

Proposal submitted to PPIB for setting up permeate gas power plant. Permeate gas allocation from Qadirpur Gas field approved

**july
2007**

Tariff determined by National Electric Power Regulatory Authority (NEPRA)

**april
2008**

Gas Supply Agreement (GSA) signed with Sui Northern Gas Pipelines Limited (SNGPL) and financial close achieved

**november
2010**

Engro Energy (Private) Limited renamed as Engro Powergen Qadirpur Limited (EPQL)

**april & may
2015**

Successfully carried out first major inspection activity conducted after every six years of Plant operations

2020

Long term debt fully repaid

2022

Safely carried out second major inspection.

**february
2006**

Engro Energy (Private) Limited was incorporated

**october
2007**

Power Purchase Agreement (PPA) and Implementation Agreement (IA) signed

**march
2010**

Commercial Operations Date (COD) achieved 3 months before the planned date

**december
2014**

Listing on Pakistan Stock Exchange (PSX)

2019

Gas depletion starts at Qadirpur gas field. Work begins on Alternate Fuel Plan for Engro Powergen Qadirpur plant

2020

Memorandum of Understanding (MoU) signed with the Government of Pakistan on renegotiation of Power Purchase Agreement

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

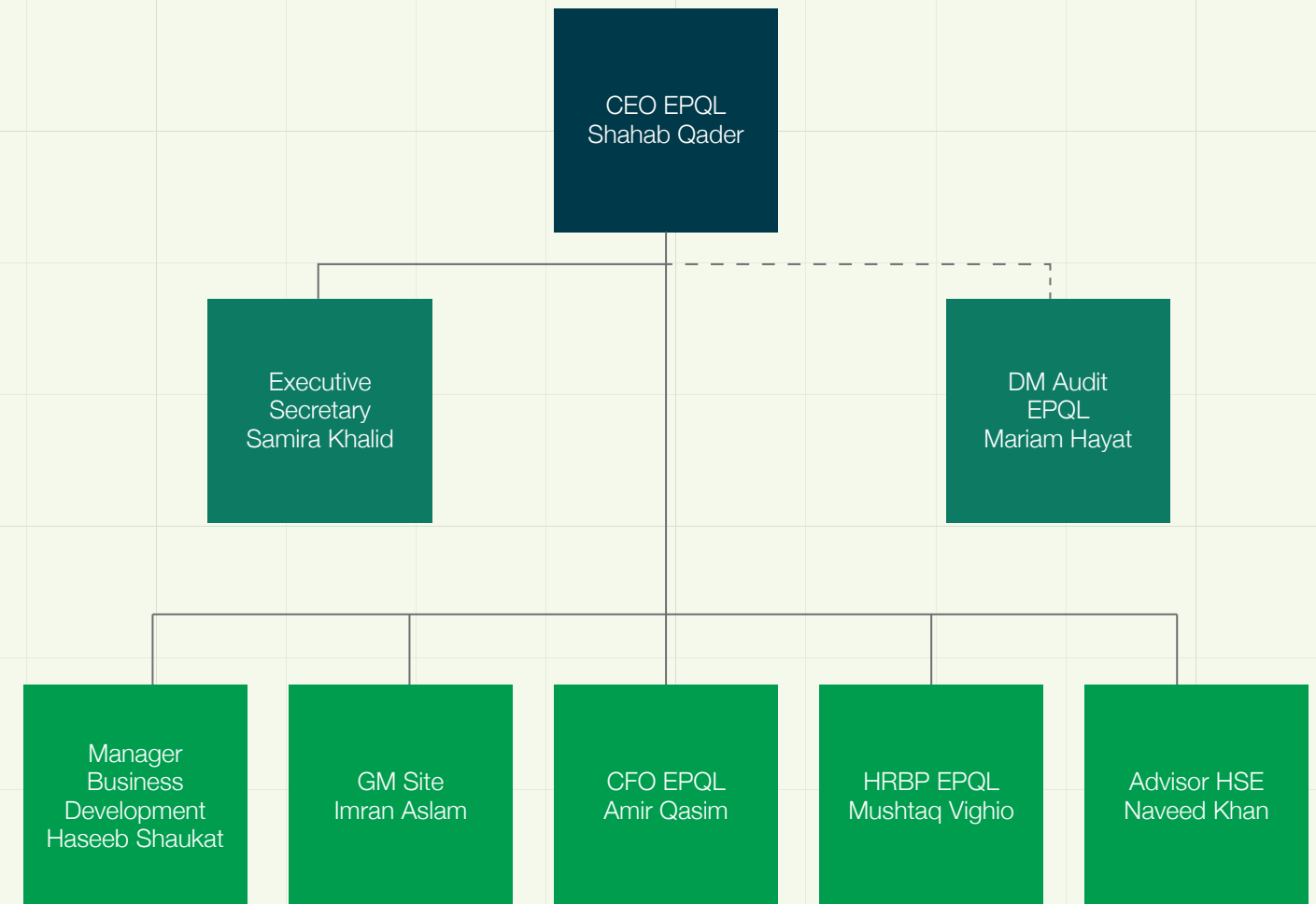
Has impeccable character and lives by highest standards of integrity and accountability



community & society

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

organizational structure





**corporate
governance**

board of directors



Yusuf Siddiqui

Chairman

Yusuf Siddiqui is currently serving as the Chief Executive Officer at Engro Energy Limited effective July 1st, 2022. He joined Engro Vopak and Elengy Terminal Limited as the Chief Executive Officer in 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.



Shahab Qader

Chief Executive Officer

Shahab has had more than two decades of rich industry experience in the chemical process and power utility industry where his expertise ranges from project development and project execution to Operations & Management.

In addition to having worked through project development and execution at a senior level, Shahab has been part of Operations & Management teams in the first twelve years of his career. He holds a bachelor's in electrical engineering from UET. He joined the EPQL board in March 2017.

He also serves on the board of Engro Powergen Qadirpur Ltd, Gel Nigeria, Engro Power Services Limited and Siddiqsons Energy Limited

board of directors



Shabbir Hashmi

Director

Shabbir Hashmi has more than 35 years of project finance and private equity experience. At Actis Capital, one of the largest private equity investors in the emerging market, he has led the Pakistan operations. Prior to Actis, he was responsible for a large regional portfolio of CDC Group Plc for Pakistan and Bangladesh. He also did a long stint with USAID and later briefly with the World Bank in Pakistan, specializing in planning and development of energy sector of the country. In the past, he has held more than 24 board directorships as a nominee of CDC/Actis and 11 directorships as an

independent director. He is also on the board of governors of The Help Care Society which is operating K-12 schools in Lahore for underprivileged children.

He is an engineer from Dawood College of Engineering & Technology, Pakistan and holds an MBA from J.F. Kennedy University, USA. He joined the EPQL Board in 2010.

He also serves on the board of The Helpcare Society, DH Corporation, FINCA Microfinance Limited, OJ Engineering Ltd, Engro Powergen Qadirpur Limited and Cyan Ltd.



Fauzia Viqar

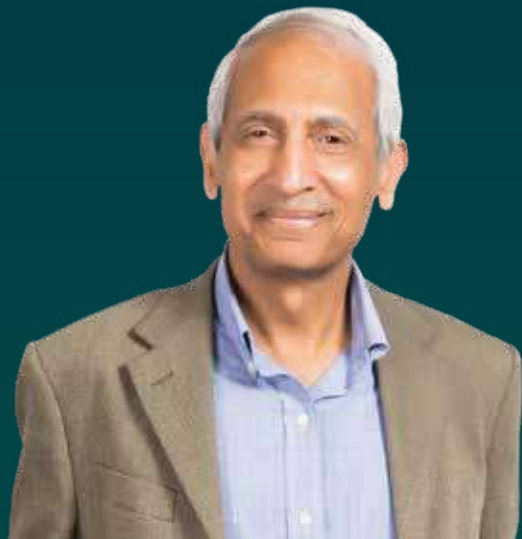
Director

Fauzia Viqar is an internationally recognized expert and visionary leader on gender issues in development. She has vast experience of working with government and civil society organizations in Canada and Pakistan where Fauzia has led large programs on human rights and women's empowerment. As Chairperson of the Punjab Commission on the Status of Women, Fauzia succeeded in placing gender equality at the core of government processes, by providing concrete evidence derived from unique data collection mechanisms that she pioneered. She currently serves as an Advisor to

various development projects providing technical assistance to the governments in Pakistan and also heads a development consultancy, Rah Center for Management and Development. Fauzia serves on various policy making boards and committees. She joined the Board in 2019.

She also serves on the board of Rah Center for Management and Development (Private) Limited, Social Policy and Development Center, Engro Powergen Qadirpur Limited and Omar Asghar Khan Foundation (NGO).

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.



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



Nausheen Ahmad

Director

She 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)



Farooq Barkat Ali

Director

Farooq Barkat Ali is the Chief Financial Officer of Engro Fertilizer Limited. Previously he was serving as the Chief Financial Officer of Engro Energy Limited (EEL). As CFO at Engro Energy he looked after various aspects of the business including Performance Management of EEL subsidiaries, Treasury & Investor Relations and financial oversight of all entities under the energy vertical. Farooq has also served as Vice President Finance at Engro Corporation Ltd - the holding company for EEL, as the Chief Financial Officer of Engro Powergen Qadirpur

and Engro Eximp Pvt Limited.

He is a Chartered Accountant by profession from Institute of Chartered Accountants of Pakistan (ICAP) and was associated with Pricewaterhouse Coopers (PwC) in Karachi. He carries nearly two decades of experience in various Finance and commercial roles. Farooq started his career with Reckitt Benckiser way back in 2002 and then moved to Shell Pakistan in 2007 before joining Engro Group in 2013. During his career Farooq has managed multiple projects including Financing of mega projects, ERP implementations and Mergers & Acquisitions.

He also serves on the board of Engro Powergen Qadirpur Limited, Engro Powergen Thar (Pvt.) Limited, Engro Energy Services Limited, Engro Power International Holding BV, Engro Power Investments International BV and Engro Power Services Holding BV.

board of directors



Not pictured: Nausheen Ahmad & Vaqar Zakaria

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.

board committee

the 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 2022

	<div> <div>Ms. Fauzia Viqar</div> <div>Independent</div> <div>Chairperson</div> </div>
	<div> <div>Ms. Nausheen Ahmad</div> <div>Independent</div> <div>Member</div> </div>
	<div> <div>Mr. Vaqar Zakariya</div> <div>Non-Executive</div> <div>Member</div> </div>
	<div> <div>Ms. Tamkeen Sardar Faisal</div> <div>Head of HR</div> <div>Secretary</div> </div>

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 the year 2022

	<div> <div>Mr. Kaiser Bengali</div> <div>Independent</div> <div>Chairman</div> </div>
	<div> <div>Mr. Shabbir Hashmi</div> <div>Non-Executive</div> <div>Member</div> </div>
	<div> <div>Mr. Farooq Barkat Ali</div> <div>Non-Executive</div> <div>Member</div> </div>
	<div> <div>Ms. Ekta Sitani</div> <div>Head of Internal Audit</div> <div>Secretary</div> </div>

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 2022, 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, 2022 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 Mr. Shahab Qadir. Biographical details of the Directors are given on pages 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 7 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, one new director was appointed.

details of board meetings held outside Pakistan during the year

During 2022, 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 it's website under "Investors relation" section to facilitate shareholders / other investors' and timely resolve their complaints, if any.

policy for safety records of the company

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

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 it’s understanding of social and environmental impacts of it’s business and it will quantify the impact on the lives of it’s customers, suppliers and communities in which it operates and will strive to minimize adverse impacts. The associated funding requirement will be part of the business cost. The Company’s Social Responsibility policies and practices include:

- Statement of ethics and business practices
- Policy for handling conflict of interest
- Employee Code of Conduct
- Policy for soliciting customers, suppliers, vendors and contractors
- Allocation of 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 141.

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 142. 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 151.

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, 2021 was held on March 22, 2022, 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 2022, 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, 2022

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

1. The total number of directors are **Eight** as per the following,



* Including the Chief Executive Officer.

2. The composition of the Board as at December 31, 2022 is as follows:

Category	Name
Independent Director	Mr. Kaiser Bengali
Independent Directors (Female)	Ms. Nausheen Ahmad Ms. Fauzia Viqar
Non-Executive Directors	Mr. Yusuf Jamil Siddiqui Mr. Farooq Barkat Ali Mr. Shabbir Hashmi Mr. Vaqar Zakaria
Chief Executive Officer	Mr. Shahab Qader

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
4. The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures;
5. The Board has developed a vision/mission statement, overall corporate strategy, and significant

policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the "Act") and these Regulations;
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Board has arranged Directors' Training Program for Mr. Shahab Qader, Executive Director during the year 2022. In total five (05) directors on the Board are duly certified or exempted from the Directors' Training Program.
10. The Board has approved appointment of Chief Financial Officer and Company Secretary during the year, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. There was no change in the position of Head of Internal Audit;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below.-

a) The Board Audit Committee

Name	Category
i) Mr. Kaiser Bengali	Chairman
ii) Mr. Farooq Barkat Ali	Member
iii) Mr. Shabbir Hashmi	Member

b) Board People Committee i.e. HR and Remuneration Committee

Name	Category
i) Ms. Fauzia Viqar	Chairperson
ii) Ms. Nausheen Ahmad	Member
iii) Mr. Vaqar Zakaria	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.

14. The frequency of meetings of the committees were as per following, -

a) Board Audit Committee	(4 meetings held during the year); and
b) Board People Committee	(2 meetings held during the year)

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with.



Mr. Yusuf Jamil Siddiqui
Chairman

Date: February, 08 2023

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, 2022. 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		
i) Mr. Kaiser Bengali	(Chairman)	Independent Director
ii) Mr. Shabbir Hashmi	(Member)	Non-Executive Director
iii) Mr. Farooq Barkat Ali	(Member)	Non-Executive Director
iv) 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 2022

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 2022, 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 2022, 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;
- Reviewed and investigated 3 whistleblower complaints lodged during the year;
- 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, 2022 and shall retire on the conclusion of the 17th 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. Osama Kapadia. 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 2023. A resolution to this effect has been proposed at the forthcoming Annual General Meeting.

financial statements 2022

- ☛ The Committee assessed the 2022 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 7, 2023



business
performance

chairman review

Dear Shareholders,

With a legacy of more than a decade behind it, EPQL continues to play a vital role in the energy landscape of Pakistan through the utilization of an indigenous resource which considering the macro-economic conditions in the country related to imported fuel sources; is the need of the hour.

The company continues to operate with a stellar safety record and successfully completed the scheduled Major Inspection which happens once every six years, within the stipulated timeline, with Zero First Aid case and Zero Recordable Injury.

Though the overall industry is struggling with various challenges related to circular debt, which has been a persistent problem in the domestic energy sector; EPQL continues to remain steadfast in its mission to continue providing energy to the people and fueling the overall macroeconomic progress for Pakistan. During the outgoing year, the company due to its indigenous fuel source maintained its high ranking on the merit order, given the elevated international fuel prices and rupee devaluation. It demonstrated a billable availability factor of ~93% and dispatched a total net electrical output of 768 GWh with load factor of 41% during the year, as compared to 46% in 2021. The lower load factor was due to a scheduled Major Inspection.

In accordance with the Master Agreement signed between the Government and IPPs in February 2021, a mechanism was agreed to settle the overdue receivables in tranches in exchange for certain revisions in return structure. EPQL successfully received both the tranches amounting to around ~PKR 8.1Bn in 2022.

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 the approval of an alternate fuel supply which also includes actively exploring local fuel options from nearby gas pockets available in Sindh. We look forward to receiving the required regulatory approvals for this soon.

The company continues to focus on developing its people, ensuring livelihoods and overall communities' development around its project. Under its inclusive business model, the CSR arm under the name of Engro Foundation works actively for the betterment of the communities around the project. Philanthropic capital is directed towards developing human capital by investing in education, technical training, skills development, and healthcare. In 2022, the dedicated Primary Healthcare Centre (PHC) for the surrounding villages in partnership with HANDS provided timely medical treatments to over 5,000 patients at the facility. We also support one of the largest adopted school networks in district Ghotki in collaboration with Indus Resource Centre (IRC) which includes 3 government schools namely Rasheed Ahmed Arain, Gul M Arbani, and Juma Khan Arbani. Under this network more than 700 students are educated annually.

In the end, I would like to extend my heartfelt appreciation to EPQL's management, employees, customers, partners, and stakeholders for their contribution towards taking the company forward. Thank you for your trust, confidence, and commitment. We will continue to work with a wide variety of stakeholders to ensure that we do more for our shareholders, our partners, our people, and our communities. As we continue our journey of hope and perseverance, I am confident that the year 2023 will be prosperous one for us and Pakistan at large.



Mr. Yusuf Jamil Siddiqui
Chairman



ceo's message

Dear Shareholders,

At Engro Powergen Qadirpur Limited (EPQL) we believe in striving for excellence by deeply and intensely investing in the growth of our people, communities, and the economy around. Throughout the year 2022, we held tightly to our strengths and worked tirelessly to maintain what we have already achieved in our years of operations. We also directed our focus towards goals that are yet to be achieved.

We demonstrated a billable availability factor of 93% in 2022, and dispatched a total net electrical output 768 GWh to the National Grid demonstrating a load factor of 41% versus 46% last year. We carried out the scheduled maintenance outage due to major overhaul this year which was the reason for the lower load factor. Sales revenue for the year 2022 PKR 10,027 million as compared to PKR 10,204 million last year. A decline due to lower dispatch. EPQL earned a net profit of PKR 1,472 million for 2022 as compared to PKR 1,594 million for 2021 which resulted in earnings per share of PKR 4.55 for 2022 vs PKR 4.92 for 2021.

We have proactively maintained our Health, Safety, and Environment (HSE) management systems and processes in alignment with globally recognized best practices. With the help of a multidisciplinary team, we ensured 100% compliance with National Environmental Quality Standards (NEQS) and World Bank Group guidelines. EPQL successfully recertified the ISO 14001 and ISO 45001 rating, signifying its

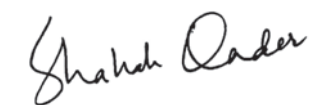
unwavering commitment towards HSE.

Another key feather in our cap was the safe and successful Major Inspection (MI) activity with 400 plus workers that was carried out with zero COVID cases. Throughout the inspection, there were no first aid cases or recordable injuries, and the entire outage was completed with an impeccable safety record.

At EPQL we believe the hard work and perseverance of our people is our strongest asset. To stay committed to our vision, we worked extensively towards enhancing overall employee experience. A series of initiatives, training, workshops, and personal development initiatives were launched to enhance the overall employee experience.

Under our inclusive business model, throughout the year, the company continued to care for the communities by investing in initiatives with the goal of improving the socio-economic conditions of the region. We increased livelihoods opportunities by providing technical training programs, healthcare facilities, and basic infrastructure while also enhancing the outreach of our educational and health programs for the development of the local communities.

Going forward, I am confident that we have what it takes to position EPQL as a leading power generation and solutions provider for Pakistan; enabling energy excellence for our people, communities, and country at large.



Mr. Shahab Qader
Chief Executive Officer



organizational highlights



9.85Mn

man hours without LWI till December 2022



93%

billable availability factor



768Gwh

GWH NEO



41%

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 may have significant impacts 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.

Given the high international fuel prices coupled with rupee devaluation, EPQL maintained its high merit order position and received dispatch throughout the period.

As you are all aware, the country is currently facing economic uncertainty with forex reserves at alarmingly low levels. EPQL management is extensively engaged with relevant stakeholders to avoid any delays in procurement of critical equipment for the plant.

social

Total population is expected to surge past 330 million by 2050 requiring streamlining in power generation throughout the Country. Growth in 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. During the year, the public health system of the country continued to be affected by the new variants of COVID-19 virus. The Company maintained strict health and safety protocols to curb the spread of the virus along with a 100% vaccinated workforce and remained fully operational throughout the year.

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 of the environment and hence is safe from any environment related taxes/costs. During the year, Pakistan suffered from unprecedented rains which caused great devastation to the country. EPQL ensured plant availability with zero downtime.

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 KPIs
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 and has also identified local fuel options. The Company is engaged with stakeholders to conclude the same.	Notification of alternate fuel plan.
Continue with CSR activities, increasing engagement with local communities through educational 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, 2022.

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

monitoring and reporting

The ERM Risk Register is reviewed on periodic basis to ensure updating for changes in external and internal environment. The ERM Risk Register, and mitigation strategies are also presented to the Management Committee and the Board Audit Committee on bi-annual basis.

risk and mitigation plan

Following are the major risks affecting the operations of the business, along with the management assessment of their source, likelihood, impact, and the mitigating strategies implemented by the Company for these risks:

Risk Type	Risk Assessment		Mitigation Strategies
Strategic Risk	Likelihood	Impact	
Reduction in Company’s Net Electrical Output Source of Risk: External	Medium	Medium	With new plants coming online, the merit order position of EPQL is now at risk of being lower, thereby affecting its dispatch. Moreover, the current economic situation 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 alternate fuel plan.

commercial risk

Risk Type	Risk Assessment		Mitigation Strategies
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 ensure availability of financing.

operational risk

Risk Type	Risk Assessment		Mitigation Strategies
Strategic Risk	Likelihood	Impact	
Emergence of new variants of Covid virus resulting in plant outage. Source: External	Medium	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. The Company ensures vaccination of all employees.
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 forex challenges Source: External	Medium	Medium	The company is actively engaged with relevant stakeholders to ensure procurement for critical equipment / spares.

financial risk

Risk Type	Risk Assessment		
	Likelihood	Impact	
Strategic Risk			Mitigation Strategies
Liquidity constraints due to circular debt.	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. Master Agreement signed with power purchaser in 2021; the company received both the tranches of payment in 2022.
Source of Risk: Internal / external			
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

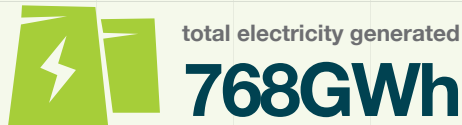
The Company is currently pursuing opportunities to create value in the short, medium, and long term through identification of cost optimization strategies associated with its strategic objectives, policies, and targeted growth.

Risk Type	Impact Area	Description
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 moved to a system which is more performance driven, better aligned with the market and creates opportunities for growth.

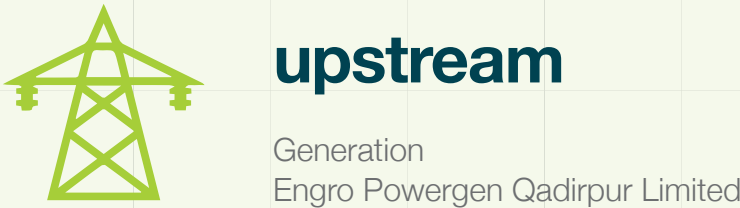
way forward

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 actively pursuing the submitted gas depletion mitigation plan to PPIB. Moreover, the Company has identified an additional source of local fuel and is engaged with relevant parties for approval. The Company takes a holistic view while detailing out plans for the coming years, which includes studying the industry position and taking prudent measures to formulate strategies for cost effective solutions.

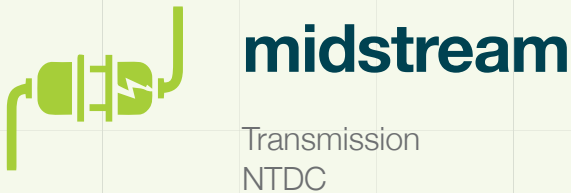
key operational
highlights 2022



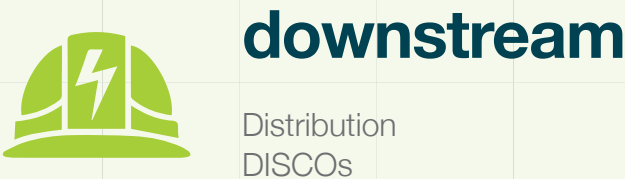
our value
chain process



electricity generated is dispatched to CPPA.



NTDC through CPPA transmits the electricity to DISCOs



distribution to end users

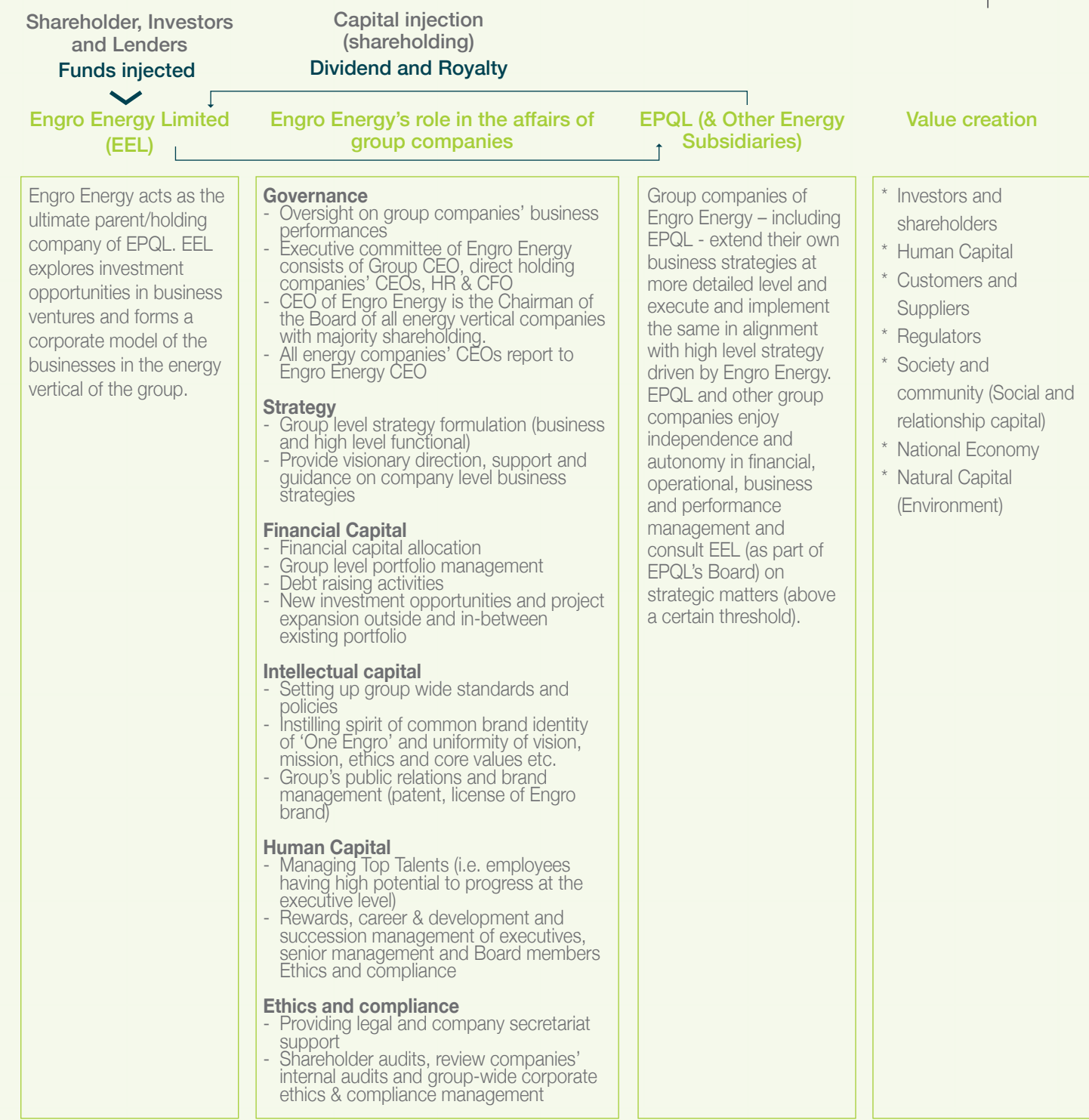
customers/consumers manufacturing companies service
companies domestic consumers

We strongly believe that our pursuit of an inclusive growth model will continue to yield greater success and value for all our stakeholders. Together through concrete processes and mechanisms, we fulfill our responsibilities with everyone we interact with whether it be our customers, suppliers, communities or the government.

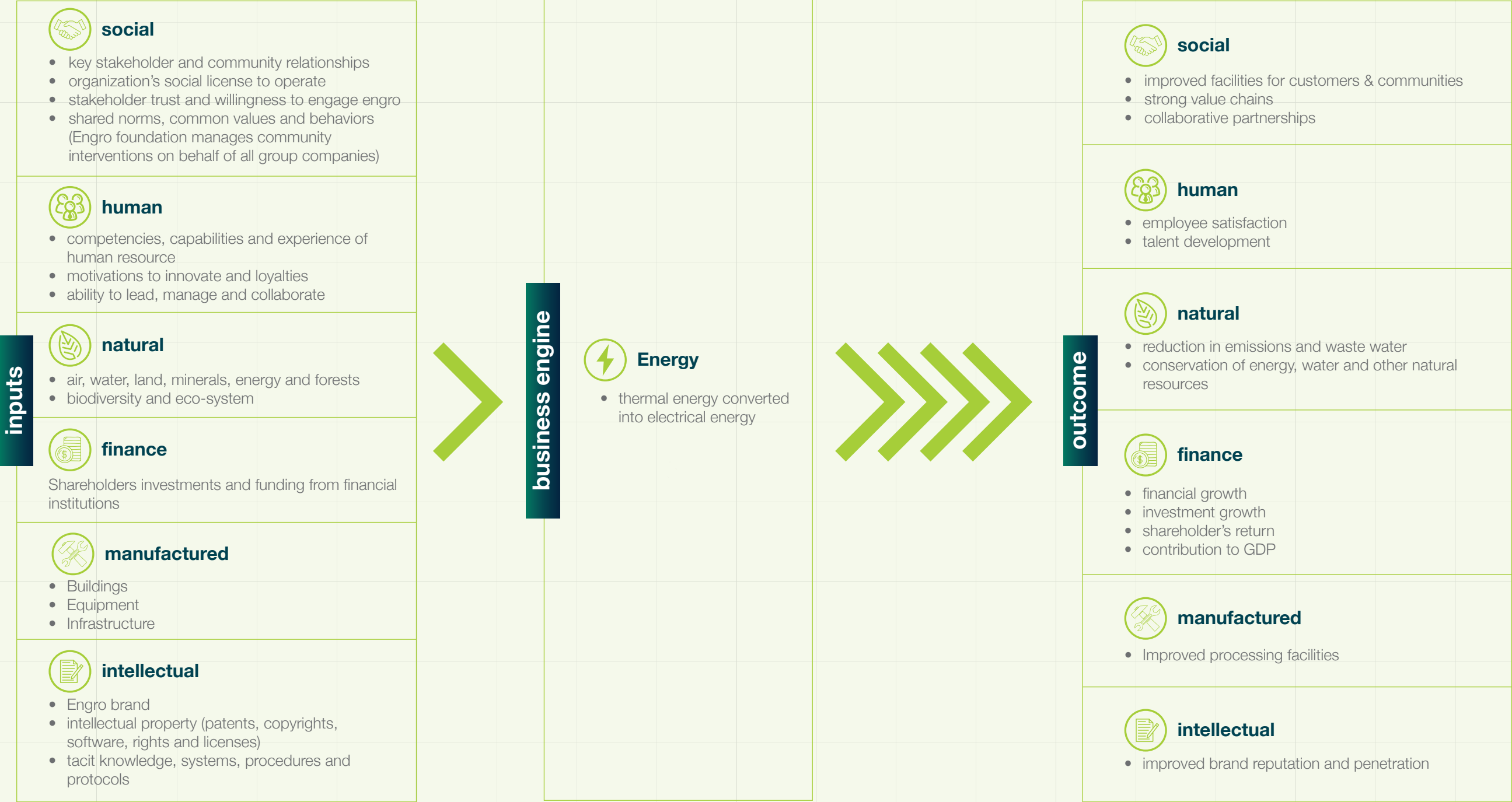
SWOT analysis

S	<p>strengths</p> <ul style="list-style-type: none"> 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
W	<p>weaknesses</p> <ul style="list-style-type: none"> 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
O	<p>opportunities</p> <ul style="list-style-type: none"> 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.
T	<p>threats</p> <ul style="list-style-type: none"> 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 value creation model



our integrated business approach



resource

allocation plans

The Company aims to achieve its long-term goals by optimizing available resources. This would be done primarily with efficient utilization of Company’s core strengths which includes but is not limited to:



financial strength



competent human resource



generation excellence



strong HSE standards

Engro Powergen Qadirpur Limited aims to increase its reliability to the national grid by maintaining its 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. The Company is in discussions with stakeholders to finalize modalities of GDMP. The Projects’ Committee of PPIB had shared a proposal whereby EPQL will use RLNG as the comingling fuel with Permeate gas or HSD, as the case may be, with no provision of minimum dispatch or guaranteed off-take of any fuel in the PPA. RLNG will be supplied by SNGPL on “as and when available” basis. All capex and other costs incurred in relation to implementation of GDMO will be exclusively incurred by EPQL. The term of the GDMP/GDMO shall be for a period up to December 31, 2025, and the Committee recommended that the project will be re-evaluated in 2025. The Company accepted the proposal, which is subject to further approval of the PPIB Board and consents required under the Implementation Agreement. Moreover, EPQL is also actively exploring alternate fuel options. During the year, it identified a local gas

source of 8 – 13 mmcf/d to be supplied by Petroleum Exploration Limited (PEL). The Company has applied to NEPRA for License Proposed Modification and Tariff on the additional fuel source and the management is engaged extensively with the relevant stakeholders to obtain required regulatory approvals.

During the year, EPQL received both tranches of payment agreed under the Master Agreement signed with CPPA-G in 2021. Consequently, the revised tariff is applicable.

On the operational front, the Company safely concluded its Major Inspection activity.

changes in objectives and strategies

While the Company’s long-term strategies and objectives have remained unchanged compared to last year, Engro Powergen Qadirpur Limited is continuously exploring opportunities to improve its merit order ranking resulting in consistent shareholder value creation.

liquidity and working capital management

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

During the year, the Company has received both tranches of payment agreed under the Master Agreement signed with the CPPA-G in in 2021. Consequently, the Return on Equity (ROE) and the Return on Equity During Construction (RoEDC) has been fixed at 17% per annum in PKR (on NEPRA approved equity at Commercial Operation Date for RoE and RoEDC, calculated at USD/PKR exchange rate of PKR 148/USD, with no future dollar indexation).

EPQL continues to engage with all the relevant stakeholders on alternate fuel options for the plant. It has identified a local source of gas supply from Petroleum Exploration Limited (PEL) and has applied for License Proposed Modification and Tariff on new fuel.

The Company has moved to self O&M from January 1st 2022 and has maintained smooth plant operations.

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, 98% of the dispatch was based on gas hence, the composition of raw material for the Company was 98% 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, 2022.

principal activity

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

Engro Powergen Qadirpur (EPQL) is one of the first green facilities of Pakistan as it utilizes permeate gas (low-BTU and high sulphur content gas) to generate electricity. Prior to conceptualization of EPQL, Permeate Gas was flared and wasted since 1995. 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 a period of 25 years from the date of commencement of commercial operations.

The Company is a subsidiary of Engro Energy Limited, 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

Electricity generation in the CPPA-G system largely remained unchanged in 2022 at 137 billion units. Slowdown in economic activities amid fiscal and monetary constraints affected power demand during the year. Growth in power demand is essential to recover the cost of the capacity additions made over the past years and those in pipeline. Moreover, it is imperative that the overall system is made 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 are high T&D losses, low recovery, power theft, and expensive fuel mix. The new capacity additions in the system coupled with currency devaluation and current economic situation are expected to add to the mounting circular debt due to surge in capacity payments. While the company continues to engage extensively with the relevant stakeholders to manage its liquidity position, we believe this will remain a key challenge.

During the outgoing year, the company due to its indigenous fuel source continued to maintain its high ranking on the merit order, given the elevated international fuel prices in early 2022.

In accordance with the Master Agreement signed between the Government and IPPs in February 2021, a mechanism was agreed to settle the overdue receivables in tranches in exchange for certain revisions in return structure. The company received both the tranches amounting to around ~PKR 8.1Bn in 2022.

operational overview

In 2022, the company was able to demonstrate a billable availability factor of ~93% and dispatched a total net electrical output of 768 GWh, with load factor of 41% during the year, as compared to 46% in 2021. Lower load factor is primarily on account of scheduled maintenance outage due to major overhauls, which is done after every six years.

financial review

Sales revenue for the year 2022 was PKR 10,027 million as compared to PKR 10,204 million last year. The decline in sales revenue is mainly on account of lower dispatch during the year. Gross profit for the year was higher at PKR 1,711 million against PKR 1,383 million last year.

The Company earned a net profit of PKR 1,472 million for 2022 as compared to PKR 1,594 million for 2021 which resulted in earnings per share of PKR 4.55 for 2022 vs PKR 4.92 for 2021.

gas scenario

The Company has a Gas Supply Agreement (GSA) with Sui Northern Gas Pipelines Limited (SNGPL), for 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). In accordance with the terms of the Implementation Agreement (IA), the Company has engaged with all stakeholders and prepared and submitted a gas depletion mitigation plan to PPIB. The company is also actively pursuing relevant stakeholders to finalize alternate fuel plan.

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 2022, our dedicated Primary Healthcare Centre (PHC) for our surrounding villages in partnership with HANDS provided timely medical treatments to over 5,000 patients at the facility. The organization also worked to hold 30 awareness sessions and had over 450 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 3 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.

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 and ensure 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. We carried out a wellness retreat during the year where all our employees spent a day at the beach nourishing their bodies and soul through various activities with dedicated experts in their fields.

Our well-being program, “Elevate” continued this year as well and runs three years strong; under which the counsellor held one on one counselling sessions, structured workshops and group sessions for overall stress relief and holistic well-being.

For continued professional growth, our employees completed 12000+ 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 updates and celebrated employee achievements through the Spot & Long Service Award ceremony where employees that have been part of the team for 5 and 10 years were recognized for their service.

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. In the month of October, a Pinktober bake sale was held in office to raise funds for the breast cancer awareness and in November the Women's Entrepreneurship Day was celebrated

as well where various women owned businesses were highlighted and supported.

The annual employee engagement survey was conducted by the company to determine the satisfaction of the employee workforce during the year 2022, where the Company successfully achieved a healthy engagement index of 92% significantly higher from the 73% last year - demonstrating the sound and people-friendly policies that are in place at EPQL.

health, safety & environment

We not only value our people but are also cognizant of the environment in which we operate. Our compliance and governance activities ensured that EPQL's processes and HSE standards remain at par with global best practices. We ensured 100% compliance with National Environmental Quality Standards (NEQS) and World Bank Group guidelines.

The Company maintained strict health and safety protocols to curb the spread of COVID-19 along with a 100% vaccinated workforce and remained available throughout the year.

Also, Major Inspection activity involving a workforce of around 400+ workers was carried out safely without any COVID cases; the outage was completed with Zero First aid case and zero recordable injury.

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 Process Safety & Risk Management (PSRM) systems is reflected in the fact that the Company has maintained zero Loss Workday Injury, completed 9.85 million safe man hours & over 4,663 days safely without LWI since Commercial Operations Date (COD) of the project. Commitment to environment is also an integral part of our HSE efforts.

near term outlook

On February 11, 2021, the Company and CPPA-G entered into a Master Agreement based on the terms of the MoU, which among other terms included that all undisputed outstanding amounts due and payable to EPQL under the PPA as of 30th November 2020, would be paid in 2 installments, comprising of cash and government issued securities. Further, the Return on Equity (RoE) and the Return on Equity During Construction (RoEDC) was to 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. However, the then existing RoE and RoEDC, together with the applicable indexations, were to apply until the date the applicable exchange

rate under the then Tariff reached PKR 168/USD and instalments are received by the Company, whereupon the Revised RoE and RoEDC were to become applicable and would apply for the remainder of the term. During the year, EPQL received payments against first and second instalment in January 2022 and June 2022, respectively. The revised return is applicable.

The Company continues to engage with relevant stakeholders to agree on a solution as gas from the Qadirpur field is depleting. In relation to Gas Depletion Mitigation Plan/ Option (GDMP/ GDMO), the Projects' Committee of PPIB ("Committee") shared a proposal whereby EPQL will utilize RLNG as the comingling fuel with available Qadirpur permeate gas or HSD, as the case may be, while there will be no provision of minimum dispatch or guaranteed off-take on any fuel in the PPA. RLNG will be supplied by SNGPL on "as and when available" basis. All capex and other costs incurred in relation to implementation of GDMO will be exclusively incurred by EPQL. The term of the GDMP/ GDMO shall be for a period up to December 31, 2025, and the Committee recommended that the project will be re-evaluated in 2025. The Company accepted the proposal, which is subject to approval of the PPIB Board and consents required under the Implementation Agreement.

Moreover, EPQL is actively exploring alternate local fuel options. During the year, the company engaged with Petroleum Exploration Limited (PEL) for supply of 8–13 mmcf/d gas to EPQL. The Company has applied to NEPRA for License Proposed Modification and Tariff on the additional fuel source. EPQL is awaiting the required regulatory approvals.

key shareholding & shares traded

As at December 31, 2022 major shareholder of the Company is Engro Energy Limited, formerly Engro Powergen Ltd. A statement of the general pattern of shareholding along with pattern of shareholding of certain classes of shareholders whose disclosure is required under the reporting framework and the statement of purchase and sale of shares by Directors and their spouses and minor children is shown on page 139.

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, 2023.

dividend

During the year, the Company announced an interim dividend of PKR 5.00 per share on August 4th, 2022 and another interim dividend of PKR 3.00 per share on October 13th, 2022.

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.

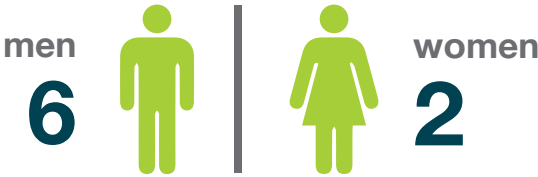
Retirement Fund*	Engro Corporation Ltd. Provident Fund ¹	Engro Corporation Ltd. Gratuity Funds ¹
	31-Dec-22	31-Dec-22
	Rs. in million	
Total Assets	5,033	3,409
Saving Schemes	836	897
Government Securities	2,176	1,637
Listed Securities	1,321	587
Balance with Banks and Term Deposit Receipts	579	200
Others	122	87
Total	5,033	3,409

* unaudited

¹ 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, 2022

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 Mr. Kaiser Bengali Ms. Fauzia Viqar
Non-Executive Directors	Mr. Yusuf Jamil Siddiqui Mr. Farooq Barkat Ali Mr. Shabbir Hashmi Mr. Vaqar Zakaria
Chief Executive Officer	Mr. Shahab Qader

The Composition of the Board Audit Committee is as follows:

Director's Name	
Mr. Kaiser Bengali	Chairman
Mr. Farooq Barkat Ali	Member
Mr. Shabbir Hashmi	Member

The Composition of the Board People Committee is as follows:

Director's Name	
Ms. Fauzia Viqar	Chairperson
Ms. Nausheen Ahmad	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 2022, please refer notes to the Financial Statements.

statement of directors’ responsibilities

The Directors confirm compliance with the Corporate and Financial Reporting Framework of the SECP Code of Corporate Governance for the following:

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and any departures there from have been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the Company's ability to continue as a going concern
- There is no material departure from the best practices of corporate governance, as detailed in the listing regulations.

board meetings and attendance

In 2022, the Board of Directors held 7 meetings to cover its complete cycle of activities. The attendance record of the Directors is as follows:

Director’s Name	Meeting Attended
Mr. Yusuf Jamil Siddiqui*	3
Mr. Farooq Barkat Ali	6
Mr. Shabbir Hashmi	7
Mr. Vaqar Zakaria	7
Ms. Nausheen Ahmad**	1
Mr. Kaiser Bengali	6
Ms. Fauzia Viqar	7
Mr. Shahab Qader	7
Mr. Ahsan Zafar Syed*	4

* Mr. Ahsan Zafar Syed resigned on June 30, 2022 and Mr. Yusuf Jamil Siddiqui had been appointed as director on July 01, 2022.
** Elected as Independent director on October 14, 2022.

In 2022, the Board Audit Committee held 4 meetings. The attendance record of the Directors is as follows:

Director’s Name	Meeting Attended
Mr. Kaiser Bengali (Chairman)	3
Mr. Farooq Barkat Ali	4
Mr. Shabbir Hashmi	4

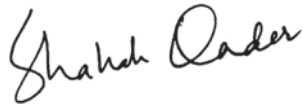
In 2022, the Board People Committee held 2 meetings. The attendance record of the Directors is as follows:

Director’s Name	Meeting Attended
Ms. Fauzia Viqar (Chairperson)	2
Mr. Shahab Qader	2
Mr. Vaqar Zakaria	2
Mr. Ahsan Zafar Syed*	1
Ms. Nausheen Ahmad**	-

* Mr. Ahsan Zafar Syed resigned on June 30, 2022
** Elected as Independent director on October 14, 2022.



Mr. Yusuf Jamil Siddiqui
Chairman



Mr. Shahab Qader
Chief Executive Officer

February 8, 2023

quarter 1

operating performance

The EPQL Plant demonstrated a billable availability factor of 99.9% in Q1 2022. It dispatched a total Net Electrical Output (NEO) of 124 Gwh to the national grid with a load factor of 27% as compared to 41% in Q1 2021. Lower load factor is on account of scheduled maintenance outage due to major overhaul, which is done after every 6 years.

financial performance

Sales revenue for the period was PKR 1,387 Mn compared to PKR 2,332 Mn in the same period last year. The decrease in sales revenue is attributable to lower Period Weighing Factor (PWF) applicable on capacity payments, during the period, as well as due to lower dispatch on account of maintenance outage. Consequently, gross profit for the period was also lower at PKR 109 Mn as compared to PKR 311 Mn in the same period last year. The Company earned a net profit of PKR 151 Mn in Q1, 2022 as compared to PKR 399 Mn in Q1, 2021. Earnings per share stood at PKR 0.47 as compared to PKR 1.23 for the same period last year.

quarter 2

operating performance

The EPQL Plant demonstrated a billable availability factor of 73% in Q2 2022. It dispatched a total Net Electrical Output (NEO) of 207GwH to the national grid with a load factor of 45% compared to 44% in Q2 2021. During the period, EPQL safely concluded the major overhaul of the plant, which is done after every six years.

financial performance

Sales revenue for Q2 2022 was PKR 2,873Mn compared to PKR 2,526 Mn in the same period last year. The increase in sales revenue is primarily attributable to higher capacity payments. Gross profit for Q2 2022 stood lower at PKR 317 Mn as compared to PKR 430 Mn in the same period last year largely due to higher fuel cost on back of dispatch on HSD. The Company earned a net profit of PKR 255 Mn in Q2 2022 as compared to PKR 506 Mn in Q2 2021. Earnings per share stood at PKR 0.79 as compared to PKR 1.56 for the same period last year.

quarter 3

operating performance

The EPQL Plant demonstrated a billable availability factor of 99.2% in Q3 2022. It dispatched a total Net Electrical Output (NEO) of 227 GwH to the national grid with a load factor of 49% compared to 48% in Q3 2021. The Company continued to maintain its high level of commitment towards Health, Safety & Environment (HSE) standards.

financial performance

Sales revenue for Q3 2022 was PKR 3,303 Mn compared to PKR 2,917 Mn in Q3 2021. The increase in sales revenue during the quarter is mainly attributable to higher capacity payments. Consequently, gross profit for Q3 2022 stood at PKR 1,076 Mn as compared to PKR 562 Mn in the same period last year. The Company earned a net profit of PKR 971 Mn in Q3 2022 as compared to PKR 558 Mn in Q3 2021. Earnings per share stood at PKR 3.00 as compared to PKR 1.72 for Q3 2021.

quarter 4

operating performance

The EPQL Plant demonstrated a billable availability factor of 100% in Q4 2022. It dispatched a total Net Electrical Output (NEO) of 210 GwH to the national grid with a load factor of 44% compared to 50% in Q4 2021.

financial performance

Sales revenue for the period was PKR 2,464 Mn compared to PKR 2,429 Mn in the same period last year. Gross profit for the period stood at PKR 209 Mn as compared to PKR 80 Mn in the same period last year. The company earned a net profit of PKR 95 Mn in Q4 2022. Earnings per share stood lower at PKR 0.29 as compared to PKR 0.41 for Q4 2021 largely due to higher finance costs.

(Amounts in thousand)					
Description	Q1	Q2	Q3	Q4	FY 2022
Net Sales	1,386,763	2,873,311	3,302,865	2,463,945	10,026,884
Cost of Sales	(1,277,332)	(2,556,601)	(2,226,663)	(2,254,996)	(8,315,592)
Gross Profit	109,431	316,710	1,076,202	208,949	1,711,292
Administrative expenses	(80,388)	(74,769)	(63,173)	(102,803)	(321,133)
Other expenses	(6,623)	(7,389)	(16,937)	(38,361)	(69,310)
Other income	1,544	12,051	4,969	4,200	22,764
Profit from operations	23,964	246,603	1,001,061	71,985	1,343,613
Finance income - net	127,615	12,431	(29,048)	24,182	135,180
Profit before tax	151,579	259,034	972,013	96,167	1,478,793
Tax	(548)	(4,417)	(663)	(1,409)	(7,037)
Profit after tax	151,031	254,617	971,350	94,758	1,471,756
EPS	0.47	0.79	3.00	0.29	4.55

horizontal
analysis

Balance Sheet (Rs. In '000)

Horizontal Analysis

	2022 Rs.	22 Vs. 21 %	2021 Rs.	21 Vs. 20 %	2020 Rs.	20 Vs. 19 %	2019 Rs.	19 Vs. 18 %	2018 Rs.	18 Vs. 17 %	2017 Rs
EQUITY AND LIABILITIES											
EQUITY											
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	227,182	-	227,182	-	227,182	-	227,182	-	227,182	-	227,182
Hedging reserve	-	(100)	11,575	(7)	12,449	(7)	13,325	(6)	14,199	(129)	(49,606)
Unappropriated profit	9,558,830	(24)	12,620,274	4	12,078,318	16	10,403,899	30	7,972,617	26	6,316,404
Total equity	13,104,789	(19)	16,177,808	3	15,636,726	12	13,963,183	21	11,532,775	18	9,812,757
NON-CURRENT LIABILITIES											
Borrowings	-	-	-	-	-	-	-	(100)	758,568	(73)	2,819,315
Other Payable	-	-	-	(100)	986,605	100	-				
CURRENT LIABILITIES											
Trade and other payables	4,822,707	(25)	6,432,479	24	5,190,675	(38)	8,406,839	60	5,241,411	57	3,346,430
Unclaimed dividend	20,386	(1)	20,589	(9)	22,575	(2)	23,002	(4)	23,933	17	20,528
Accrued interest / mark up	199,306	225	61,319	11	55,268	(40)	92,640	72	53,892	74	30,942
Short term borrowings	6,014,459	27	4,752,443	31	3,618,445	(3)	3,712,840	(1)	3,758,495	17	3,208,672
Current portion of borrowings	-		-		-	(100)	857,047	(69)	2,804,531	37	2,051,918
Unpaid dividend	-		-		-	(100)	485,700	100	-	-	-
Total current liabilities	11,056,858	(2)	11,266,830	27	8,886,963	(35)	13,578,068	14	11,882,262	37	8,658,490
TOTAL EQUITY AND LIABILITIES	24,161,647	(12)	27,444,638	8	25,510,294	(7)	27,541,251	14	24,173,605	14	21,290,562
ASSETS											
NON-CURRENT ASSETS											
Property, plant and equipment	11,112,553	(6)	11,814,962	(7)	12,685,728	(5)	13,299,480	(3)	13,664,179	4	13,169,212
Intangible assets	206,095	(9)	225,726	273	60,459	(12)	68,651	(3)	70,945	(8)	77,044
Long term loans and advances	12,966	(7)	13,938	(40)	23,233	(33)	34,659	(65)	100,057	155	39,243
Long term deposits	2,574	-	2,574	-	2,574	-	2,574	-	2,574	3	2,491
Total non-current assets	11,334,188	(6)	12,057,200	(6)	12,771,994	(5)	13,405,364	(3)	13,837,755	4	13,287,990
CURRENT ASSETS											
Inventories	844,297	55	544,469	(36)	853,335	(1)	863,183	(4)	895,149	2	881,182
Trade debts	9,800,242	(17)	11,842,552	68	7,040,059	(28)	9,806,697	29	7,601,705	36	5,571,570
Short term Investment	449,997	815	49,179	(0)	49,321	(1)	49,963	(0)	50,004	0	50,000
Loans, advances, deposits and prepayments	148,006	62	91,304	(12)	104,018	(8)	113,298	(9)	125,059	35	92,400
Other receivables	1,473,159	(47)	2,780,455	(40)	4,644,272	44	3,225,441	103	1,587,041	19	1,335,280
Taxes recoverable	31,637	(10)	35,042	2	34,254	(47)	64,919	1	64,152	(1)	64,731
Balances with banks	80,121	80	44,437	241	13,041	5	12,386	(3)	12,740	72	7,409
Total current assets	12,827,459	(17)	15,387,438	21	12,738,300	(10)	14,135,887	37	10,335,850	29	8,002,572
TOTAL ASSETS	24,161,647	(12)	27,444,638	8	25,510,294	(7)	27,541,251	14	24,173,605	14	21,290,562

Note: Commercial operations commenced from March 27, 2010

vertical
analysis

Balance Sheet (Rs. In '000)
Vertical Analysis

	2022 Rs.	%	2021 Rs.	%	2020 Rs.	%	2019 Rs.	%	2018 Rs.	%	2017 Rs.	%
EQUITY AND LIABILITIES												
EQUITY												
Share capital	3,238,000	13	3,238,000	12	3,238,000	13	3,238,000	12	3,238,000	13	3,238,000	15
Share premium	80,777	-	80,777	-	80,777	-	80,777	-	80,777	-	80,777	-
Maintenance reserve	227,182	1	227,182	1	227,182	1	227,182	1	227,182	1	227,182	1
Hedging reserve	-	-	11,575	-	12,449	-	13,325	-	14,199	-	(49,606)	-
Unappropriated profit	9,558,830	40	12,620,274	46	12,078,318	47	10,403,899	38	7,972,617	33	6,316,404	30
Total Equity	13,104,789	54	16,177,808	59	15,636,726	61	13,963,183	51	11,532,775	48	9,812,757	46
NON-CURRENT LIABILITIES												
Borrowings	-	-	-	-	-	-	-	758,568	3	2,819,315	13	-
Other Payable	-	-	-	-	986,605	-	4	-	-	-	-	-
CURRENT LIABILITIES												
Trade and other payables	4,822,707	20	6,432,479	23	5,190,675	20	8,406,839	31	5,241,411	22	3,346,430	16
Unclaimed dividend	20,386	-	20,589	-	22,575	-	23,002	-	23,933	-	20,528	-
Accrued interest / mark up	199,306	1	61,319	-	55,268	-	92,640	-	53,892	-	30,942	-
Short term borrowings	6,014,459	25	4,752,443	17	3,618,445	14	3,712,840	13	3,758,495	16	3,208,672	15
Current portion of borrowings	-	-	-	-	-	-	857,047	3	2,804,531	12	2,051,918	10
Unpaid dividend	-	-	-	-	-	-	485,700	2	-	-	-	-
Total Liabilities	11,056,858	46	11,266,830	41	8,886,963	35	13,578,068	49	11,882,262	49	8,658,490	41
TOTAL EQUITY AND LIABILITIES	24,161,647	100	27,444,638	100	25,510,294	100	27,541,251	100	24,173,605	100	21,290,562	100
ASSETS												
NON-CURRENT ASSETS												
Property, plant and equipment	11,112,553	46	11,814,962	43	12,685,728	50	13,299,480	48	13,664,179	57	13,169,212	62
Intangible assets	206,095	1	225,726	1	60,459	-	68,651	-	70,945	-	77,044	-
Long term loans and advances	12,966	-	13,938	-	23,233	-	34,659	-	100,057	-	39,243	-
Long term deposits	2,574	-	2,574	-	2,574	-	2,574	-	2,574	-	2,491	-
Total non-current assets	11,334,188	47	12,057,200	44	12,771,994	50	13,405,364	48	13,837,755	57	13,287,990	62
CURRENT ASSETS												
Inventories	844,297	3	544,469	2	853,335	3	863,183	3	895,149	4	881,182	6
Trade debts	9,800,242	41	11,842,552	44	7,040,059	29	9,806,697	36	7,601,705	31	5,571,570	26
Short term Investment	449,997	2	49,179	-	49,321	-	49,963	-	50,004	-	50,000	-
Loans, advances, deposits and prepayments	148,006	1	91,304	-	104,018	-	113,298	1	125,059	1	92,400	-
Other receivables	1,473,159	6	2,780,455	10	4,644,272	18	3,225,441	12	1,587,041	7	1,335,280	6
Taxes recoverable	31,637	-	35,042	-	34,254	-	64,919	-	64,152	-	64,731	-
Balances with banks	80,121	-	44,437	-	13,041	-	12,386	-	12,740	-	7,409	-
Total current assets	12,827,459	53	15,387,438	56	12,738,300	50	14,135,887	52	10,335,850	43	8,002,572	38
TOTAL ASSETS	24,161,647	100	27,444,638	100	25,510,294	100	27,541,251	100	24,173,605	100	21,290,562	100

Note: Commercial operations commenced from March 27, 2010

horizontal & vertical analysis

Profit and Loss Account Amounts in '000

	2022 Rs.	22 Vs. 21 %	2021 Rs.	21 Vs. 20 %	2020 Rs.	20 Vs. 19 %	2019 Rs.	19 Vs. 18 %	2018 Rs.	18 Vs. 17 %	2017 Rs.
Horizontal Analysis											
Sales	10,026,884	(2)	10,203,775	26	8,097,818	(39)	13,201,094	11	11,874,365	2	11,589,512
Cost of Sales	(8,315,592)	(6)	(8,820,758)	39	(6,358,895)	(34)	(9,584,745)	8	(8,837,993)	-	(8,863,784)
Gross profit	1,711,292	24	1,383,017	(20)	1,738,923	(52)	3,616,349	19	3,036,372	11	2,725,728
Administrative Expenses	(321,133)	91	(168,020)	62	(103,724)	4	(99,509)	(21)	(125,582)	8	(116,754)
Other expenses	(69,310)	23	(56,414)	(15)	(66,350)	21	(54,807)	(38)	(87,894)	49	(58,835)
Other income	22,764	457	4,090	(95)	79,681	4,779	1,633	(9)	1,785	(98)	110,224
Profit from operations	1,343,613	16	1,162,673	(29)	1,648,530	(52)	3,463,666	23	2,824,681	6	2,660,363
Finance income / (cost) - net	135,180	(69)	433,529	(3)	445,715	(873)	(57,663)	(71)	(196,005)	(27)	(269,221)
Profit before taxation	1,478,793	(7)	1,596,202	(24)	2,094,245	(39)	3,406,003	30	2,628,676	10	2,391,142
Taxation	(7,037)	271	(1,895)	(87)	(15,075)	354	(3,321)	212	(1,063)	114	(497)
Profit for the year	1,471,756	(8)	1,594,307	(23)	2,079,170	(39)	3,402,682	29	2,627,613	10	2,390,645
Vertical Analysis											
Sales	10,026,884	100	10,203,775	100	8,097,818	100	13,201,094	100	11,874,365	100	11,589,512
Cost of Sales	(8,315,592)	(83)	(8,820,758)	(86)	(6,358,895)	(79)	(9,584,745)	(73)	(8,837,993)	(74)	(8,863,784)
Gross profit	1,711,292	17	1,383,017	14	1,738,923	21	3,616,349	27	3,036,372	26	2,725,728
Administrative expenses	(321,133)	(3)	(168,020)	(2)	(103,724)	(1)	(99,509)	(1)	(125,582)	(1)	(116,754)
Other expenses	(69,310)	(1)	(56,414)	(1)	(66,350)	(1)	(54,807)	-	(87,894)	(1)	(58,835)
Other income	22,764	-	4,090	-	79,681	1	1,633	-	1,785	-	110,224
Profit from operations	1,343,613	13	1,162,673	11	1,648,530	20	3,463,666	26	2,824,681	24	2,660,363
Finance income / (cost) - net	135,180	1	433,529	4	445,715	6	(57,663)	-	(196,005)	(2)	(269,221)
Profit before taxation	1,478,793	15	1,596,202	16	2,094,245	26	3,406,003	26	2,628,676	22	2,391,142
Taxation	(7,037)	-	(1,895)	-	(15,075)	-	(3,321)	-	(1,063)	-	(497)
Profit for the year	1,471,756	15	1,594,307	16	2,079,170	26	3,402,682	26	2,627,613	22	2,390,645

Note: Commercial operations commenced from March 27, 2010

key summary

Rs. in '000	2022 Rs.	2021 Rs.	2020 Rs.	2019 Rs.	2018 Rs.	2017 Rs.
Summary of Balance Sheet						
Share capital	3,238,000	3,238,000	3,238,000	3,238,000	3,238,000	3,238,000
Maintenance Reserve	227,182	227,182	227,182	227,182	227,182	227,182
Shareholders' funds / Equity	13,104,789	16,177,808	15,636,726	13,963,183	11,532,775	9,812,757
Long term borrowings	-	-	-	857,047	3,563,099	4,871,233
Other payable	-	2,775,636	3,295,495	-	-	-
Capital employed	13,104,789	16,177,808	15,636,726	14,820,230	15,095,874	14,683,990
Property, plant & equipment	11,112,553	11,814,962	12,685,728	13,299,480	13,664,179	13,169,212
Long term assets	11,334,188	12,057,200	12,771,994	13,405,364	13,837,755	13,287,990
Net current assets (liabilities) / Working capital	1,770,601	6,896,244	6,160,227	1,414,866	1,258,119	1,396,000
Summary of Profit and Loss						
Sales	10,026,884	10,203,775	8,097,818	13,201,094	11,874,365	11,589,512
Gross profit	1,711,292	1,383,017	1,738,923	3,616,349	3,036,372	2,725,728
Profit from operations	1,343,613	1,162,673	1,648,530	3,463,666	2,824,681	2,660,363
Profit before taxation	1,478,793	1,596,202	2,094,245	3,406,003	2,628,676	2,391,142
Profit for the year	1,471,756	1,594,307	2,079,170	3,402,682	2,627,613	2,390,645
EBITDA	2,890,102	2,720,198	3,365,696	4,799,969	3,859,641	3,562,175
Summary of Cash Flows						
Net cash flow from operating activities	4,281,665	374,796	2,457,308	4,234,290	3,376,823	3,051,685
Net cash flow from investing activities	(544,366)	(108,518)	(53,889)	(114,387)	(162,582)	(83,532)
Net cash flow from financing activities	(4,963,631)	(1,368,880)	(2,308,369)	(4,124,606)	(3,758,729)	(3,290,039)
Changes in cash & cash equivalents	(1,226,332)	(1,102,602)	95,050	(4,703)	(544,488)	(321,886)
Cash & cash equivalents at year end	(5,934,338)	(4,708,006)	(3,605,404)	(3,700,454)	(3,695,751)	(3,151,263)
Summary of Actual Production						
Maximum Generation Possible	MWh	1,860,982	1,862,519	1,865,859	1,867,043	1,863,724
Declared Capacity Billable	MWh	1,742,045	1,862,519	1,860,213	1,865,583	1,862,203
Net Electrical Output	MWh	768,202	861,197	550,415	1,097,427	1,526,309

cash flow statement

direct method

(Rupees in thousand)

Cash Flows From Operating Activities

Cash receipts from customers - net
Cash paid to suppliers / service providers and employees - net
Payment to Workers' Profit Participation fund - net
Taxes recovered / (paid) - net
Net cash generated from operating activities

Cash Flows From Investing Activities

Purchase of property, plant and equipment
Purchase of intangible assets
Proceeds from disposal of property, plant and equipment
Investments made during the year
Investments encashed/matured during the year
Net cash utilised in investing activities

Cash Flows From Financing Activities

Repayments of long-term borrowings
Finance cost paid
Dividends paid
Net cash utilised in financing activities

Net decrease in cash and cash equivalents

Cash and cash equivalents at beginning of the year

Cash and cash equivalents at end of the year

2022

2021

14,851,741	9,164,957
(10,491,444)	(8,702,981)
(75,000)	(84,497)
(3,632)	(2,683)
4,281,665	374,796
(110,468)	(41,515)
(12,767)	(77,616)
2,113	7,483
(6,179,940)	(248,859)
5,756,696	251,989
(544,366)	(108,518)
-	-
(430,228)	(314,543)
(4,533,403)	(1,054,337)
(4,963,631)	(1,368,880)
(1,226,332)	(1,102,602)
(4,708,006)	(3,605,404)
(5,934,338)	(4,708,006)

ratios of last

six years

Profitability Ratios:

Gross profit to sales
Net profit to sales
EBITDA Margin to Sales
Return on Equity
Return on Capital Employed
Operating leverage ratio

Liquidity Ratios:

Current ratio
Quick / acid test ratio
Cash and cash equivalents to Current Liabilities
Cash flow from Operations to Sales

Activity / Turnover Ratios:

No. of days in receivables
Debtors turnover ratio.
No. of days in payables
Credit turnover ratio.
Total assets turnover ratio
Fixed Assets turnover ratio
Operating cycle

Investment / Market Ratios:

Earnings per share
Price earnings ratio
Price to book ratio
Dividend payout ratio
Dividend cover ratio
Dividend yeild ratio
Market value per share at the end of the year and high during the year
low during the year
Breakup value per share
Cash dividend per share

Capital Structure Ratios:

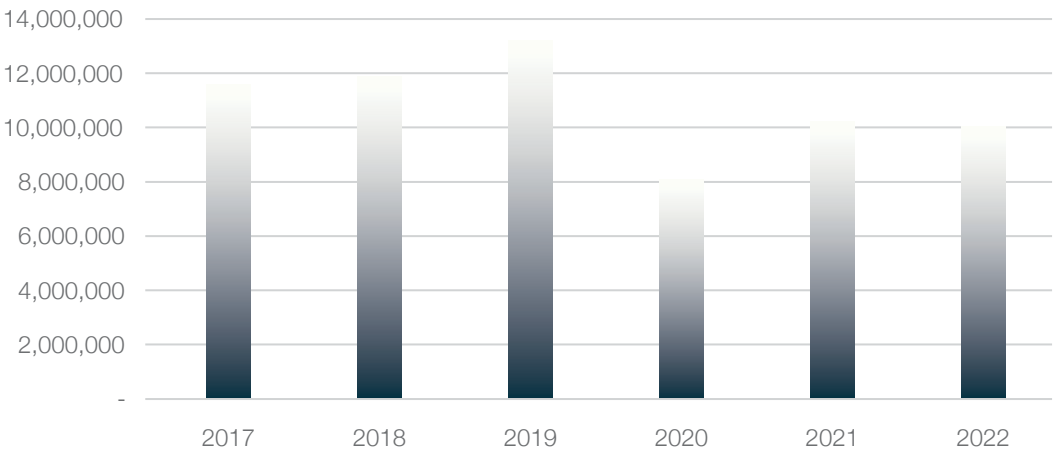
Financial leverage ratio
Weighted average cost of debt
Debt to Equity ratio (as per book)
Debt to Equity ratio (as per market value)
Interest cover ratio

202220212020201920182017

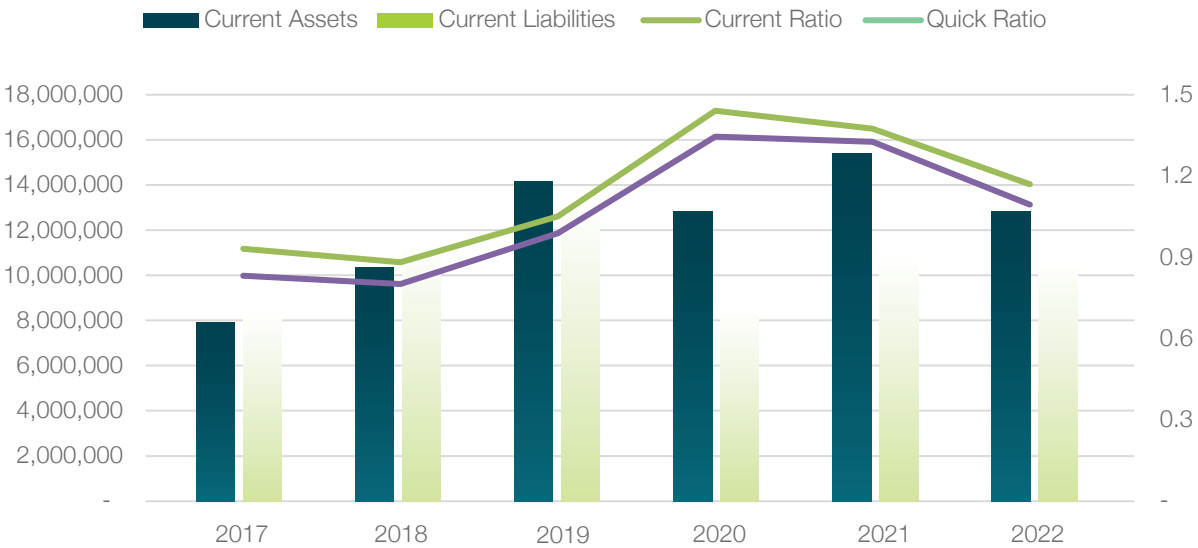
%	17%	14%	21%	27%	26%	24%
%	15%	16%	26%	26%	22%	21%
%	29%	27%	42%	36%	33%	31%
%	11%	10%	13%	24%	23%	24%
%	11%	10%	14%	23%	18%	16%
Times	-3.9	-1.0	0.9	2.6	4.0	23.1
Times	1.16	1.37	1.43	1.04	0.87	0.92
Times	1.08	1.32	1.34	0.98	0.79	0.82
%	-54%	-42%	-41%	-27%	-31%	-36%
%	43%	4%	30%	32%	28%	26%
Days	394	338	380	241	202	149
Times	0.93	1.08	0.96	1.52	1.80	2.45
Days	171	188	317	194	111	41
Times	2.13	1.94	1.15	1.88	3.28	8.82
Times	0.41	0.37	0.32	0.48	0.49	0.54
Times	0.88	0.85	0.63	0.98	0.86	0.87
Days	223	150	62	47	91	108
(PKR)	4.55	4.92	6.42	10.51	8.11	7.38
(Times)	5.45	3.93	3.10	2.49	3.51	4.47
(Times)	0.62	0.39	0.41	0.61	0.80	1.09
(%)	176%	152%	47%	29%	18%	44%
(%)	57%	66%	214%	350%	541%	227%
(%)	32%	39%	15%	11%	5%	10%
(PKR)	24.78	19.33	19.90	26.19	28.50	33.02
(PKR)	30.15	23.19	27.63	30.45	35.50	38.25
(PKR)	19.00	16.76	17.17	18.93	28.00	30.55
(PKR)	40.47	49.96	48.29	43.12	35.62	30.30
(PKR per share)	8.00	7.50	3.00	3.00	1.50	3.25
(Times)	0.00	0.00	0.00	0.06	0.31	0.50
(%)	0%	0%	5%	8%	6%	5%
(Times)	0.00	0.00	0.00	0.06	0.31	0.50
(Times)	0.00	0.00	0.00	0.10	0.39	0.46
(Times)	0.00	0.00	79.39	19.61	10.61	9.83

snapshots

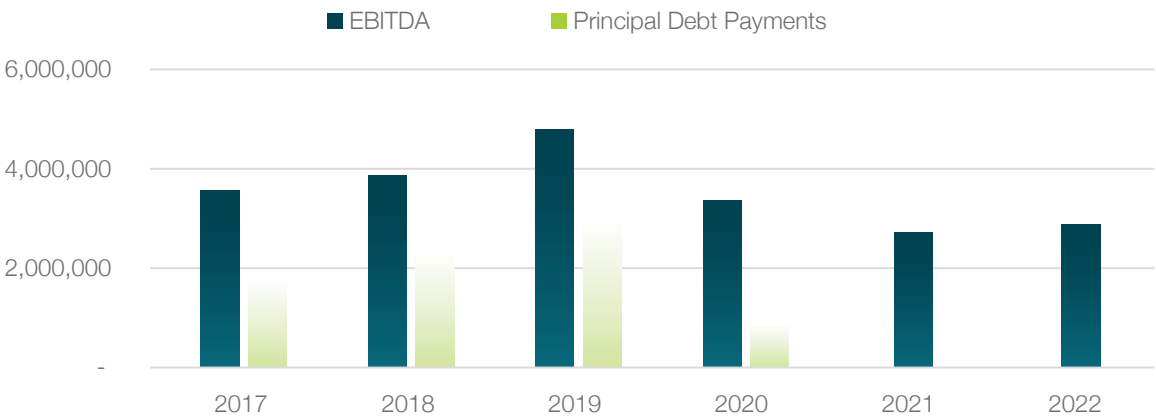
Sales (Rs. in 000's)



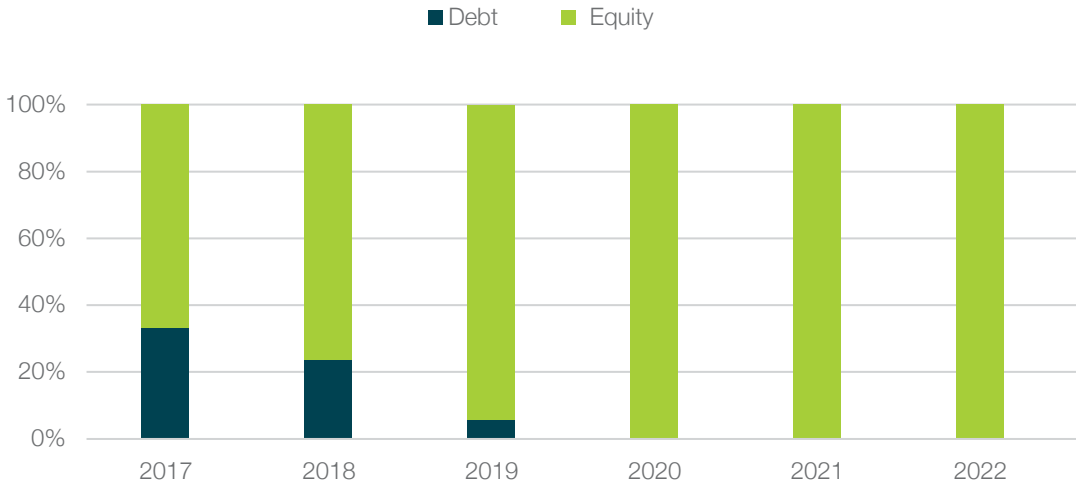
Liquidity Analysis (Rs. in 000's)



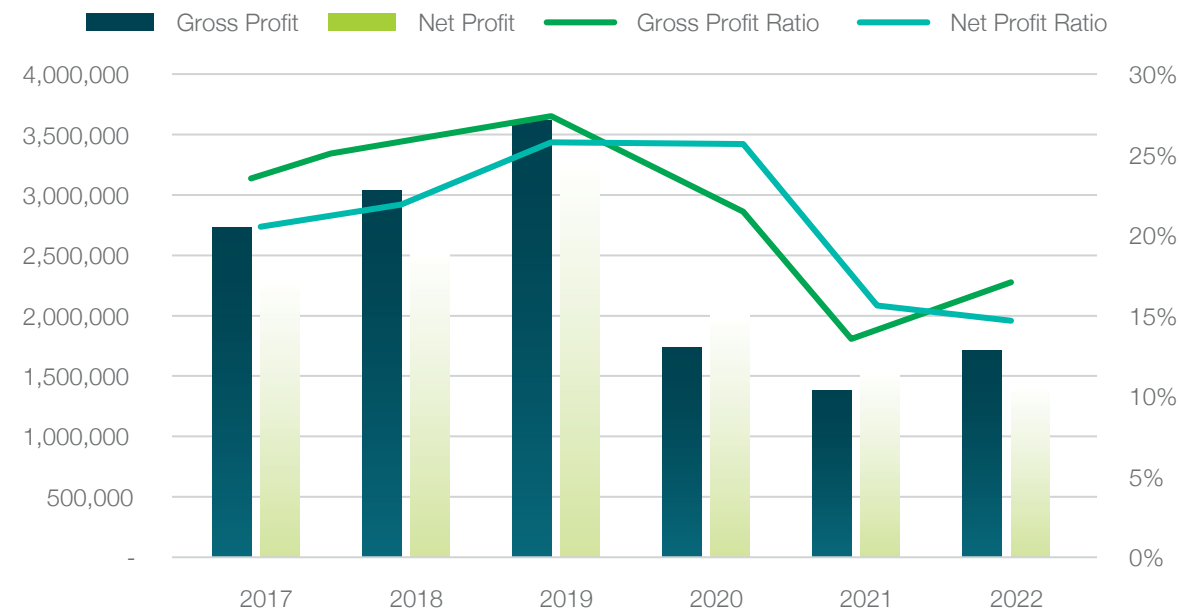
EBITDA and Principal Debt Repayments (Rs. in 000's)



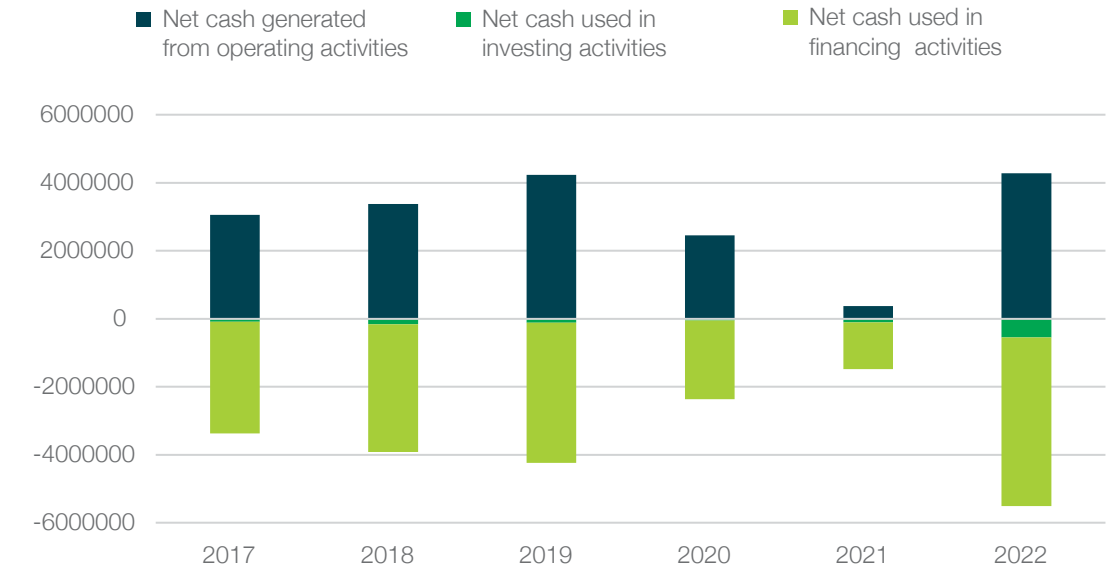
Capital Structure



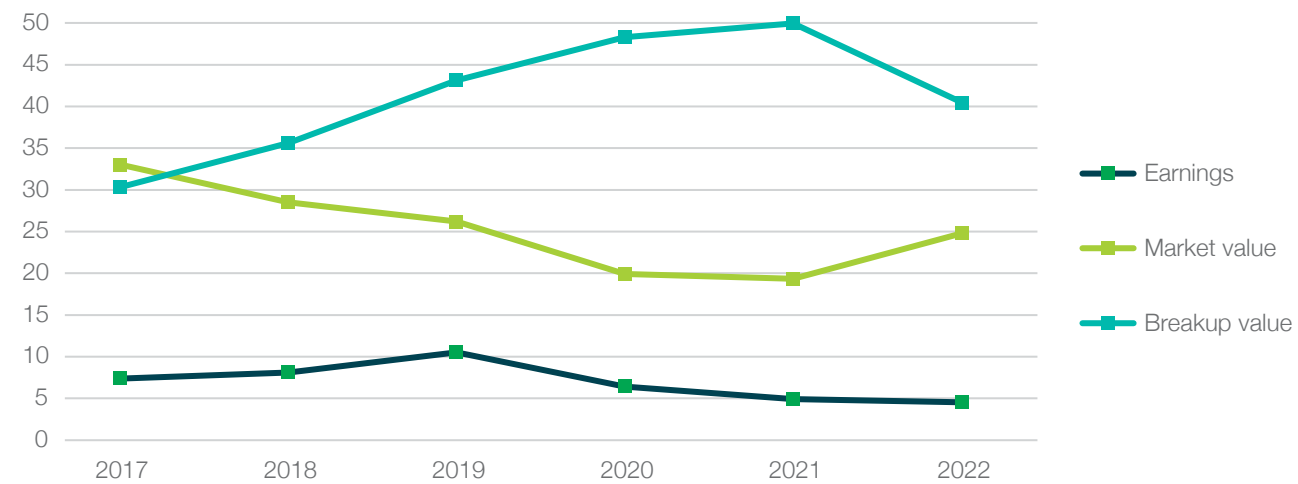
Gross Profit and Net Profit (Rs. in million)



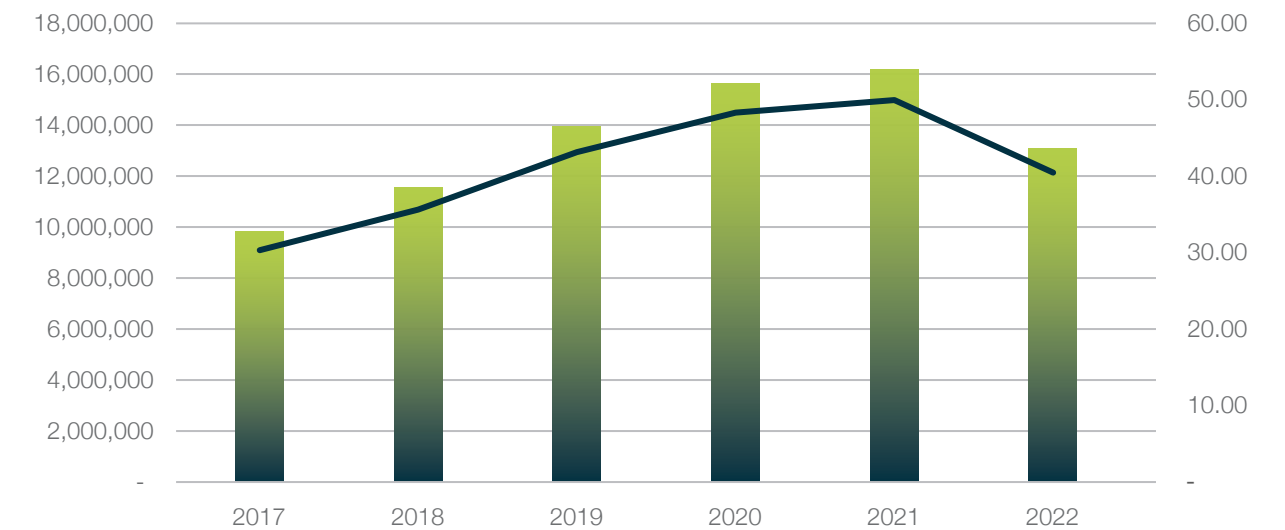
Cash Flow Analysis (Rs. in 000's)



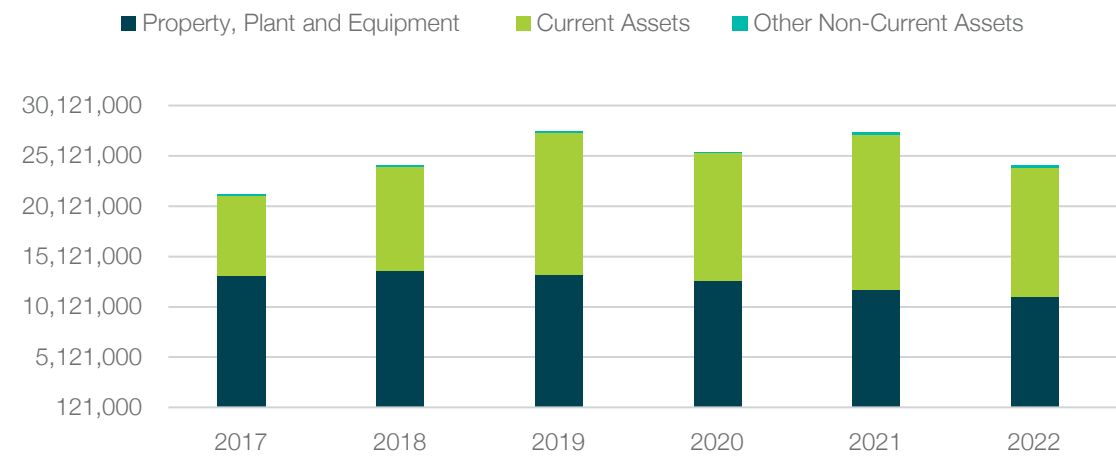
Earnings, Break Up Value and Market Value (in Rs. per share)



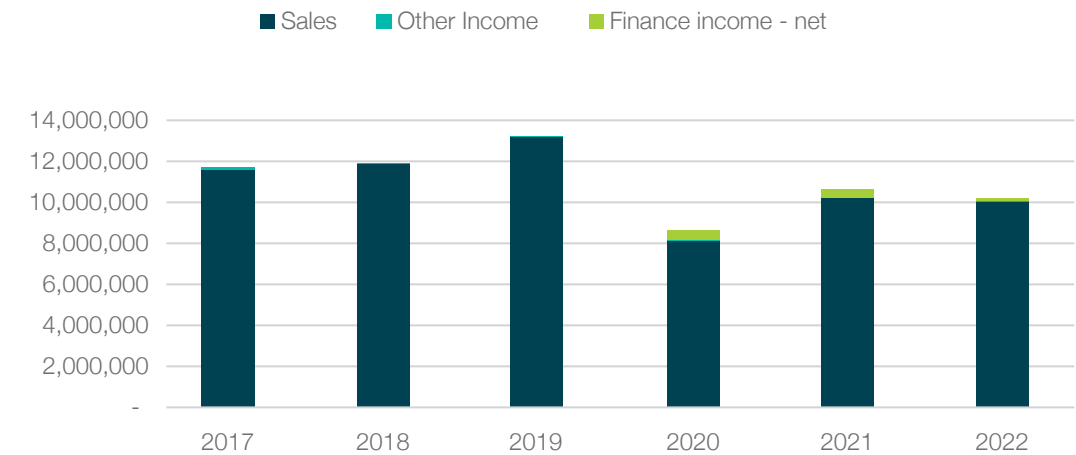
Equity and Net Assets Per Share



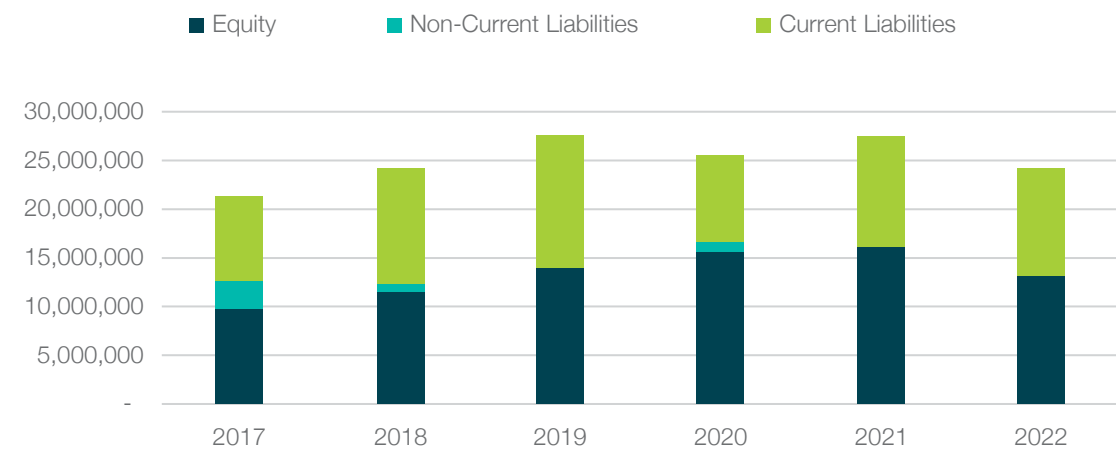
Balance Sheet Analysis (Assets) (Rs. 000's)



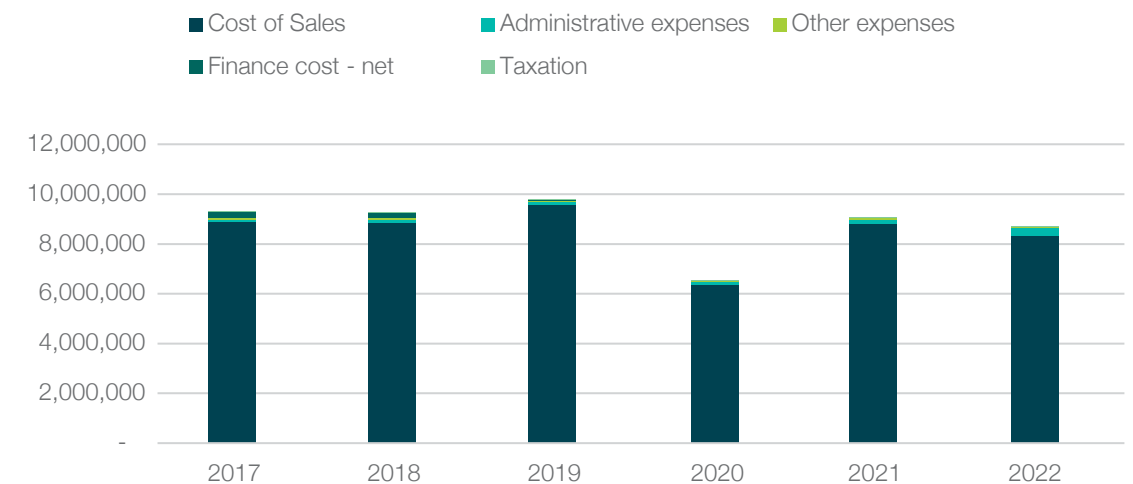
Profit and Loss Analysis (Income) (Rs. 000's)

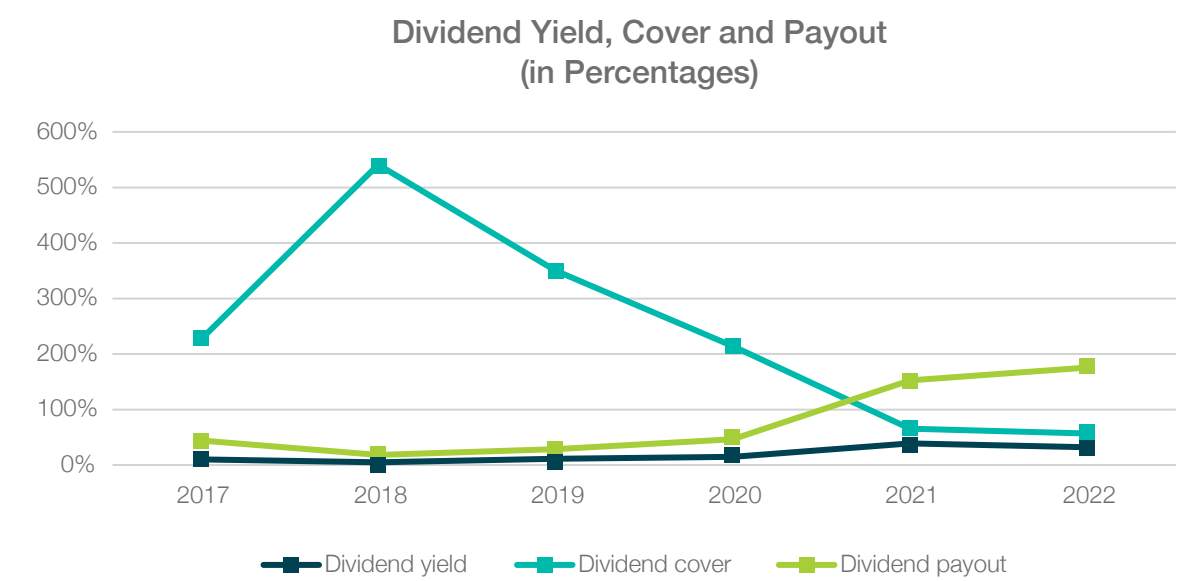
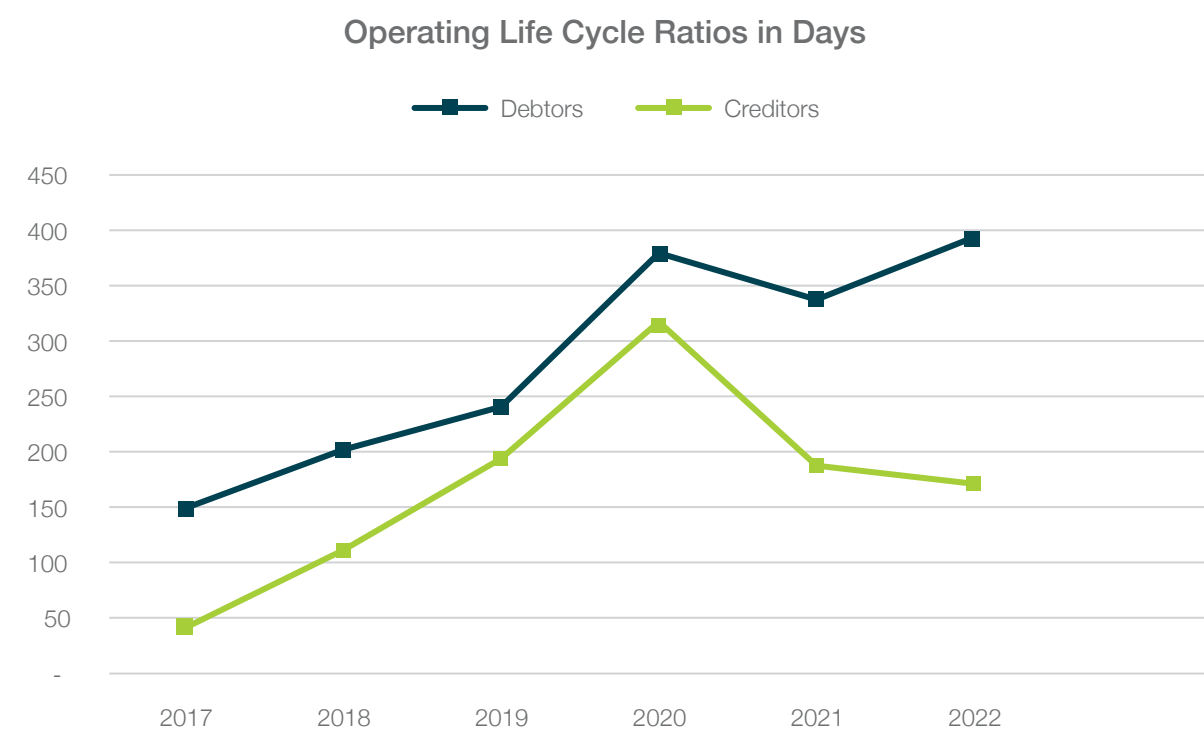
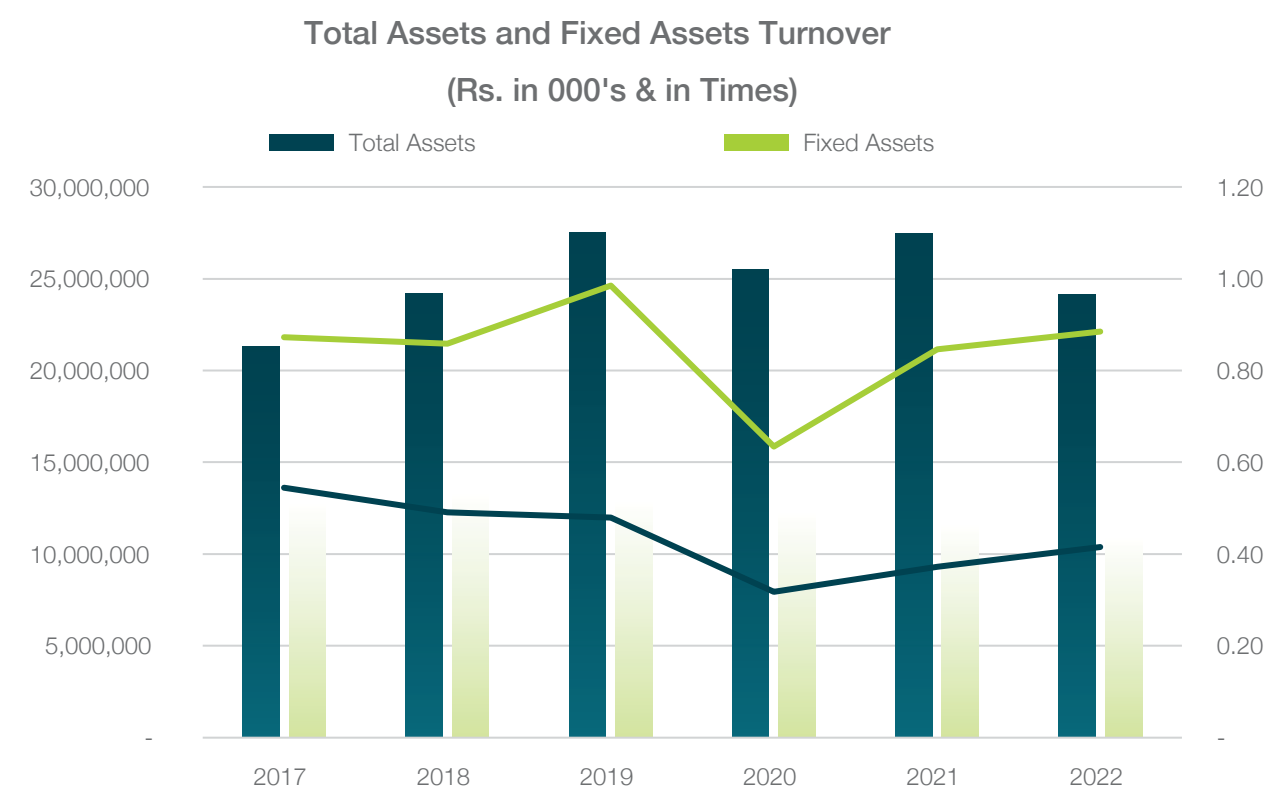
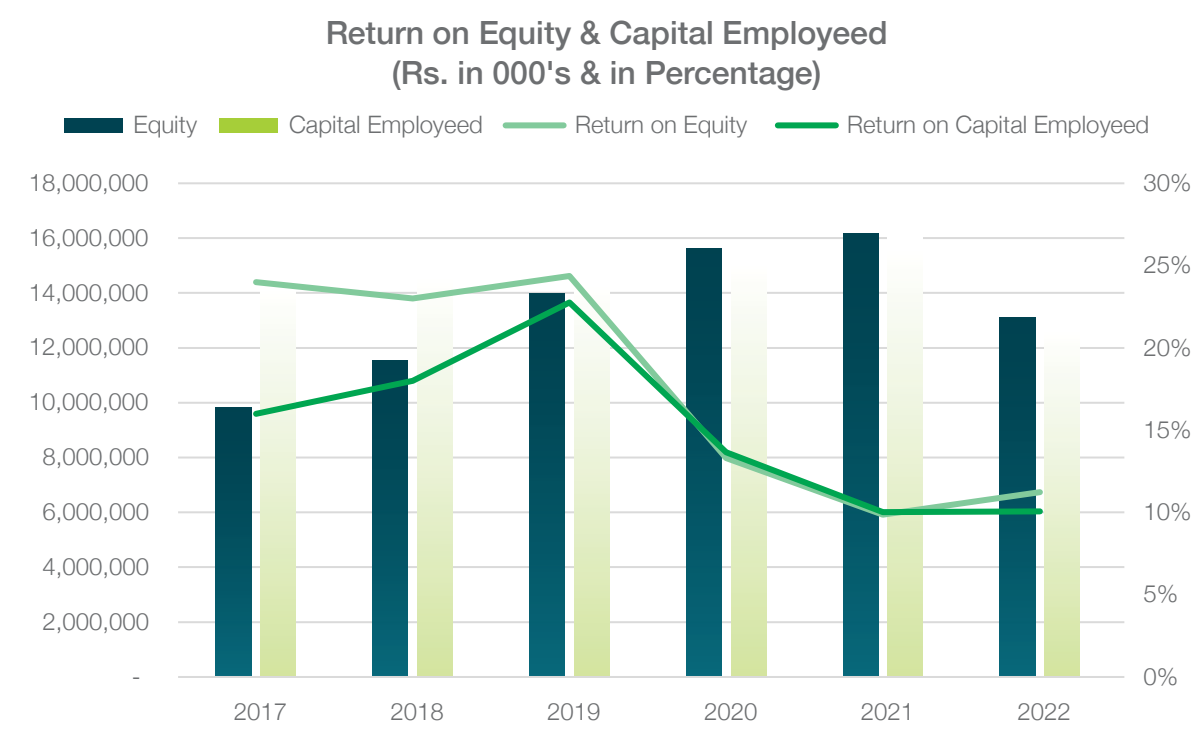


Balance Sheet Analysis (Equity and Liabilities) (Rs. 000's)

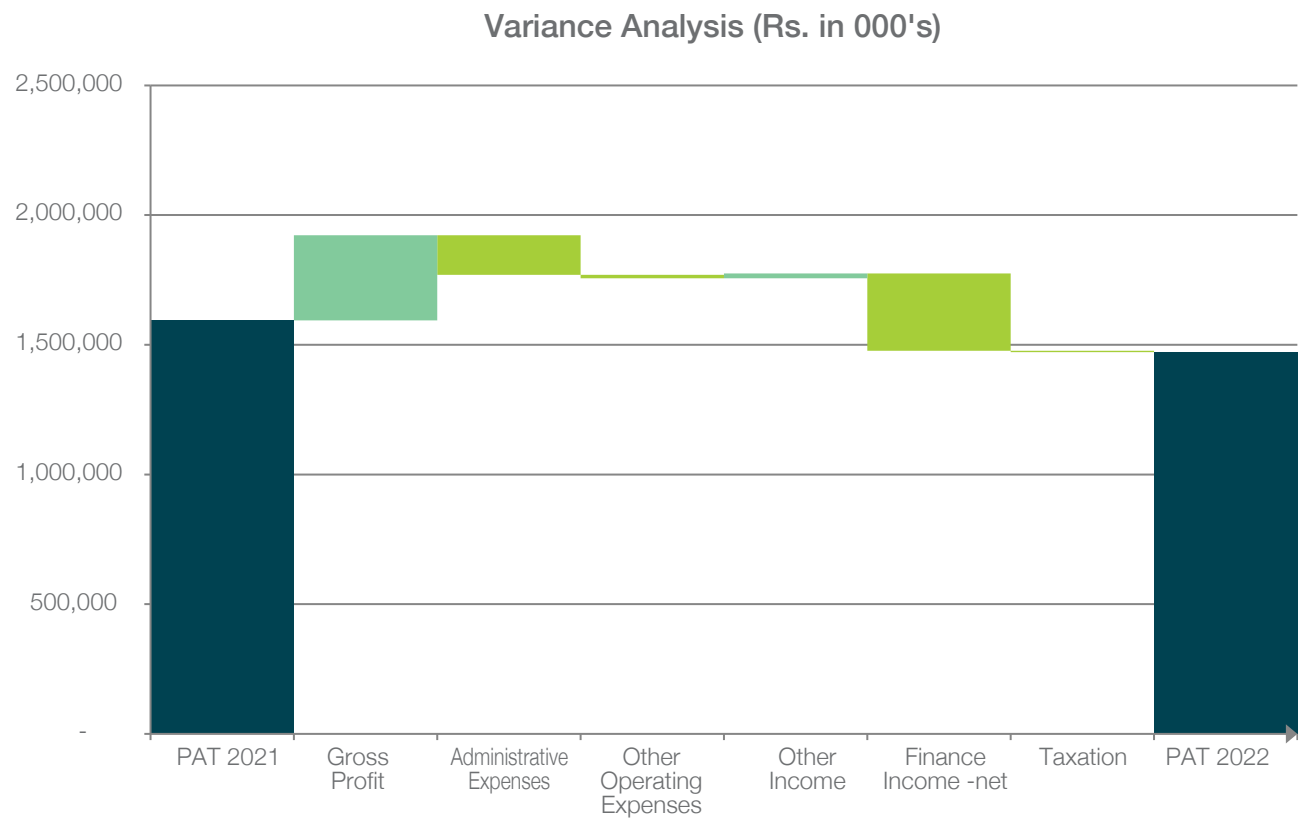


Profit and Loss Analysis (Expenses) (Rs. 000's)

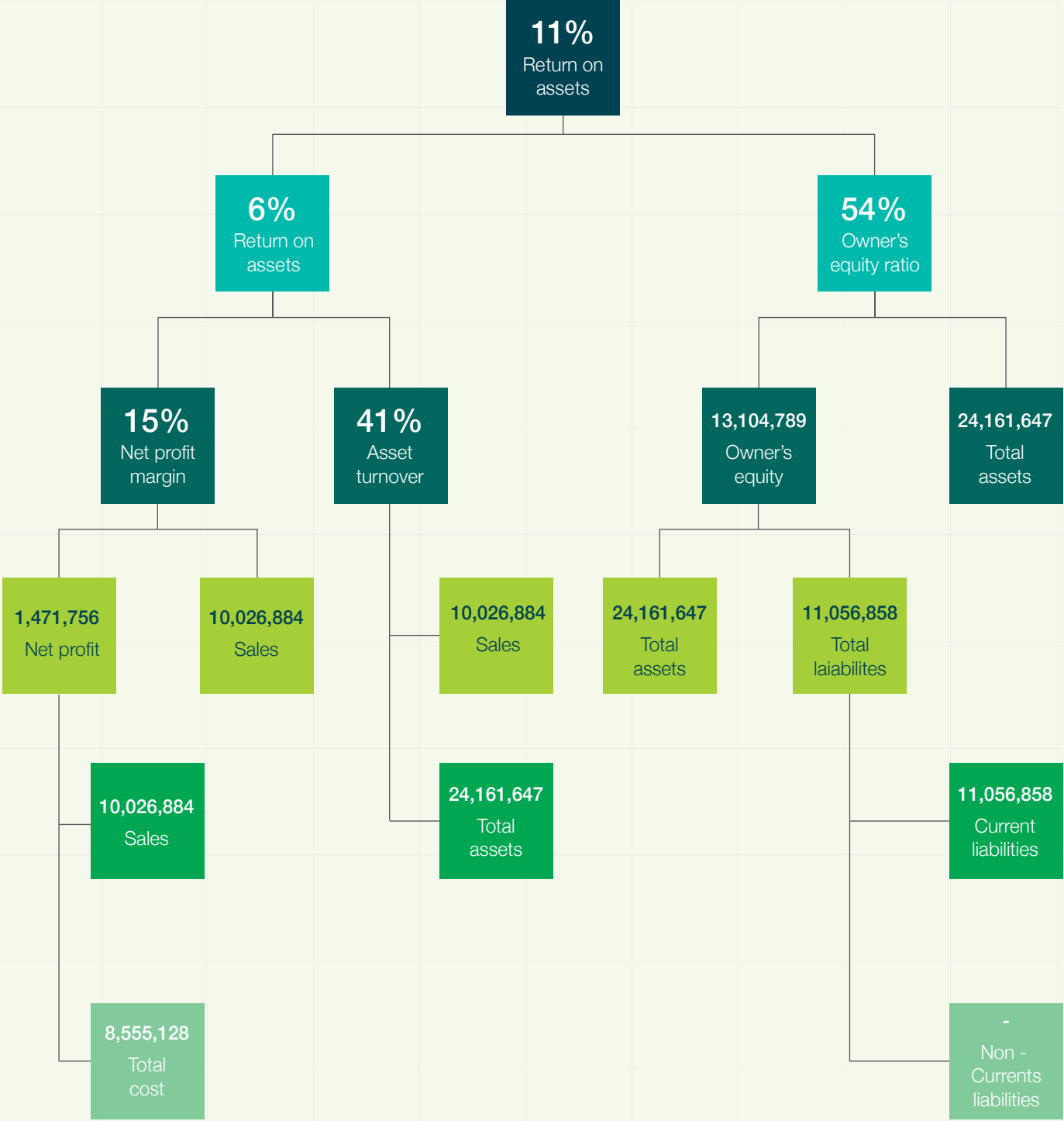




variance
analysis



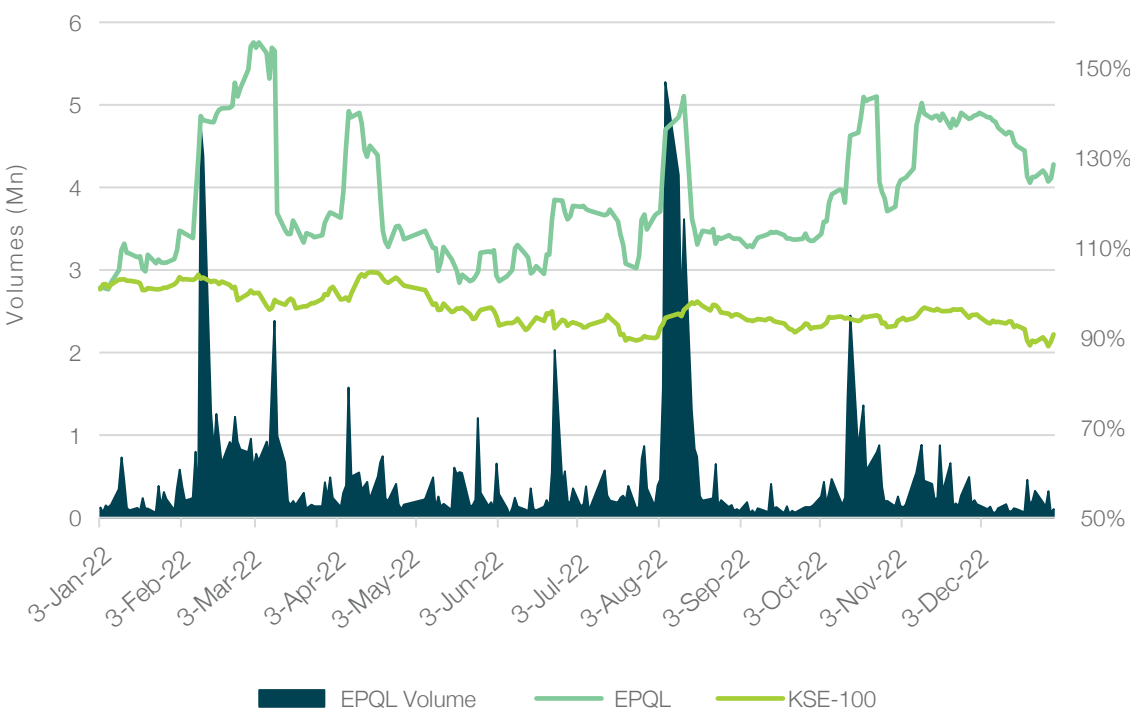
dupont analysis



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.

During the year, ~116 Mn shares were traded at Pakistan stock exchange at an average per share of RS 23.32. During the year, the stock price peaked at RS 30.15 and bottomed at Rs 19.00.



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.

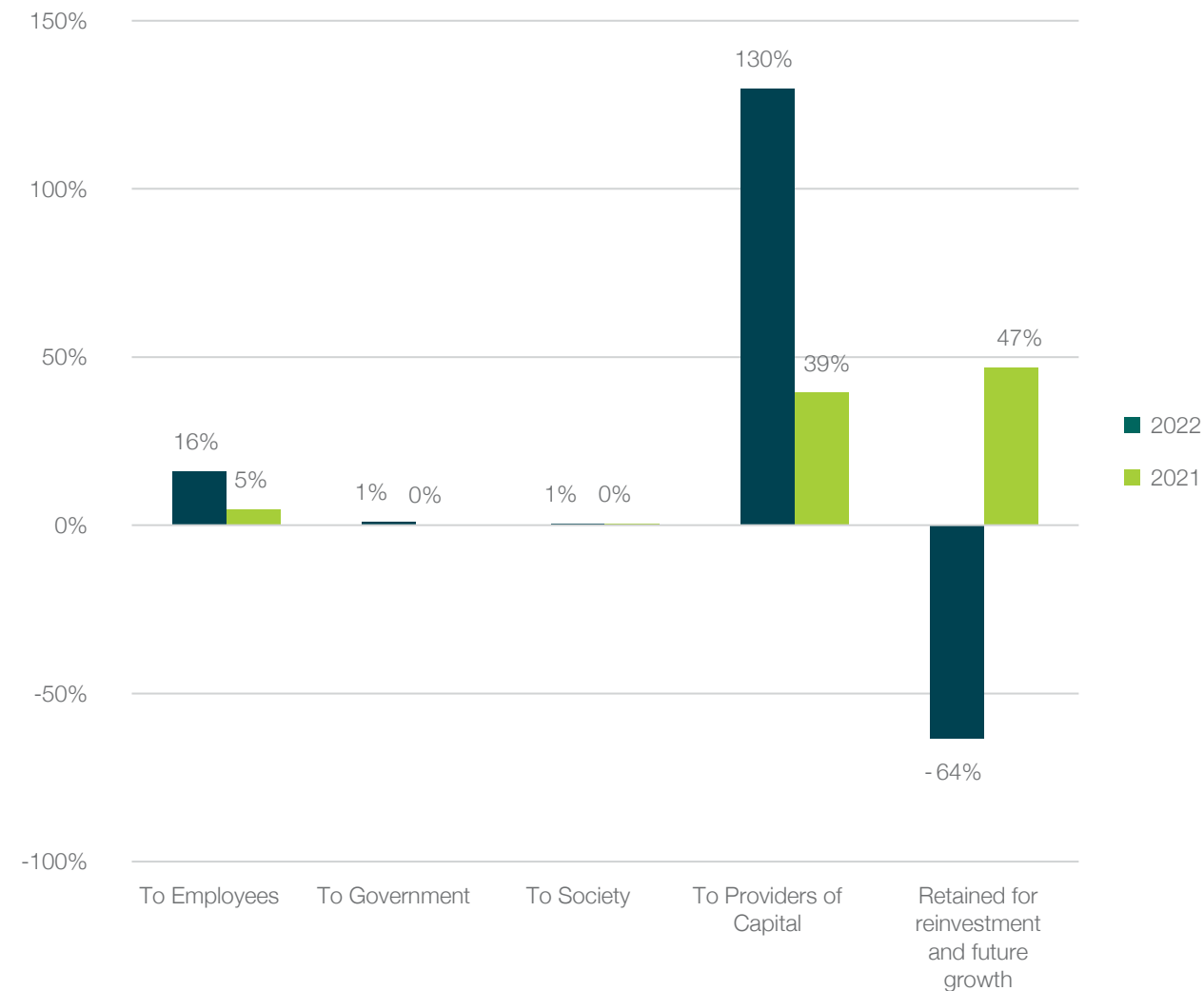
statement of value
addition & distribution

Engro Powergen Qadirpur Limited

(Amounts in '000)

	2022 Rs.	2021 Rs.
Wealth Generated		
Total Revenue Inclusive Of Sales Tax And Other Income	11,932,033	12,344,224
bought-in-raw Material And Services	(8,438,684)	(9,472,718)
	<u>3,493,349</u>	<u>2,871,506</u>
Wealth Distributed		
To Employees salaries, Benefits And Other Costs	558,484	136,197
To Government taxes And Duties	34,165	3,579
To Society donation Towards Education, Health, Environment And Natural Disaster	17,635	13,427
To Providers Of Capital dividend To Shareholders	4,533,200	1,052,351
Mark-up/interest Expense On Borrowed Money	568,215	320,594
	5,101,415	1,372,945
Retained For Reinvestment And Future Growth depreciation, Amortization And Retained Profit (Net Of Dividend Paid)	(2,218,350)	1,345,358
	<u>3,493,349</u>	<u>2,871,506</u>

statement of value addition 2022 vs. 2021



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 maintained its merit order position on gas and stayed within the top 10 of the list. EPQL recorded load factor of 41% in 2022, which is lower than last year on account of scheduled maintenance outage during the year, which is done after every six years. 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, dispatch may be affected during winter months, especially if demand growth does not keep up given the ongoing economic situation in the country. Moreover, the sector is gripped by growing 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 operational 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 also 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 identified a local fuel source from PEL to supply 8 – 13 mmcf of gas to EPQL. Generation License and tariff modification request has been submitted to NEPRA and the management is engaged actively with the relevant stakeholders to obtain required regulatory approvals.

The deep-rooted issue of rising Circular debt and its adverse impact on businesses poses 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.

With addition in generation assets, power producers lower in the merit order face the uncertainty of consistent dispatch in case growth in power demand does not keep up. The Company is extensively developing business strategies to enhance plant load factor and improve merit order position, thus unlocking shareholder value.

Due to current situation, imports of spares may be impacted. EPQL management is extensively engaged with relevant stakeholders to avoid any delays in foreign procurement of critical equipment.



**environmental
stewardship**

our environmental performance

As a leading energy player, we are aware of our commitment to include a broader stakeholder community so we can establish a truly sustainable framework of doing business. We, as a company are passionate about ensuring that our policies & procedures remain eco-friendly and over the years, we have demonstrated our focus on the environment by taking ownership of our environmental footprint year on year.

environmental stewardship strategy

To align our focus on driving an eco-friendlier approach towards doing business we continue to focus our efforts on a four-pronged strategy to manage our investments in health, safety and environment. Based on these identified focus areas, we formulate our own health, safety and environmental stewardship strategy catering to our specific business operations. This agenda includes:

- Environmental Footprint Management
- Adherence to Local Laws and Global Standards
- Occupational Health & Safety
- Conservation of Natural Resources

Over the years, we have been able to maintain business growth while reducing our environmental impact through a focused eco-efficient approach. Our operations are ISO 14001 certified and fully compliant with the national environmental regulations. Moving beyond regulations and compliances, we have adopted strict international best practices on environmental management, like British Safety Council Environmental Program and WWF Green Office certification. We have a sound policy in place with regards to this agenda, which is factually enforced, across our business by designated teams having environmental experts. Our environmental management function is subject to internal audit and independent third-party audits as well.

During the year 2022, Environmental Action Plan and the Social & environmental covenants were regularly monitored, and quarterly reports were sent to Sindh Environmental Protection Agency as per legal requirement with no deviations reported during the year. The major results of the operations-phase environmental monitoring plan are as follows:

Activity	Objectives of monitoring	Parameters to be monitored	Measurements	Location	Frequency	Remarks
Plant noise Emission	To ensure that the noise levels at the plant boundary wall comply with the world bank noise standards	Ambient noise level at the boundary and various locations within the plant	A-weighted noise levels – 24 hours, readings taken at 15 s intervals over 15 min. every hour, and then averaged	Along the plant boundary wall at 100 m intervals and near the various noise emission sources in the plant 15.2 m from the source in four direction	Once in 3-months	Done as per plan. No deviation occurred.
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	Plant stack emissions through sampling	At the plant stack	Once every three months on a typical working day	Done as per plan. No deviation occurred.
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	Daily	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	Daily	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 2022 to ensure that the Company remains in conformity with the above certifications.

Outstanding Rating in NEPRA HSE Performance Evaluation Report

Engro Powergen Qadirpur Limited (EPQL) has been ranked ‘Outstanding’ in NEPRA HSE Performance Evaluation Report for the year 2021-2022 from National Electric Power Regulatory Authority (NEPRA). The Ranking Criteria Gauges Performance in Occupational Health, Safety and Environment (HSE) in line with NEPRA Power Safety Code. Performance is assessed via detailed questionnaire of 20 Common Assessment Categories.

ISO 55001: 2014 certification

In 2020 EPQL was certified for the ISO 55001:2014 certification by the British Standards Institute (BSI) for effective asset management – making it the first subsidiary in the group to achieve this certification.

occupational health and safety performance

Indicators	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Number of Man-Hours Worked	746,752	709,931	808,501	781,332	982,596	781,332	813,331	834,915	876,296	793,238	551,236	516,354	791,825
Contractual Man-hours	517,417	496,103	587,619	543,877	667,423	543,877	497,340	527,540	589,528	535,003	303,576	278,004	549,926
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
Total Injuries 0	Total Injuries 0	Total Injuries 0	Total Man-Hours Since COD- 98,53351
Fatalities 0	Fatalities 0	Fatalities 0	Total Injuries 0
LWIs 0	LWIs 0	LWIs 0	Fatalities 0
RWCs 0	RWCs 0	RWCs 0	LWIs 0
MTCs 0	MTCs 0	MTCs 0	RWCs 0
1st Aids 1	1st Aids 0	1st Aids 1	MTCs 0
Fire 2	Fire 1	Fire 1	1st Aids Cases 13
Violation of Safety Procedure 78	Violation of Safety Procedure 42	Violation of Safety Procedure 40	Process Fire Incident 01
Environmental Accident :2	Environmental Accident 1	Environmental Accident 2	General Fire Incident 04
Process Safety Incident 1	Process Safety Incident 5	Process Safety Incident 01	Violation of Safety Procedure 186
Near misses 47	Near misses 23	Near misses 196	Environment Internal incident 09
Vehicle Incident : 00	Vehicle Incident : 1	Vehicle Incident : 0	Process Safety Incident 01
			Total Incident+ Near Miss Year-2022 (430)
			Vehicle Incident : 7

summary of
waste management

Type of Wastes		Generation (kg/year)	Recovery & Reuse (kg/year)	Treatment / Destruction / Disposal (kg/year)	Recycling Rate (%)
Non- Hazardous wastes	Wooden Waste	6200 Kg	0	6200 Kg	100%
	Papers,	4000Kg	0	4000Kg	100%
	Iron Waste	70 Drums	0	70 Drums	100%
	Sewage Waste Water	15000 Ltrs	0	15000 Ltrs	100%
	Air Filters	3110 Pecices	0	3110 Pecices	100%
Non- Hazardous wastes	Kitchen Waste (Food & Kitchen Waste)	16731	0	16731	100%
	Daily Solid Waste	51750	0	51750	100%
	Toilet waste	3521 Tissue Bags	0	3521 Tissue Bags	100%
Hazardous Waste	COVID-19 Waste	06 Kg	0	06 Kg	100%
	Lab Waste	370 Kg	0	370 Kg	100%
	Tube Lights Waste	40 Kg	0	40 Kg	100%
	Mixture of Diesel and water	15000 Ltrs	0	15000 Ltrs	100%
	Plastic Scrap	6900 Kg	0	6900 Kg	100%
	Plastic Waste (Chemical Canes + Plastic Drums)	3500 Canes + 12 Drums	0	3500 Canes + 12 Drums	100%
	Diesel	292000 Ltrs	0	292000 Ltrs	100%

For residential area, the municipal liquid is treated through sewage Treatment Plant and water is discharged to nearby canal after meeting all National Environmental Quality Standard. The solid waste like leaves/paper/wood, kitchen waste is given to SEPA approved vendors

ambient air quality
compliance

Air Quality Parameters	Unit	World Bank Ambient Air Quality Guidelines	Pakistan Ambient Air Quality Standard	Result of Monitoring Year-2021	Result of Monitoring	Compliance status
Particulate Matter (<10µm) - Annual Mean - Max 24-hour Average	µg/Nm3	50 /150	50/ 150	95.2	11	Compliant
SO2 - Annual Mean - Max 24-hour Average	µg/Nm3	80 /150	80 /150	3.3	126	Compliant
NOx as NO2 - Annual Mean - Max 24-hour Average - Max 1-hour Average	µg/Nm3	100 /150 N.A.	100/ 150 N.A.	0.1	11.7	Compliant

Liquid Effluents & Water Usage in 2022	2,832 M3/day total effluent discharge 5,472 M3/day average water use/day
----------------------------------------	-----------------------------------------------------------------------------

water
consumption 2022

Water Consumption	
Water Withdrawl (M3/hr)	228
Water Discharge (M3/hr)	118
Water Evaporated / Consumed (M3/hr)	110
Mega Watt Generated (MWHr)	105
Per Mega Watt Water Withdrawl (M3/hr)	2.17
Per Mega Watt Water Discharge (M3/hr)	1.12
Per Mega Watt Water Evaporated / Consumed (M3/hr)	1.05



shareholder information

notice of annual general meeting

Notice is hereby given that the Seventeenth 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 29, 2023, at 02:30 p.m. to transact the following businesses:

Members are encouraged to attend the AGM through 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, 2022, together with the Directors' and Auditors' Reports thereon and Chairman's Review Report.

As required under section 223(7) of the Companies Act 2017, Financial Statements of the Company have been uploaded on the website of the Company which can be downloaded from the following link:

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



2. To appoint Auditors for the year 2023 and fix their remuneration. The Members are hereby notified 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.

special business

3. To consider and if deemed fit, to pass with or without modification(s), addition(s) or deletion(s), the following Special Resolution(s) to amend the Articles of Association of the Company under Section 38 of the Companies Act, 2017, as recommended by the Board of Directors of the Company:

resolved that Article 78 of the Articles of Association of the Engro Powergen Qadirpur Limited (the “Company”) be and is hereby amended to read as follows:

“78. The quorum for meetings of the Board of Directors shall be required by Section 176(1) of the Companies Act, 2017. Save as otherwise expressly provided in the Act, every question at meetings of the Board shall be determined by a majority of votes of the directors present in person or through video- link, each director having one vote. In case of an equality of votes or tie, the Chairman shall have a casting vote in addition to his original vote as a director.”

further resolved that Article 81 of the Articles of Association of the Company be and is hereby amended to read as follows:

“81. A resolution in writing approved by majority of the directors or the committee of directors for the time being entitled to receive notice of a meeting of the directors or committee of directors shall be as valid and effectual as if it had been passed at the meeting of the directors or the committee of directors duly convened and held.”

further resolved that the Chief Executive Officer and/or Company Secretary of the Company be and is hereby authorized to, singly, do all acts, deeds, and things, take any and all necessary steps, to fulfil the legal, corporate and procedural formalities and file all necessary documents/returns as deemed necessary on this behalf and the matters ancillary thereto to fully achieve the object of the aforesaid resolution.

Karachi
Dated: February 08, 2023

By Order of the Board

HANAN BATOOL
Company Secretary

notes

1. Participation in the AGM proceeding via video conferencing facility:

Members are encouraged to attend the AGM proceedings via video-conferencing facility, which shall be made available by the Company.

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/Svc5bvK4XM>. 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.

2. Electronic transmission of Annual Report 2022

In compliance with section 223(6) of Companies Act 2017, the Company has electronically transmitted the Annual Report 2022 through email to shareholders whose email addresses are available with the Company's Share Registrar, M/s. FAMCO Associates (Private) Limited. In those cases, where email addresses are not available with the Company's Share Registrar, printed notices of AGM along-with the QR enabled code/weblink to download the said financial statements 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 Associates (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.

3. The Share Transfer Book of the Company will be closed from Thursday, March 23, 2023 to Wednesday, March 29, 2023 (both days inclusive). Transfers received in order at the office of our Registrar, M/s. FAMCO Associates (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@famco.com.pk by the close of business (05:00 p.m.) on Wednesday, March 22, 2023 will be treated to have been in time for purpose to attend and vote at the meeting.

4. 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.

5. Requirements for appointing Proxies

- (a) 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.
- (b) The proxy form shall be witnessed by two male persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (c) Attested copies of the valid CNICs or the passports of the beneficial owner(s) and the proxy shall be furnished with the proxy form.
- (d) The proxy shall produce his/her valid original CNIC or original passport at the time of the Annual General Meeting.
- (e) 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.

6. Pursuant to Companies (Postal Ballot) Regulations 2018 and read with Sections 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

7. 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 Associates (Private) Limited without any further delay.

8. Unclaimed Dividend

As per the provision of section 244 of the Companies Act, 2017, 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 Securities and Exchange Commission of Pakistan 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 was 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 Companies Act, 2017.

9. 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 Companies Act, 2017 (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 FAMCO Associates (Private) Limited for the conversion of physical shares into book-entry form.

statement of material facts

special business

agenda number (3)

The Board of Directors has recommended that the Article 78 and 81 of the Company’s Articles of Association be amended. These amendments will bring the Company’s existing Articles of Association in line with the changes made by the promulgation of the new Companies Act, 2017 (which has repealed the Companies Ordinance, 1984). The amendments are summarized below:

Comparative table

Existing Article	Proposed Alteration
78. The quorum required for meeting of the Board of Directors shall be two, provided that upon listing of the Company, the quorum shall be not less than one third of directors or four whichever is greater.	78. The quorum for meetings of the Board of Directors shall be required by Section 176(1) of the Companies Act, 2017. Save as otherwise expressly provided in the Act, every question at meetings of the Board shall be determined by a majority of votes of the directors present in person or through video- link, each director having one vote. In case of an equality of votes or tie, the Chairman shall have a casting vote in addition to his original vote as a director.
81. Except as provided for by Section 196 of the Ordinance, a resolution in writing signed by all the Directors for the time being present in Karachi shall be as valid and effectual as if it has been passed at a meeting of the Directors duly called and constituted.	81. A resolution in writing approved by majority of the directors or the committee of directors for the time being entitled to receive notice of a meeting of the directors or committee of directors shall be as valid and effectual as if it had been passed at the meeting of the directors or the committee of directors duly convened and held.

The resolution required for the above purpose is set forth in the notice convening the Annual General Meeting and that resolution will be proposed and passed as a Special Resolution.

key shareholding & shares traded

Details of key shareholding as at December 31st, 2022.

1. Directors, Chief Executive Officer, and their spouses and minor children

Shareholder Name	No. Of Shares Held
Mr. Yusuf Jamil Siddiqui	1
Mr. Farooq Barkat Ali	1
Mr. Vaqar Zakaria	1
Mr. Shabbir Hashmi	1
Ms.Nausheen Ahmad	1
Mr. Kaiser Bengali	1
Ms.Fauzia Viqar	1
Total	7

2. Associated Companies, Undertaking and Related Parties

Shareholder Name	No. Of Shares Held
Engro Energy Limited	223,049,992

3. Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance, Takaful, Modarabas & Pension Funds

Shareholder Name	No. of Shares Held
Banks, Development Financial Institutions, Non-Banking Finance Companies, Insurance, Takaful, & Pension Funds	5,273,000

4. Insurance Companies

Shareholder Name	No. of Shares Held
Insurance Companies	1000

5. Modarabas and Mutual Funds

Shareholder Name	Holding
HBL Energy Fund	202,000
AKD Opportunity Fund	155,500
Faysal Mts Fund - Mt	11,500
Golden Arrow Stock Fund	85,500
Total	454,500

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

Shareholder Name	No. Of Shares	Percentage Of Holding
Engro Energy Limited	223,049,992	68.89

pattern of
shareholding
as at december 31, 2022

7. Categories of shareholder as at December 31, 2022 is as follow:

S No.	Shareholder Category	No. of Shareholders	No. of Shares	Percentage
1	Directors, Chief Executive Officer, and their spouse and minor children	7	7	0.00
2	Associated Companies, Undertakings, and Related Parties	1	223,049,992	68.89
3	NIT and ICP	-	-	-
4	Banks, Development Financial Institutions, Non-Banking Financial Institutions	2	5,273,000	1.63
5	Insurance Companies	1	1,000	0.00
6	Modarabas and Mutual Funds	4	454,500	0.14
7	Shareholders holding 5% or more	1	223,049,992	68.89
8	General Public:			
	a. local	18,899	81,600,953	25.20
	b. Foreign	-	-	-
9	Others	78	13,420,548	4.14
	Total (excluding: shareholders holding 5%)	18,992	323,800,000	100.00

No. of Shareholders	No. of Shareholdings		Total Shares
	From	To	
495	1	100	20,010
10,295	101	500	5,039,692
3,454	501	1,000	3,418,707
2,948	1,001	5,000	7,902,263
723	5,001	10,000	5,723,317
246	10,001	15,000	3,158,541
173	15,001	20,000	3,207,733
133	20,001	25,000	3,116,032
75	25,001	30,000	2,145,950
60	30,001	35,000	2,002,400
50	35,001	40,000	1,940,633
23	40,001	45,000	995,317
66	45,001	50,000	3,252,000
25	50,001	55,000	1,330,109
20	55,001	60,000	1,164,249
10	60,001	65,000	635,500
6	65,001	70,000	414,500
13	70,001	75,000	948,500
9	75,001	80,000	715,500
11	80,001	85,000	918,747
9	85,001	90,000	788,000
5	90,001	95,000	464,000
33	95,001	100,000	3,295,500
5	100,001	105,000	519,000
6	105,001	110,000	652,000
3	110,001	115,000	342,000
6	115,001	120,000	717,000
5	120,001	125,000	619,500
2	125,001	130,000	255,529
1	130,001	135,000	132,500
1	135,001	140,000	139,000
6	145,001	150,000	894,500
2	150,001	155,000	310,000
3	155,001	160,000	475,500
2	160,001	165,000	326,000
1	165,001	170,000	170,000
5	170,001	175,000	864,500
2	175,001	180,000	356,000

No. of Shareholders	No. of Shareholdings		Total Shares
	From	To	
1	180,001	185,000	185,000
1	185,001	190,000	190,000
5	195,001	200,000	995,500
2	200,001	205,000	402,500
2	205,001	210,000	420,000
3	215,001	220,000	657,500
1	225,001	230,000	230,000
1	230,001	235,000	233,500
1	240,001	245,000	242,500
1	245,001	250,000	250,000
1	255,001	260,000	257,500
1	260,001	265,000	263,000
1	265,001	270,000	267,500
1	280,001	285,000	285,000
1	290,001	295,000	294,500
1	295,001	300,000	300,000
3	305,001	310,000	922,500
1	315,001	320,000	318,500
2	360,001	365,000	724,500
3	395,001	400,000	1,196,000
1	405,001	410,000	406,000
1	415,001	420,000	420,000
1	445,001	450,000	450,000
4	495,001	500,000	2,000,000
1	545,001	550,000	547,500
1	550,001	555,000	553,000
1	555,001	560,000	560,000
1	635,001	640,000	635,500
1	715,001	720,000	716,000
1	745,001	750,000	750,000
1	785,001	790,000	786,000
1	795,001	800,000	799,500
1	820,001	825,000	825,000
1	840,001	845,000	842,179
2	995,001	1,000,000	2,000,000
1	1,265,001	1,270,000	1,267,500
1	1,495,001	1,500,000	1,500,000
1	1,615,001	1,620,000	1,620,000
1	2,020,001	2,025,000	2,025,000
1	2,170,001	2,175,000	2,175,000
1	4,965,001	4,970,000	4,966,000
1	6,900,001	6,905,000	6,900,100
1	223,045,001	223,050,000	223,049,992
18,992			323,800,00

shareholder information

annual general meeting

The annual shareholders meeting will be held at 02:30 a.m. on March 29, 2023 at Karachi School of Business & Leadership, National Stadium Road Opp. Liaquat National Hospital, Karachi.

Shareholders as of March 22, 2023, are encouraged to participate and vote.

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

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

e-dividend mandate (mandatory)

Under the Section 242 of the Companies Act, 2017, 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 accounts, 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 Associates (Private) Limited, in case of physical shares.

ownership

On December 31, 2022, there were 18,992 shareholders on record of the Company’s ordinary shares.

quarterly results

The Company issues quarterly financial statements. The planned dates for release of the quarterly results in 2023 are:

- ☛ 1st quarter: April 11, 2023
- ☛ 2nd quarter: August 04, 2023
- ☛ 3rd quarter: October 12, 2023

change of address

All registered shareholders should send information on changes of address to:
M/s. FAMCO Associates (Private) Limited.
8-F, Near Hotel Faran Nursery, Block-6 P.E.C.H.S. Shahra-e-Faisal, Karachi-74000
Telephone +92(21) 34380101-5, Fax +92(21) 34380106

epql calendar 2022

BAC Meeting
February 07, 2022

Board Meeting
February 08, 2022

Board Meeting
March 14, 2022

AGM
March 22, 2022

BAC Meeting
April 14, 2022

Board Meeting
April 18, 2022

Board Meeting
June 09, 2022

BAC Meeting
August 03, 2022

Board Meeting
August 04, 2022

BAC Meeting
October 12, 2022

Board Meeting
October 13, 2022

EOGM
October 14, 2022

Board Meeting
November 17, 2022

major activities in 2022









financial statements



A.F. FERGUSON & Co.

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, 2022 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, 2022.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: March 1, 2023

UDIN: CR202210080y1U0WVRgC

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

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, 2022, 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 a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of 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, 2022 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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S. No.	Key audit matter	How the matter was addressed in our audit
i)	<p>Receivables from Central Power Purchasing Agency (Guarantee) Limited (CPPA)</p> <p>(Refer notes 1.4, 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, 2022 the Company has following receivables from CPPA:</p> <ul style="list-style-type: none"> Trade debts amounting to Rs. 9,800,242 thousand which include overdue debts of Rs. 7,469,813 thousand; Delayed payment charges amounting to Rs. 1,281,009 thousand which include overdue receivables of Rs. 516,855 thousand; and Reimbursable costs amounting to Rs. 186,763 thousand. <p>During the year, pursuant to the execution of Master Agreement (Agreement) between the Company and CPPA, the Company received first and second installments aggregating to Rs. 8,147,368 thousand and revised tariff was notified by NEPRA for Return on Equity and Return on Equity During Construction with effect from July 1, 2022.</p> <p>In view of the above developments, on-going delays in settlement of receivables, materiality of the amount involved, 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"> assessed whether revenue and related receivables have been recognized in accordance with the applicable accounting policies of the Company; tested whether invoices raised by the Company during the year were in accordance with the PPA; obtained confirmation of receivable balance from CPPA; checked receipts from CPPA with bank statements; 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; reviewed terms of the Agreement and discussed the same with the management; 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; assessed the availability of finance with the Company to fund its business operations through committed credit lines obtained from various financial institutions; and assessed adequacy of the related disclosures in the financial statements in accordance with the applicable accounting and reporting standards.



Information Other than the Financial Statements and Auditor's Report Thereon

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





A.F. FERGUSON & CO.

- 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 thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- 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 Osama Kapadia.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: March 1, 2023

UDIN: AR202210080WzlpBPYvF

statement of financial position

as at december 31, 2022

(Amounts in thousand)

		2022	2021
(Amounts in thousand)			
	Note	-----Rupees-----	
ASSETS			
Non-current assets			
Property, plant and equipment	5	11,112,553	11,814,962
Intangible assets	6	206,095	225,726
Long-term loans and advances	7	12,966	13,938
Long-term deposits		2,574	2,574
		11,334,188	12,057,200
Current assets			
Inventories	8	844,297	544,469
Trade debts	9	9,800,242	11,842,552
Short-term investments	10	449,997	49,179
Loans, advances, deposits and prepayments	11	148,006	91,304
Other receivables	12	1,473,159	2,780,455
Taxes recoverable		31,637	35,042
Balances with banks	13	80,121	44,437
		12,827,459	15,387,438
Total Assets		24,161,647	27,444,638
Equity And Liabilities			
Equity			
Share capital	14	3,238,000	3,238,000
Share premium		80,777	80,777
Maintenance reserve	15	227,182	227,182
Unappropriated profit		9,558,830	12,620,274
Hedging reserve	16	-	11,575
Total equity		13,104,789	16,177,808
Liabilities			
Current liabilities			
Trade and other payables	17	4,822,707	6,432,479
Unclaimed dividend		20,386	20,589
Accrued interest / mark-up		199,306	61,319
Short-term borrowings	18	6,014,459	4,752,443
Total liabilities		11,056,858	11,266,830
Contingencies and Commitments	19		
Total Equity And Liabilities		24,161,647	27,444,638

The annexed notes from 1 to 40 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, 2022

(Amounts in thousand except for earnings per share)

		2022	2021
	Note	-----Rupees-----	
Revenue	20	10,026,884	10,203,775
Cost of revenue	21	(8,315,592)	(8,820,758)
Gross profit		1,711,292	1,383,017
Administrative expenses	22	(321,133)	(168,020)
Other expenses	23	(69,310)	(56,414)
Other income	24	22,764	4,090
Profit from operations		1,343,613	1,162,673
Finance income - net	25	135,180	433,529
Workers' profits participation fund	26	-	-
Profit before taxation		1,478,793	1,596,202
Taxation	27	(7,037)	(1,895)
Profit for the year		1,471,756	1,594,307
Earnings per share - basic and diluted	28	4.55	4.92

The annexed notes from 1 to 40 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, 2022

(Amounts in thousand)

		2022	2021
	Note	-----Rupees-----	
Profit for the year		1,471,756	1,594,307
Other comprehensive loss:			
Item that may be reclassified subsequently to statement of profit or loss			
Hedging reserve - reclassified to statement of profit or loss	24	(11,575)	(874)
Total comprehensive income for the year		1,460,181	1,593,433

The annexed notes from 1 to 40 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

statement of cash flows

for the year ended december 31, 2022

(Amounts in thousand except for earnings per share)

Note	-----Rupees-----	
	2022	2021
Cash flows from operating activities		
Cash generated from operations	29	4,269,109
Taxes paid	(3,632)	(2,683)
Interest received	11,117	5,245
Long-term loans and advances - net	5,071	13,631
Net cash generated from operating activities	4,281,665	374,796
Cash flows from investing activities		
Purchase of property, plant and equipment - net	(110,468)	(41,515)
Purchase of intangible assets	(12,767)	(77,616)
Proceeds from disposal of property, plant and equipment	2,113	7,483
Investments made during the year	(6,179,940)	(248,859)
Investments encashed / matured during the year	5,756,696	251,989
Net cash utilised in investing activities	(544,366)	(108,518)
Cash flows from financing activities		
Finance cost paid	(430,228)	(314,543)
Dividends paid	(4,533,403)	(1,054,337)
Net cash utilised in financing activities	(4,963,631)	(1,368,880)
Net decrease in cash and cash equivalents	(1,226,332)	(1,102,602)
Cash and cash equivalents at beginning of the year	(4,708,006)	(3,605,404)
Cash and cash equivalents at end of the year	30	(5,934,338)
		(4,708,006)

The annexed notes from 1 to 40 form an integral part of these financial statements.


Chief Financial Officer


Chief Executive Officer


Director

statement of changes in equity

for the year ended december 31, 2022

(Amounts in thousand)

(Amounts in thousand)		Capital		Reserves		Revenue	
	Share capital	Share premium	Maintenance reserve (note 15)	Unappropriated profit	Hedging reserve	Total	
	-----Rupees-----						
Balance as at January 1, 2021	3,238,000	80,777	227,182	12,078,318	12,449	15,636,726	
Profit for the year	-	-	-	1,594,307	-	1,594,307	
Other comprehensive loss for the year	-	-	-	-	(874)	(874)	
Total comprehensive income for the year	-	-	-	1,594,307	(874)	1,593,433	
Transactions with owners							
Final dividend @ Rs. 1.75 per share For the year ended December 31, 2020	-	-	-	(566,650)	-	(566,650)	
Interim dividend @ Rs. 1.50 per share For the year ended December 31, 2021	-	-	-	(485,701)	-	(485,701)	
	-	-	-	(1,052,351)	-	(1,052,351)	
Balance as at December 31, 2021	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	
Transactions with owners							
Final dividend @ Rs. 6 per share For the year ended December 31, 2021	-	-	-	(1,942,800)	-	(1,942,800)	
1st interim dividend @ Rs. 5 per share For the year ended December 31, 2022	-	-	-	(1,619,000)	-	(1,619,000)	
2nd interim dividend @ Rs. 3 per share For the year ended December 31, 2022	-	-	-	(971,400)	-	(971,400)	
	-	-	-	(4,533,200)	-	(4,533,200)	
Balance as at December 31, 2022	3,238,000	80,777	227,182	9,558,830	-	13,104,789	

The annexed notes from 1 to 40 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, 2022

(Amounts in thousand)

1. legal status and operations

- 1.1 Engro Powergen Qadirpur Limited (the Company), is a public listed company, incorporated in Pakistan, and its shares are quoted on the Pakistan Stock Exchange Limited. The Company is a subsidiary of Engro Energy Limited, which is a wholly owned subsidiary of Engro Corporation Limited. Engro Corporation Limited is a subsidiary of Dawood Hercules Corporation Limited (the Ultimate Parent Company).
- 1.2 The Company was established with the primary objective to undertake the business of power generation and sale. The Company owns a 217.3 MW combined cycle power plant and commenced commercial operations on March 27, 2010. The electricity generated is transmitted to the National Transmission and Despatch Company (NTDC) under the Power Purchase Agreement (PPA) dated October 26, 2007. This PPA is for a period of 25 years. The Company signed a novation agreement on February 11, 2021 with NTDC and Central Power Purchasing Agency (Guarantee) Limited (CPPA), whereby NTDC has novated its rights and 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.
Power plant Deh Belo Sanghari, Ghotki, Sindh.
- 1.4 On August 12, 2020, the Company, along with other Independent Private Power Producers ("IPPs") representing the 2002 Power Policy projects (collectively referred to as the "Parties"), signed a Memorandum of Understanding (MOU) with the Committee for negotiations with IPPs. The Board of Directors of the Company in their meeting dated August 17, 2020 in-principle approved the terms of the MoU. In line with the understanding reached in the MOU, the Company and CPPA (the "Parties") entered into a Master Agreement on February 11, 2021, based on the terms of the MOU, which also included: that all undisputed outstanding amounts due and payable to the Company under the PPA, as on November 30, 2020, would be paid in two (2) instalments (each instalment comprising of one-third cash and two-thirds government issued Pakistan Investment Bonds (PIBs) and Sukuks). Further, in the larger national interest, the Company agreed to (prospectively) accept a reduction in the tariff component, whereby the Return on Equity ("RoE") and the Return on Equity During Construction ("RoEDC") was to be fixed at 17% per annum in PKR on National Electric Power Regulatory Authority (NEPRA) approved equity at Commercial Operation Date for RoE and RoEDC, calculated at USD / PKR exchange rate of PKR 148/ USD, with no future USD indexation. However, the then existing RoE and RoEDC, together with the applicable indexations, were to apply until the date the applicable exchange rate under the then Tariff reached PKR 168 / USD and instalments were received by the Company,

(Amounts in thousand)

- whereupon the Revised RoE and RoEDC were to become applicable and would apply for the remainder of the term of the PPA. In addition to this, fuel and operations and maintenance have been considered as single consolidated item and any savings, if determined, from July 1, 2021 will be shared in the ratio of 60:40 between CPPA and Company. During the year, the Company received both installments on January 6, 2022 and June 30, 2022 aggregating to Rs. 8,147,368 thousand. Accordingly, the revised tariff has been notified by NEPRA with effect from July 1, 2022.
- 1.5 In 2021, the Company finalised the terms of Termination and Settlement Agreement (TSA) with Engro Energy Services Limited (EESL). Under the TSA, the Company and EESL agreed to terminate the Operations and Maintenance Agreement with effect from December 31, 2021. The Company has transitioned to self O&M from January 1, 2022
- 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:
- 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 except that certain financial assets and financial liabilities are measured at fair value.
- 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. summary of significant accounting policies
The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(Amounts in thousand)

3.1 Initial application of standards, amendments or interpretations to existing standards

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

There are certain amendments to accounting and reporting standards that are applicable for the financial year beginning on January 1, 2022 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, amendments and interpretations to accounting and reporting standards that are not yet effective and have not been early adopted by the Company

There is a standard and certain amendments to 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, 2022. The standard 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.

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.

(Amounts in thousand)

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 amortization, if no impairment loss had been recognized.

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

(Amounts in thousand)

- 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 method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in 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. Financial assets carried at FVPL are initially recorded at fair value and transaction costs are expensed in 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 profit or loss in the period in which they arise.

3.5.2 Equity instruments

The Company, subsequently, measures all equity investments at fair value. If the management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investments. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains / (losses) in the statement of profit or loss as applicable.

3.5.3 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.

3.5.4 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

(Amounts in thousand)

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.

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.

3.5.6 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 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."

3.6 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.

(Amounts in thousand)

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 method. Provision for impairment is recognised as per note 3.5.6.

3.8 Contract assets

A contract asset is recognised for the Company's right to consideration in exchange for goods or services that it has transferred to a customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Company presents the amount as a contract asset, excluding any amounts presented as a receivable.

3.9 Contract liability

A contract liability is recognised for the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Company transfers a good or service to the customer, the Company presents the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

3.10 Cash and cash equivalents

Cash and cash equivalent 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.

3.11 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.

3.12 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.

3.13 Trade and other payables

These are recognised initially at fair value and subsequently measured at amortised cost.

(Amounts in thousand)

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.

3.14 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.

3.15 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 that have executed their PPA before January 1, 2019 from the requirements of IFRS 16.

3.16 Taxation

The Company's profits and gains from power generation are exempt from tax under clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Company is also exempt from minimum tax on turnover under clause 11 A of part IV of the Second Schedule to the Income Tax Ordinance, 2001. However, the Company's income from other sources is subject to taxation.

3.17 Retirement and other service benefits obligations

3.17.1 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 a defined contribution gratuity fund in which the permanent employees of the Company are members. Monthly contributions are made both by the Company and employees to the 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.

3.18 Foreign currency transactions and translation

Foreign currency transactions are translated into the functional currency using the exchange

(Amounts in thousand)

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.

3.19 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 payment is due 30 days after invoicing.

3.20 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.

3.21 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.

3.22 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.

3.23 Dividend and appropriation to reserves

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

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:

(Amounts in thousand)

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.

	2022	2021
	----- Rupees -----	
Operating assets, at net book value (note 5.1)	10,897,030	11,506,079
Capital work-in-progress (note 5.2)	15,215	9,754
Capital spares (note 5.3)	200,308	299,129
	<u>11,112,553</u>	<u>11,814,962</u>

5.1 Operating assets

	Freehold land	Plant and machinery	Buildings and civil works	Furniture, fixtures and equipment	Vehicles	Total
	-----Rupees-----					
As at January 1, 2021						
Cost	110,065	16,626,298	2,582,496	157,857	112,803	19,589,519
Accumulated depreciation	-	(6,321,286)	(817,945)	(136,212)	(90,738)	(7,366,181)
Net book value	<u>110,065</u>	<u>10,305,012</u>	<u>1,764,551</u>	<u>21,645</u>	<u>22,065</u>	<u>12,223,338</u>
Year ended December 31, 2021						
Opening net book value	110,065	10,305,012	1,764,551	21,645	22,065	12,223,338
Additions to operating assets:						
- Transfers from capital work-in-progress (note 5.2)	-	85,883	-	1,097	3,342	90,322
Asset written off (note 23)						
Cost	-	(18,866)	-	(28,708)	-	(47,574)
Accumulated depreciation	-	6,982	-	26,759	-	33,741
	-	(11,884)	-	(1,949)	-	(13,833)
Disposals						
Cost	-	-	-	-	(8,087)	(8,087)
Accumulated depreciation	-	-	-	-	692	692
	-	-	-	-	(7,395)	(7,395)
Depreciation charge (note 5.1.2)	-	(698,297)	(79,045)	(7,684)	(1,327)	(786,353)
Closing 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>

(Amounts in thousand)

As at December 31, 2021						
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	110,065	9,680,714	1,685,506	13,109	16,685	11,506,079
Year ended December 31, 2022						
Opening net book value	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
Disposal (note 5.1.1)						
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)
Closing net book value	110,065	9,151,660	1,611,838	10,000	13,467	10,897,030
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	110,065	9,151,660	1,611,838	10,000	13,467	10,897,030
Annual rate of depreciation		4% - 33%	2.5% - 8%	16% - 33%	20% - 25%	

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

Description	Sold to	Mode of disposal	Cost	Accumalated Depreciation	Net Book Value	Sales Proceeds	(Loss) / Gain
-----Rupees-----							
Vehicle	Anum Irfan	Company Policy	2,721	540	2,181	2,108	(73)
Equipment	Fizza Danish	Company Policy	157	157	-	5	5
Total			2,878	697	2,181	2,113	(68)

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

	2022	2021
----- Rupees -----		
Cost of revenue (note 21)	813,344	784,551
Administrative expenses (note 22)	1,867	1,802
	815,211	786,353

(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, 2022 amounts to Rs. 2,698,961 (2021: Rs. 2,919,284).

5.2 Capital work-in-progress

	Plant and machinery	Furniture, fixtures and equipment	Vehicles	Capital Spares	Intangible assets	Total
-----Rupees-----						
Year ended December 31, 2021						
Balance as at January 1, 2021	56,032	2,529	-	-	104,700	163,261
Additions during the year	39,605	(1,432)	3,342	-	77,616	119,131
Transferred to intangible assets (note 6)	-	-	-	-	(182,316)	(182,316)
Transferred to operating assets (note 5.1)	(85,883)	(1,097)	(3,342)	-	-	(90,322)
Balance as at December 31, 2021	9,754	-	-	-	-	9,754
Year ended December 31, 2022						
Balance as at January 1, 2022	9,754	-	-	-	-	9,754
Additions / transfers during the year	200,076	3,992	5,033	188	12,767	222,056
Transferred to intangible assets (note 6)	-	-	-	-	(8,252)	(8,252)
Transferred to operating assets (note 5.1)	(204,956)	(3,387)	-	-	-	(208,343)
Balance as at December 31, 2022	4,874	605	5,033	188	4,515	15,215

(Amounts in thousand)

5.3 Capital spares

Balance at beginning of the year	299,129	299,129
Add / (less):		
- Additions	31,228	-
- Transfers to capital work-in-progress	(130,049)	-
Balance at end of the year	200,308	299,129

	2022	2021
	Rupees	

6. intangible assets

	Computer software	Right to use infra-structure facilities	Total
	Rupees		
As at January 1, 2021			
Cost	73,239	96,627	169,866
Accumulated amortisation	(64,878)	(44,529)	(109,407)
Net book value	8,361	52,098	60,459
Year ended December 31, 2021			
Opening net book value	8,361	52,098	60,459
"Transfer from capital work-in-progress (note 5.2)"	182,316	-	182,316
Assets written - off			
Cost	(22,417)	-	(22,417)
Accumulated amortisation	22,417	-	22,417
	-	-	-
Amortisation for the year (note 6.1)	(13,328)	(3,721)	(17,049)
Closing net book value	177,349	48,377	225,726
As at January 1, 2022			
Cost	233,138	96,627	329,765
Accumulated amortisation	(55,789)	(48,250)	(104,039)
Net book value	177,349	48,377	225,726
Period ended December 31, 2022			
Opening net book value	177,349	48,377	225,726
"Transfer from capital work-in-progress (note 5.2)"	8,252	-	8,252
Amortisation for the year (note 6.1)	(24,161)	(3,722)	(27,883)
Closing net book value	161,440	44,655	206,095

(Amounts in thousand)

As at December 31, 2022			
Cost	241,390	96,627	338,017
Accumulated amortisation	(79,950)	(51,972)	(131,922)
Net book value	161,440	44,655	206,095
Amortisation rate (% per annum)	13%- 25%	4%	

(Amounts in thousand)

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

	2022	2021
	Rupees	
Cost of revenue (note 21)	13,386	9,434
Administrative expenses (note 22)	14,497	7,615
	27,883	17,049

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.

(Amounts in thousand)

7. long-term loans and advances

	2022	2021
	Rupees	
Executives (notes 7.1, 7.2 and 7.3)	22,488	27,559
Less: Current portion shown under current assets (note 11)	(9,522)	(13,621)
Balance as at end of the year	12,966	13,938

7.1 Reconciliation of the carrying amount of loans and advances

	2022	2021
Balance at beginning of the year	27,559	41,190
Add: Disbursements	13,028	11,037
Less: Repayments / amortisation	(18,099)	(24,668)
Balance at end of the year	22,488	27,559

7.2 Loans and advances include interest-free investment loan plan to executives amounting to Nil (2021: Rs. 3,619) repayable in equal monthly instalments over a three year period or in one lump sum at the end of such period. It also includes loans and advances amounting to Rs. 22,488 (2021: Rs. 23,940)

(Amounts in thousand)

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 amount outstanding at the end of any month in respect of loans and advances to key management personnel amounted to Rs. 702 (2021: Rs. 804).

	2022	2021
	----- Rupees -----	----- Rupees -----
8. inventories		
High Speed Diesel (note 8.1)	339,693	74,465
Consumable stores	52,123	33,827
Spares	452,481	436,177
	<u>844,297</u>	<u>544,469</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.

9. trade debts - secured

	2022	2021
	----- Rupees -----	----- Rupees -----
Receivable from CPPA - Considered good	9,800,242	11,842,552

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. 1,850,137 (2021: Rs. 1,497,927) which is neither past due nor impaired;
- Rs. 480,292 (2021: Rs. 602,154) which is unbilled; and
- Rs. 7,469,813 (2021: Rs. 9,742,471) 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 + 4.5% per annum to KIBOR+2% per annum except for energy purchase price invoices. The ageing of overdue receivables is as follows:

	2022	2021
	----- Rupees -----	----- Rupees -----
Upto 3 months	2,972,229	2,629,654
3 to 6 months	3,803,442	2,240,679
More than 6 months	694,142	4,872,138
	<u>7,469,813</u>	<u>9,742,471</u>

(Amounts in thousand)

	2022	2021
	----- Rupees -----	----- Rupees -----
10. short-term investments - amortised cost		
Treasury Bills (note 10.1)	49,997	49,179
Pakistan Investment Bonds (note 10.2)	400,000	-
	<u>449,997</u>	<u>49,179</u>

10.1 Investments have been made in conventional Treasury Bills in respect of maintenance reserve (note 15). These are due to mature on March 09, 2023 and carry mark-up at the rate of 16.80% (2021: 8.46%) per annum.

10.2 Pakistan Investment Bonds carry mark up at rate of 17.51% per annum and will mature on August 26, 2023. Subsequent, to year end, these have been disposed off on January 5, 2023. This placement was made to secure Running Finance facility amounting to Rs. 390,000 from Pak Brunei Investment Company Limited which was disbursed on December 30, 2022.

	2022	2021
	----- Rupees -----	----- Rupees -----
11. loans, advances, deposits and prepayments		
Current portion of long-term loans and advances to executives		
- considered good (note 7)	9,522	13,621
Advances and deposits	28,288	2,050
Prepayments	110,196	75,633
	<u>148,006</u>	<u>91,304</u>

	2022	2021
	----- Rupees -----	----- Rupees -----

12 other receivables - considered good

Delayed payment charges (notes 12.1 and 12.2)	1,281,009	2,175,702
Receivable from associated undertakings / related parties (note 12.3):		
- Engro Powergen Thar (Private) Limited	2,958	-
- Engro Polymer & Chemicals Limited	-	1,555
- Engro Energy Services Limited	-	102,573
- Engro Corporation Limited	-	11,980
- Sindh Engro Coal Mining Company Limited	855	-
	<u>3,813</u>	<u>116,108</u>
Reimbursable cost from CPPA in respect of:		
- Workers' profits participation fund (note 12.4)	154,136	355,098
- expenses	32,627	21,827
	<u>186,763</u>	<u>376,925</u>

(Amounts in thousand)

Sales tax refundable	-	111,697
Workers' profits participation fund (note 12.5)	1,060	-
Others	514	23
	<u>1,473,159</u>	<u>2,780,455</u>

12.1 This represents mark-up on overdue trade debts, as referred to in note 9.2, of which Rs. 516,855 (2021: Rs. 1,296,440) is overdue but not impaired. This also includes Rs. 472,472 (2021: Rs. 879,262) which is unbilled.

12.2 The ageing of delayed payment charges invoiced are as follows:

	2022 ----- Rupees -----	2021 ----- Rupees -----
Not due	291,682	-
Upto 3 months	-	914,554
3 to 6 months	516,855	-
More than 6 months	-	381,886
	<u>808,537</u>	<u>1,296,440</u>

12.3 These receivables are unsecured and interest free. The maximum amount outstanding at the end of any month from related parties aggregated to Rs. 158,865 (2021: Rs. 250,435). None of the receivables are past due or impaired.

12.4 This includes outstanding invoiced amount of Nil (2021: Rs. 170,219), which is overdue for more than 6 months.

	2022 ----- Rupees -----	2021 ----- Rupees -----
12.5 Workers' profits participation fund		
Payable at the beginning of the year	-	(4,687)
Allocation for the year (note 26)	(73,940)	(79,810)
	<u>(73,940)</u>	<u>(84,497)</u>
Payments made during the year	75,000	84,497
Receivable at the end of the year	<u>1,060</u>	<u>-</u>

(Amounts in thousand)

	2022 ----- Rupees -----	2021 ----- Rupees -----
13. balances with banks		
Current accounts:		
- Local currency	58,307	23,337
Deposit accounts:		
- Foreign currency (note 13.1)	2,273	2,488
- Local currency (note 13.2)	<u>19,541</u>	<u>18,612</u>
	<u>80,121</u>	<u>44,437</u>

13.1 Foreign currency deposits carry return at the rate of 2.75% (2021: 0.10%) per annum.

13.2 Local currency deposits carry return at the rate of 14.5% (2021: 5.75%) per annum.

14. share capital

14.1 Authorised capital

2022 ----- (Number of shares) -----	2021 ----- (Number of shares) -----		2022 ----- Rupees -----	2021 ----- 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

2022 ----- (Number of shares) -----	2021 ----- (Number of shares) -----		2022 ----- Rupees -----	2021 ----- 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>

14.2.1 As at December 31, 2022, Engro Energy Limited, the Holding Company, held 223,050,000 (2021: 223,050,000) ordinary shares of the Company.

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

15. maintenance reserve

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. 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.

(Amounts in thousand)

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 (2021: Rs. 50,000) as at December 31, 2022 (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.

16. hedging reserve

The Company entered into exchange rate forward agreements in prior years with its bank to manage exchange rate exposure on repayments of its long-term borrowing and made gain on these covers. Under the aforementioned agreements the Company paid respective rates agreed at the initiation of the respective agreements on the settlement date. During the year, the hedging reserves have been reclassified to statement of profit and loss.

17. trade and other payables

	2022	2021
	----- Rupees -----	
Creditors	1,496,997	1,744,316
Accrued liabilities (note 17.1)	1,104,226	897,684
GIDC payable (note 17.2)	1,788,438	2,775,636
Security deposits (note 17.3)	33	139
Payable to related parties:		
- Defined contribution funds maintained by Engro Corporation Limited	2,062	10,878
- Engro Corporation Limited	13,850	-
- Engro Energy Services Limited	16,972	-
- Engro Polymer and Chemicals Limited	69	-
- Engro Energy Limited	11,109	73,728
- Engro Powergen Thar (Private) Limited	-	274
- Sindh Engro Coal Mining Company Limited	-	287
- Engro Fertilizers Limited	1,400	1,816
Provisions (note 17.4)	381,620	381,620
Sales tax payable	1,775	-
Contract liability (note 17.5)	-	386,101
Withholding tax payable	4,156	-
Deferred income (note 17.6)	-	160,000
	<u>4,822,707</u>	<u>6,432,479</u>

(Amounts in thousand)

17.1 Includes accrual in respect of gas charges amounting to Rs. 605,671 (2021: Rs. 602,625).

17.2 The Honorable Supreme Court of Pakistan ("SCP") through its judgement dated August 13, 2020 ("Judgement") declared that the levy imposed under the Gas Infrastructure Development Cess ("GIDC") Act, 2015 ("the Act") is valid and in accordance with the provisions of the Constitution of Pakistan 1973 ("the Constitution"). The SCP in its Judgement issued the following directions:

- It restrained the Federal Government from charging further GIDC until such time that the GIDC already collected and accrued (but not yet collected), is expended on the projects listed under the Act;

- All industrial and commercial entities which consume gas for their business activities pass on the burden to their customers, therefore, GIDC that has become due upto July 31, 2020, and has not been recovered so far, shall be recovered by the Companies responsible under the Act from their consumers;

- Gas companies responsible to collect GIDC under the Act should recover the unpaid GIDC (which has accrued but yet not collected) in twenty-four equal monthly installments starting from August 1, 2020, without the component of Late Payment Surcharge ("LPS"). The LPS shall only become payable for the delays that may occur in the payment of any of the twenty-four installments; and

- The Federal Government shall take all steps to commence work on the laying of the pipelines. In case, no work is carried out on the pipelines (in the manner and/or time specified in the Judgment), the purpose of levying GIDC shall be deemed to have been frustrated and the Act would become completely in-operational and considered dead for all intents and purposes.

In pursuance of the aforementioned decision, Sui Northern Gas Pipelines Limited commenced invoicing of GIDC payable to the Company in 24 equal installments from August 2020. Considering the events and developments in GIDC case (including the Judgement), the Institute of Chartered Accountants of Pakistan released financial reporting guidance on the "Accounting of GIDC" via Circular No. 1/2021 dated January 19, 2021 which discusses key accounting considerations for gas consumer companies. Keeping in view the financial reporting guidance of ICAP and giving due consideration to the latest available information and the expected timing of the settlement (i.e. monthly instalment rather than lump sum amount), the Company had remeasured its previously undiscounted liability at its present value to incorporate the effect of time value of money arising from the expected settlement based on an instalment plan and had accordingly recognised remeasurement gain on liability for GIDC amounting to Rs.102,593 in prior years (note 25). The amount of GIDC payable represent overdue amount which attracts late payment surcharge at the rate of 3 months KIBOR + 4%.

(Amounts in thousand)

17.3 The amount is kept in a separate bank account and not utilised in business in accordance with the requirements of section 217 of the Companies Act, 2017.

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

17.5 This represented unrecognised revenue relating to 'Monthly Energy Shortfall' which CPPA is required to pay in the event net electrical output dispatched is lower than minimum monthly energy in accordance with Section 9.6 of the PPA. During the year, the Company has adjusted the contract liability against the related receivable.

17.6 This represented amount receivable under TSA from EESL, which has been adjusted against actual expenditure in respect of major inspection during the year.

18. short-term borrowings, secured

2022
----- Rupees -----
2021

Finances under mark-up
arrangements (notes 18.1 and 18.2)

6,014,459

4,752,443

18.1 The Company has Working Capital / Running Finance Facility Agreements with Allied Bank Limited, MCB Bank Limited, The Bank of Punjab, Soneri Bank Limited, Bank Alfalah Limited, Pak Kuwait Investment Company (Private) Limited and Habib Metropolitan Bank Limited under which Rs. 4,624,459 (2021: Rs. 2,102,443) have been utilised as at December 31, 2022. In addition, the Company has also utilised a money market loan facility with Bank Al Falah Limited amounting to Rs. 1,000,000 (2021: Rs. 2,650,000) for a period of one month maturing on January 13, 2023. The Company has also borrowed Rs. 390,000 (2021: Nil) from Pak Brunei Investment Company Limited carrying a markup at the rate of 1 month KIBOR plus 0.50 %, secured against Pakistan Investment Bonds of Rs. 400,000 (note 10.2).

18.2 The available facilities under these mark-up arrangements aggregate to Rs. 7,380,000 (2021: Rs. 6,900,000). The facilities carry mark-up at the rate of 1 - 3 month KIBOR plus 0.0% - 0.75% (2021: 1 - 3 month KIBOR plus 0.0% - 0.75%). The facilities are secured by (i) lien over Energy Purchase Price (EPP) account and charge over present and future receivables from the Power Purchaser in respect of EPP; and (ii) first charge over current assets of the Company and subordinated charge over present and future plant, machinery, equipment and other movable assets and immovable properties of the Company. The use of these facilities are restricted for payments of operations and maintenance cost of the power plant and payments to fuel suppliers against purchase of fuel. Further, the Company has a finance facility with Engro Corporation Limited, intermediary Holding Company of upto Rs. 2,000,000 (2021: Rs. 1,000,000) carrying markup of 3 months KIBOR + 0.2%, which remained unutilized at reporting date.

(Amounts in thousand)

19. contingencies and commitments

2022
----- Rupees -----
2021

Contingent liabilities - guarantees (notes 19.1 and 19.2)

2,496,126

2,496,126

Commitments in respect of :

- letter of credit (note 19.2)

-

45,781

- others

138,989

11,301

138,989

57,082

19.1 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.

19.2 The facilities for opening letters of credit and bank guarantees as at December 31, 2022 amounts to Rs. 2,596,126 (2021: Rs. 2,596,126) of which the amount remaining un-utilised as at year end was Rs. 100,000 (2021: Rs. 54,219).

19.3 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.

2022
----- Rupees -----
2021

20. revenue

Capacity purchase price

3,091,648

2,676,463

Energy purchase price

8,114,226

8,806,955

11,205,874

11,483,418

Less: Sales tax (note 20.2)

1,178,990

1,279,643

10,026,884

10,203,775

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

20.2 Sales tax of Rs. 1,178,990 (2021: Rs. 1,279,643) relates to energy purchase price.

(Amounts in thousand)

	2022	2021
	----- Rupees -----	
21. cost of revenue		
Gas and fuel oil consumed	6,357,515	6,748,910
Depreciation (note 5.1.2)	813,344	784,551
Amortisation (note 6.1)	13,386	9,434
Operation and maintenance expense (note 1.5)	-	918,848
Salaries, wages and staff welfare (note 21.1)	433,150	56,494
Insurance	265,997	233,068
Travelling	38,315	2,222
Repairs and maintenance	47,506	4,808
Purchased services (note 21.2)	169,400	40,552
Stores and spares consumed	69,391	-
Security	60,096	5,011
Communication and other office expenses	47,492	16,860
	<u>8,315,592</u>	<u>8,820,758</u>

21.1 Salaries, wages and staff welfare include Rs. 28,106 (2021: Rs. 6,029) in respect of staff retirement benefits.

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

	2022	2021
	----- Rupees -----	
22. administrative expenses		
Salaries, wages and staff welfare (note 22.1)	125,334	79,704
Purchased services (note 21.2)	133,223	60,830
Communication and other office expenses	37,835	15,713
Depreciation (note 5.1.2)	1,867	1,802
Amortisation (note 6.1)	14,497	7,615
Travelling	8,377	2,356
	<u>321,133</u>	<u>168,020</u>

22.1 Salaries, wages and staff welfare include Rs. 10,056 (2021: Rs. 9,043) in respect of staff retirement benefits.

(Amounts in thousand)

	2022	2021
	----- Rupees -----	
23. other expenses		
Legal and professional services	25,847	26,828
Contributions for corporate social responsibility (note 23.1)	17,635	13,427
Auditor's remuneration (note 23.2)	3,402	2,326
Loss on disposal of investments	22,426	-
Write-off of operating assets	-	13,833
	<u>69,310</u>	<u>56,414</u>
23.1 These include Rs.14,500 (2021: Rs. 11,500) paid to Engro Foundation (an associated undertaking) and Rs. 3,135 (2021: Rs.1,872) 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.		
	2022	2021
	----- Rupees -----	
23.2 Auditor's remuneration		
Fee for:		
- annual statutory audit	875	770
- half yearly review	265	225
- other services	265	351
- taxation services	1,631	725
- review of compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019	60	55
Out of pocket expenses	306	200
	<u>3,402</u>	<u>2,326</u>
24. other income		
Financial assets:		
Reclassification of hedge to profit or loss	11,575	874
Profit on treasury bills	-	2,988
Non-financial assets:		
Scrap sale	11,150	140
(Loss) / Gain on disposal of property, plant and equipment (note 5.1.1)	(68)	88
Insurance claim	107	-
	<u>22,764</u>	<u>4,090</u>

(Amounts in thousand)

	2022	2021
	----- Rupees -----	
25. finance income - net		
Interest income on bank deposits	11,117	5,245
Delayed payment charges - overdue trade debts	1,094,966	1,072,638
	<u>1,106,083</u>	<u>1,077,883</u>
Less:		
Interest / mark-up on short-term borrowings	(568,215)	(320,594)
Unwinding of GIDC liability	-	(102,593)
Financial / bank charges	(402,688)	(221,167)
	<u>(970,903)</u>	<u>(644,354)</u>
	<u>135,180</u>	<u>433,529</u>
26. workers' profits participation fund		
Provision for Workers' profits participation fund (note 17.5)	73,940	79,810
Recoverable from CPPA	(73,940)	(79,810)
	<u>-</u>	<u>-</u>

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

	2022	2021
	----- Rupees -----	
27. taxation - current		
For the year	<u>7,037</u>	<u>1,895</u>

27.1 Represents tax at the rate of 29% and 15% (2021: 29% and 12.5%) on bank profits and capital gains, respectively as per the requirements of the Income Tax Ordinance, 2001. Accordingly, no tax reconciliation is 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.

(Amounts in thousand)

28. earnings per share

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

Weighted average number of ordinary shares (in thousand)

Earnings per share - basic and diluted

29. cash generated from operations

Profit before taxation
Adjustment for non-cash charges and other items:

- Depreciation (note 5.1.2)
- Amortisation (note 6.1)
- Write-off of operating assets (note 23)
- Reclassification of hedge to profit and loss (note 24)
- Loss / (Gain) on disposal of investments
- Loss / (Gain) on disposal of property, plant and equipment (note 24)
- Interest income (note 25)
- Unwinding of GIDC liability (note 25)
- Finance cost (note 25)
- Working capital changes (note 29.1)

	2022	2021
	----- Rupees -----	
	<u>1,471,756</u>	<u>1,594,307</u>
-----Number of shares-----		
	<u>323,800</u>	<u>323,800</u>
----- Rupees -----		
	<u>4.55</u>	<u>4.92</u>
	2022	2021
----- Rupees -----		
	1,478,793	1,596,202
	815,211	786,353
	27,883	17,049
	-	13,833
	(11,575)	(874)
	22,426	(2,988)
	68	(88)
	(11,117)	(5,245)
	-	102,593
	568,215	320,594
	<u>1,379,205</u>	<u>(2,468,826)</u>
	<u>4,269,109</u>	<u>358,603</u>

(Amounts in thousand)

29.1 Working capital changes

	2022	2021
	----- Rupees -----	
Decrease / (increase) in current assets:		
Inventories	(299,828)	308,866
Trade debts	2,042,310	(4,802,493)
Loan, advances, deposits, prepayments - net	(60,801)	8,378
Other receivables	1,307,296	1,863,817
	2,988,977	(2,621,432)
(Decrease) / increase in current liabilities:		
Trade and other payables	(1,609,772)	152,606
	1,379,205	(2,468,826)
Balances with banks (note 13)	80,121	44,437
Short-term borrowings (note 18)	(6,014,459)	(4,752,443)
	(5,934,338)	(4,708,006)

30. cash and cash equivalents

31. remuneration of chief executive officer, directors and executives

31.1 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:

	2022		2021	
	Directors	Executives	Directors	Executives
	Chief Executive Officer	Other	Chief Executive Officer	Other
	----- (Rupees) -----			
Managerial remuneration	15,514	-	260,938	8,635
Contribution for staff retirement benefits	2,778	-	31,226	1,900
Bonus	7,874	-	53,785	10,289
Other benefits	459	-	11,714	1,324
Fees for attending meetings	-	8,225	-	1,550
Total	26,625	8,225	357,663	22,148
Number of persons, including those who worked part of the year	1	5	1	4

(Amounts in thousand)

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

32. financial instruments by category

	2022	2021
	----- Rupees -----	
32.1 Financial assets as per statement of financial position		
- Financial assets at amortised cost		
Long term deposits	2,574	2,574
Loans, advances and deposits	50,776	24,854
Trade debts	9,800,242	11,842,552
Short-term investments	449,997	49,179
Other receivables	1,473,159	2,668,758
Balances with banks	80,121	44,437
	11,856,869	14,632,354
32.2 Financial liabilities as per statement of financial position		
- Financial liabilities at amortised cost		
Short term borrowings	6,014,459	4,752,443
Trade and other payables	4,433,094	5,493,880
Unclaimed / unpaid dividend	20,386	20,589
Accrued interest / mark-up	199,306	61,319
	10,667,245	10,328,231

33. financial risk management objectives and policies

33.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimise earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Company's Finance and Planning 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, over due receivables and payables. These are benchmarked to variable rates which expose the Company to cash flow interest rate risk. As at reporting date, if interest rate on the Company's financial assets and liabilities had been 1% higher / lower with all other variables held constant, pre tax profit of the Company for the year would have been higher / lower by Rs. 56,814, mainly as a result of higher / lower interest exposure on variable rate.

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, deposits, bank guarantees and other receivables. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The maximum exposure to credit risk is equal to the carrying amount of financial assets. The Company maintains an internal policy to place funds with commercial banks having a minimum short-term credit rating of A1. The Company accepts guarantees of banks of reasonably high credit ratings as approved by the management. Trade debts, including delayed payment charges are secured by a sovereign guarantee from the Government of Pakistan.

The Company monitors the credit quality of its financial assets with reference to historical performance of such assets and available external credit ratings. The carrying values of financial assets which are neither past due nor impaired are as under:

(Amounts in thousand)

	2022	2021
	----- Rupees -----	
Long-term deposits	2,574	2,574
Loans, advances and deposits	50,776	24,854
Trade debts	2,330,429	2,100,081
Short-term investments	449,997	49,179
Other receivables	956,304	1,202,099
Balances with banks	80,121	44,437
	3,870,201	3,423,224

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

	2022	2021
	----- Rupees -----	
Trade debts	7,469,813	9,742,471
Other receivables	516,855	1,466,659
	7,986,668	11,209,130

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"	Rating	
		Short-term	Long-term
Allied Bank Limited	PACRA	A1+	AAA
Bank of Punjab	PACRA	A1+	AA+
MCB Bank Limited	PACRA	A1+	AAA
Soneri Bank Limited	PACRA	A1+	AA-
Al 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 notes 18.1 and 18.2.

34. fair value measurement

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

As at December 31, 2022 and December 31, 2021, the fair values of all assets and liabilities reflected in the financial statements approximate the fair values. "

35. capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The 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)

	2022	2021
	----- Rupees -----	
The proportion of debt to equity at the year end was:		
Short term borrowings (note 18)	6,014,459	4,752,443
Less: Balances with banks (note 13)	(80,121)	(44,437)
Net debt	5,934,338	4,708,006
Total equity	13,104,789	16,177,808
Total capital	19,039,127	20,885,814
Gearing ratio	0.31	0.23

36. number of employees

	Total number of employees		Average number of employees	
	2022	2021	2022	2021
Management employees	105	15	60	15

	2022	2021
	----- (MWh) -----	
Maximum generation possible	1,860,982	1,862,519
Declared capacity billed	1,742,045	1,862,519
Net electrical output	768,202	851,197

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

38. transactions with related parties

38.1. 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
Shahab Qader	N/A	Chief Executive Officer
Shabbir Hashmi	N/A	Director
Yusuf Jamil Siddiqui	N/A	Director
Ahsan Zafar Syed	N/A	Director
Farooq Barkat Ali	N/A	Director
Vaqar Zakaria	N/A	Director
Fauzia Viqar	N/A	Director
Kaiser Bengali	N/A	Director
Nausheen Ahmad	N/A	Director
Amir Qasim	N/A	Key management personnel

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

(Amounts in thousand)

		2022	2021
		----- Rupees -----	
Nature of relationship	Nature of transactions		
Holding companies	Reimbursement of expenses:		
	- incurred for the Company	251,155	215,993
	- incurred by the Company	45,856	58,818
	Contribution for Corporate Social Responsibility (CSR) activities	3,135	1,872
	Loan received	3,100,000	3,000,000
	Loan repaid	3,100,000	3,000,000
	Finance cost	25,798	29,094
	Dividend	3,122,700	724,913
Associated companies	Reimbursement of expenses:		
	- incurred for the Company	44,185	26,649
	- incurred by the Company	110,027	69,464
	Operation and maintenance fee	-	1,045,909
	Settlement fee under TSA	-	160,000
	Contribution for Corporate Social Responsibility (CSR) activities	14,500	11,500
"Key management personnel"	Managerial remuneration, including bonuses and other benefits	34,430	32,798
Contribution / Charge for retirement benefit schemes		3,635	2,442
Directors fee		8,225	1,550
Staff retirement benefits	Managed and operated by Engro Corporation Limited Contribution to:		
	- Gratuity fund	16,759	3,951
	- Provident fund	50,543	11,121

39. date of authorisation for issue

These financial statements were authorised for issue on February 8, 2023 by the Board of Directors of the Company.

40. general

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

Chief Financial Officer

Chief Executive Officer

Director

annexure

glossary

BTU	British Thermal Unit	IPP	Independent Power Producer
CCG	Code of Corporate Governance	IRC	Indus Resource Center
CDC	Central Depository Company	MoU	Memorandum of Understanding
CEO	Chief Executive Officer	PSX	Pakistan Stock Exchange
CFO	Chief Financial Officer	LWI	Lost Workday Injury
COD	Commercial Operations Date	MMCFD	Million Cubic Feet per Day
DAE	Diploma in Associated Engineering	MWh	Mega Watt hour
DB	Defined Benefit	NBFI	Non-Banking Finance Institutions
DC	Defined Contribution	NCCPL	National Clearing Company of
DFI	Development Finance Institutions		Pakistan Limited
DSC	Defence Saving Certificates	NEO	Net Electrical Output
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization	NEPRA NTDC	National Electric Power Regulatory Authority National Transmission and
ECL	Engro Corporation Limited		Dispatch Company
EPA	Environmental Protection Agency	OHIH	Occupational Health and Industrial Hygiene
EEL	Engro Energy Limited	PEPCO	Pakistan Electric Power Company
EPQL	Engro Powergen Qadirpur Limited	PIB	Pakistan Investment Bonds
GIDC	Gas Infrastructure Development Cess	PICG	Pakistan Institute of Corporate Governance
GSA	Gas Supply Agreement	PPA	Power Purchase Agreement
GWh	Giga Watt hour	PPAF	Pakistan Poverty Alleviation Fund
HRSR	Heat Recovery Steam Generator	PPIB	Private Power Infrastructure Board
HSD	High Speed Diesel	RIC	Regular Income Certificates
HSE	Health Safety & Environment	SECP	Securities & Exchange Commission
IA	Implementation Agreement	SEPA	Sindh Environmental Protection Agency
ICAP	Institute of Chartered Accountants of Pakistan	SNGPL SSC	Sui Northern Gas Pipelines Limited Special Saving Certificates
IFAC	International Federation of Accountants International	TFC TRIR	Term Finance Certificate Total Recordable Injury Rate
IFC	Finance Corporation	TTC	Technical Training College
IPO	Initial Public Offering	WWF	Workers' Welfare Fund
HRB	Human Resource Business partner	PHC	Primary Health care Center
TSA	Termination Settlement Agreement	NEQS	National Environmental Quality Standards

standard request form

circulation of annual audited accounts.

The Share Registrar
Engro Powergen Qadirpur Ltd.
FAMCO Associates (Pvt.) Ltd.
8-F, Near Hotel Faran
Nursery, Block-6, P.E.C.H.S., Shahra-e-Faisal
KARACHI.
E-mail: info.shares@famco.com.pk
Telephone No. (9221) 3438 0101-5, 3438 4621-3

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 Ltd. with the particulars as mentioned below would request that my name be added to the list of Shareholders of the Company who opt for delivery of a hardcopy of the Annual Report of the Company and hereby request you send to me the Annual Report in hard copy form at my registered address as contained in the members 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 Ltd. 16th Floor, The Harbour Front, Dolmen City,
HC-3, Block 4, Clifton, Karachi-75600.
E-mail: agm.epql@engro.com



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/our proxy to vote for me/us and on my / our behalf at the Annual General Meeting of the Company to be held on the 29th day of March, 2023 and at any adjournment thereof.

Signed this _____ day of _____ 2023.

WITNESSES: _____

1. Signature: _____
Name: _____
Address: _____

CNIC or
Passport No. _____

2. Signature: _____
Name: _____
Address: _____

CNIC or
Passport No. _____

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.

Signature
Signature should agree with
the specimen registered
with the Company



میں اہم _____ کی طرف سے _____
 بحیثیت اینگر پاور جن قادر پور لمیٹڈ کے رکن ، اور _____ عمومی حصص یافتہ جن کی مالیت فی حصص رجسٹرڈ فو لیو نمبر _____ اور / یا سی ڈی سی
 (حصص کی تعداد)
 participant آئی ڈی نمبر _____ اور _____

ذیلی اکاؤنٹ نمبر _____ اپنی دانست میں _____ کی طرف سے _____ بطور پراکسی تعینات کرتا
 ہوں یا بطور پراکسی کی حیثیت ختم کر رہا رہی ہوں تاکہ یہ میری طرف سے کمپنی کے غیر معمولی اجلاس میں شرکت کریں اور ووٹ دیں جو بتاریخ 29 مارچ، 2023ء کو منعقد کیا
 جائے گا۔

دستخط: _____ مورخہ / تاریخ _____ 2023۔

گواہان:

۱۔ دستخط: _____
 نام: _____
 پتہ: _____
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____
 پاسپورٹ نمبر: _____

دستخط شیئر ہولڈر
 دستخط کمپنی میں کیے جانے والے دستخط سے مماثلت رکھتے ہوں

۲۔ دستخط: _____
 نام: _____
 پتہ: _____
 کمپیوٹرائزڈ قومی شناختی کارڈ نمبر: _____
 پاسپورٹ نمبر: _____

compliance with ICAP's BCR 2022 evaluation criteria

1. organizational overview and external environment

What does the organization do and circumstances under which it operates

S No.		Pg no.
1.01	Principal business activities and markets (local and international) including key brands, products and services.	07
1.02	Geographical location and address of all business units including sales units and plants.	05
1.03	Mission, vision, code of conduct, culture, ethics and values.	09 & 10
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. Also name and country of origin of the holding company/subsidiary company, if such companies are a foreign company.	13 & 14
1.05	Organization chart indicating functional and administrative reporting, presented with legends.	24
1.06	Identification of the key elements of the business model of the company through simple diagram supported by a clear explanation of the relevance of those elements to the organization. (The key elements of business model are Inputs, Business activities, Outputs and Outcomes).	79 & 80
1.07	Position of the reporting organization within the value chain showing connection with other businesses in the upstream and downstream value chain. (This disclosure shall be provided by the companies in service and non-service sector organizations through graphical presentation).	76
1.08	Significant factors effecting the external environment and the associated organization's response. Also describe the effect of seasonality on business in terms of production and sales. (External environment includes commercial, political, economic, social, technological, environmental and legal environment).	66 & 67
1.09	The legitimate needs, interests of key stakeholders and industry trends.	49, 84, 85
1.10	SWOT Analysis of the company.	77
1.11	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).	119
1.12	The legislative and regulatory environment in which the organization operates.	84 & 87
1.13	The political environment where the organization operates and other countries that may affect the ability of the organization to implement its strategy.	66
1.14	Significant changes from prior years (regarding the information disclosed in this section).	83
1.15	History of major events.	17,84,85 & 86
	Details of significant events occurred during the year and after the reporting period.	N/A

2. strategy and resource allocation

Where does the organization want to go and how does it intend to get there

S No.		Pg no.
2.01	Short, medium and long term strategic objectives.	81
2.02	Strategies in place or intended to be implemented to achieve the strategic objectives.	81, 82 & 83
2.03	Resource allocation plans to implement the strategy and financial capital structure. Resource mean CAPITALS including: a. financial capital (e.g. liquidity, cash flows, financing arrangements); human capital; b. manufactured capital (e.g. building, equipment, infrastructure); c. intellectual capital (e.g. patents, copyrights, software, licenses, knowledge, system, procedures); d. human capital; e. social and relationship capital; and f. natural capital. Explanation: Disclosures about the capitals should include the factors that affect the availability, quality and affordability of relevant capitals and the organization's expectations of its ability to produce flows from them to meet future demand. Demonstrating the connectivity of financial performance with performance and outcomes regarding the other capitals & how the organization's strategy and resource allocation plans affect key capitals and risk management arrangements related to them should be included under capital reporting.	81,82 & 83
2.04	Key resources and capabilities of the company which provide sustainable competitive advantage.	07
2.05	Value created by the business, and for whom, using these resources and capabilities.	116
2.06	The effect of technological change, societal issues such as population and demographic changes, human rights, health, poverty, collective values and educational systems, environmental challenges, such as climate change, the loss of ecosystems, and resource shortages on the company strategy and resource allocation.	66 & 67
2.07	Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues.	68 & 74
2.08	Key performance indicators (KPIs) to measure the achievement against strategic objectives	67
	including statement as to whether the indicators used will continue to be relevant in the future.	81,82 & 83
2.09	Board's statement on the following: a) significant plans and decisions such as corporate restructuring, business expansion, or discontinuance of operations; b) business rationale of major capital expenditure or projects started during the year and those planned for next year etc.	
2.10	Significant changes in objectives and strategies from prior years.	81 & 82

3. risks and opportunities

Specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how it is dealing with them

S No.		Pg no.
3.01	Key risks and opportunities effecting availability, quality and affordability of CAPITALS in the short, medium and long term.	68-74
3.02	Risk Management Framework including risk management methodology and principal risk and uncertainties facing the company.	68
3.03	Sources of risks and opportunities (internal and external).	68-74
3.04	The initiatives taken by the company in promoting and enabling innovation.	68-74
3.05	Assessment of the 'likelihood' that the risk or opportunity will come to fruition and the 'magnitude' of its effect if it does.	71,72 & 73
3.06	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.	71-74
3.07	Board's efforts for determining the company's level of risk tolerance by establishing risk management policies.	68,69 & 70
3.08	Statement from the board that they have 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.	68
3.09	Strategy to overcome liquidity problem and the company's plan to manage its repayment of debts and meet operational losses.	82
3.10	Inadequacy in the capital structure and plans to address such inadequacy.	N/A

4. sustainability and corporate social responsibility

S No.		Pg no.
4.01	Highlights of the company's performance, policies, initiatives and plans in place relating to the various aspects of sustainability and corporate social responsibility as per best business practices including: a) environment related obligation applicable on the company; b) company progress towards environmental, social and & governance initiatives during the year; and c) company's responsibility towards the staff, health & safety.	123 - 128
4.02	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
4.03	Certifications acquired and international standards adopted for best sustainability and CSR practices.	125

5. governance

How does the organization’s governance structure its ability to create value in the short, medium and long term

S No.		Pg no.
5.01	Board composition: 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.	27-34
5.02	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.	61
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.	44 & 45
5.04	Annual evaluation of performance, along with description of criteria used for the members of the board including CEO, Chairman and board’s committees.	41 - 44
5.05	Disclosure if the board’s performance evaluation is carried out by an external consultant once in three years.	41 - 44
5.06	Details of formal orientation courses for directors.	41
5.07	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.	53
5.08	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
5.09	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.	45,193 & 194
5.10	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.	37,38 & 47

S No.		Pg no.
	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) Providing reasonable opportunity to the shareholder for participation in the AGM.	42,43, 45,46, 47,48 49, 50, 87
5.11	Board review statement of the organization’s business continuity plan or disaster recovery plan.	49
5.12	Disclosure of beneficial (including indirect) ownership and flow chart of group shareholding and relationship as holding company, subsidiary company or associated undertaking.	48
5.13	Compliance with the Best Practices of Code of Corporate Governance (No marks in case of any non-compliance).	49
5.14	A brief description about role of the Chairman and the CEO.	41
5.15	Shares held by Sponsors / Directors / Executives.	137
5.16	Salient features of TOR and attendance in meetings of the board committees (Audit, Human Resource, Nomination and Risk management).	39 & 40
5.17	Timely Communication: Date of authorization of financial statements by the board of directors: within 40 days ---6 marks 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
5.18	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) Role of the committee in discharging its responsibilities for the significant issues in relation to the financial statements, and how these issues were addressed with details where particular attention was paid in this regard. c) Committee’s overall approach to risk management and internal control, and its processes, outcomes and disclosure.	55-57

S No.		Pg no.
	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 information on the length of tenure of the current statutory 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. h) The Audit Committee's views whether the Annual Report was fair, balanced and understandable and also whether it provided the necessary information for 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.	55-57
5.19	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.	50
5.20	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.	49
5.21	Where an external search consultancy has been used in the appointment of the Chairman or a non-executive director, it should be disclosed if it has any other connection with the company.	No external search consultancy was used
5.22	Chairman's significant commitments and any changes thereto.	27
5.23	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.	84 & 85
5.24	How the organization's implemented governance practices have been exceeding legal requirements.	50

6. analysis of the financial information

To what extent has the organization achieved its strategic objectives for the period

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 (c) Objectives to assess stewardship of management. 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	Analysis of financial ratios (Annexure I) (this includes marks of ratios for Shariah compliant companies and companies listed on Islamic indices)	104-114
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.	105-113
6.05	Explanation of negative change in the performance against prior year including analysis of variation in results reported in interim reports with the final accounts, including comments on the results disclosed in 6.02 and 6.03 above.	93 & 94
6.06	Any significant change in accounting policies, judgements, estimates and assumptions with rationale.	N/A
6.07	Information about defaults in payment of any debts and reasons thereof period.	N/A
6.08	Methods and assumptions used in compiling the indicators.	PBS, PSX, SBP and external sources
6.09	Cash Flow Statement based on Direct Method (separate Cash Flow for specific funds e.g. Zakat).	103
6.10	Segmental review and analysis of business performance including segment revenue, segment results, profit before tax, segment assets and liabilities.	N/A
6.11	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
6.12	Brief description and reasons: a) for not declaring dividend despite earning profits and future prospects of dividend. b) where any payment on account of taxes, duties, levies etc. is overdue or outstanding.	88 N/A
6.13	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).	05

7. disclosures on it governance and cybersecurity

How the Board evaluate the company’s IT governance and cybersecurity risk and how the Board manages those risks that threaten the company’s operations

S No.		Pg no.
7.1	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.	46
7.2	Disclosure related to IT governance and cybersecurity programs, policies and procedures and industry specific requirements for cybersecurity and strategy in place.	46
7.3	Disclosures about how cybersecurity fits into the board’s risk oversight function and how the board is engaging with management on this issue.	46
7.4	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.	46
7.5	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.	46
7.6	Disclosure of policy related to independent comprehensive security assessment of technology environment, including third party risks and when last such review was carried out.	46
7.7	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.	46
7.8	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.	46
7.9	Disclosure about education and training efforts of the Company to mitigate cybersecurity risks.	46

8. future Outlook

Challenges and uncertainties that the organization is likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance

S No.		Pg no.
8.01	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.	74,84, 85,86
8.02	Explanation of 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 how it will affect the organization in terms of its business performance, strategic objectives and availability, quality and affordability of capitals.	74,84, 85,86
8.03	Explanation as to how the performance of the company meets the forward looking disclosures made in the previous year.	84-86
8.04	Status of the projects in progress and were disclosed in the forward looking statement in the previous year.	N/A
8.05	Sources of information and assumptions used for projections / forecasts in the forward looking statement and assistance taken by any external consultant.	N/A
8.06	How the organization is currently equipped in responding to the critical challenges and uncertainties that are likely to arise.	120

9. stakeholders relationship and engagement

State of key stakeholder relationships and how the organization has responded to key stakeholders’ legitimate needs and interests

S No.		Pg no.
9.01	Stakeholders engagement policy of the company and how the company has identified its stakeholders.	118 & 119
9.02	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.	118 & 119
9.03	Steps taken by the management to encourage the minority shareholders to attend the general meetings.	50
9.04	Investors' Relations section on the corporate website.	49
9.05	Issues raised in the last AGM, decisions taken and their implementation status.	50
9.06	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 & 117
9.07	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.	49 & 118
9.08	Highlights about redressal of investors' complaints.	45

10. business model

Business model is a system of transforming inputs, through business activities, into outputs and outcomes that aims to fulfil the organization’s strategic purposes and create value over the short, medium and long term

S No.		Pg no.
10.01	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 (IR Framework).	79 & 80

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)).	50
11.02	Adoption of IR Framework by fully applying the 'Fundamental Concepts', 'Content Elements' and 'Guiding Principles' in the IR Framework.	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).	N/A
11.04	Disclosures beyond BCR criteria (The participating organization to send the list of additional disclosures to BCR Committee).	N/A

12. specific disclosures of financial statements

S No.		Pg no.
12.01	Fair value of Property, Plant and Equipment.	N/A
12.02	Reconciliation of weighted average number of shares for calculating EPS and diluted EPS.	186
12.03	Particulars of significant/ material assets and immovable property including location and area of land.	172
12.04	Key quantitative information (Number of persons employed as on the date of financial statements and average number of employees during the year, separately disclosing factory employees).	192
12.05	Disclosure of product wise data mentioning, product revenue, profit etc.	N/A
12.06	Capacity of an industrial unit, actual production and the reasons for shortfall .	192
12.07	Disclosure of discounts on revenue.	N/A
12.08	Sector wise analysis of deposits and advances.	N/A
12.09	Complete set of financial statements (Balance sheet, Income statement & Cash flow) for Islamic banking operations.	N/A
12.10	Status for adoption of Islamic Financial Accounting Standards (IFAS) issued by the ICAP.	N/A
12.11	Summary of significant transactions and events that have affected the company's financial position and performance during the year.	161 & 162
12.12	Forced sale value in case of revaluation of Property, Plant and Equipment or investment property.	N/A
12.13	Distribution of shareholders (Number of shares as well as category, e.g. Promoter, Directors/Executives or close family member of Directors/Executives etc.).	137-141
12.14	Particulars of major foreign shareholders, other than natural person, holding more than 5% of paid up capital in the company in Pattern of Shareholding.	137 & 138

S No.		Pg no.
12.15	Particulars where company has given loans or advances or has made investments in foreign companies or undertakings.	N/A
12.16	Accounts Receivable in respect of Export Sales - Name of company or undertaking in case of related party and in case of default brief description of any legal action taken against the defaulting parties.	175, 176 & 177
12.17	Treasury shares in respect of issued share capital of a company.	N/A
12.18	In describing legal proceedings, under any court, agency or government authority, whether local or foreign, include name of the court, agency or authority in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis of the proceeding and the relief sought.	182
12.19	Management assessment of sufficiency of tax provision made in the company's financial statements shall be stated along with comparisons of tax provision as per accounts vis a vis tax assessment for last three years.	N/A
12.20	Income tax reconciliation as required by IFRS and applicable tax regime for the year.	185
12.21	In respect of loans and advances, other than those to the suppliers of goods or services, the name of the borrower and terms of repayment if the loan or advance exceeds rupees one million, together with the collateral security, if any.	N/A
12.22	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).	183
12.23	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
12.24	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
12.25	Standards, amendments and interpretations adopted during the current year along with their impact on the company's financial statements.	162 & 163
12.26	Standards, amendments and interpretations, not yet effective and not adopted along with their impact on the company's financial statements.	163

13. assessment based on qualitative factors

S No.		Pg no.
13.01	Qualitative Assessment of Annual Report	N/A

بورڈ کے اجلاس اور حاضری

2022 میں، کاروباری امور کی نگرانی کے لیے بورڈ آف ڈائریکٹرز کے 17 اجلاس منعقد کئے۔ جس میں ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے:

ڈائریکٹر کا نام	اجلاسوں میں شرکت
جناب یوسف جمیل صدیقی *	3
جناب فاروق برکت علی	6
جناب شبیر ہاشمی	7
جناب وقار زکریا	7
محترمہ نوشین احمد **	1
جناب قیصر بنگالی	6
محترمہ فوزیہ وقار	7
جناب شہاب قادر	7
جناب احسن ظفر سید *	4

* جناب احسن ظفر سید 30 جون 2022 کو مستعفی ہو گئے اور جناب یوسف جمیل صدیقی کو ڈائریکٹر کے طور پر یکم جولائی 2022 کو منتخب کیا گیا۔

** 14 اکتوبر 2022 کو آزاد ڈائریکٹر کے طور پر منتخب ہوئیں۔

2022 میں، بورڈ آڈٹ کمیٹی کے 4 اجلاس منعقد کئے جس میں ڈائریکٹرز کی حاضری کا ریکارڈ درج ذیل ہے:

ڈائریکٹر کا نام	اجلاسوں میں شرکت
جناب قیصر بنگالی	3
جناب شبیر ہاشمی	4
جناب فاروق برکت علی	4

2022 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 فوزیہ وقار	2
جناب شہاب قادر	2
جناب وقار زکریا	2
جناب احسن ظفر سید *	1
محترمہ نوشین احمد **	-

* جناب احسن ظفر سید 30 جون 2022 کو مستعفی ہو گئے۔

** 14 اکتوبر 2022 کو آزاد ڈائریکٹر کے طور پر منتخب ہوئیں۔

Shahab Qader

شہاب قادر

چیف ایگزیکٹو آفیسر

8 فروری 2023

Yusuf Jameel Siddiqui

یوسف جمیل صدیقی

ڈائریکٹر

31 دسمبر 2022 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

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

2۔ بورڈ آف ڈائریکٹرز کی تشکیل درج ذیل ہے:

الف، آزاد ڈائریکٹرز	جناب قیصر بنگالی محترمہ فوزیہ وقار محترمہ نوشین احمد
ب، نان ایگزیکٹو ڈائریکٹرز	جناب یوسف جمیل صدیقی جناب فاروق برکت علی جناب شبیر ہاشمی جناب وقار زکریا جناب شہاب قادر
ج، چیف ایگزیکٹو آفیسر	

3۔ بورڈ آڈٹ کمیٹی کی تشکیل درج ذیل ہے:

ڈائریکٹر کا نام	
جناب قیصر بنگالی	(چیئر مین)
جناب فاروق برکت علی	ممبر
جناب شبیر ہاشمی	ممبر

4۔ بورڈ پیپلز کمیٹی کی تشکیل درج ذیل ہے:

ڈائریکٹر کا نام	
محترمہ فوزیہ وقار	(چیئر پرسن)
محترمہ نوشین احمد	ممبر
جناب وقار زکریا	ممبر

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۔ 2022 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 فلو ز 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 لاگو انٹرنیشنل 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۔

مستقبل قریب کا جائزہ

11 فروری 2021 کو کمپنی اور CPPA-G کے درمیان مفاہمت کی یادداشت کے شرائط پر مبنی معاہدہ طے پایا جس کی شرائط میں اینگرو پاور جن قادر پور لمیٹڈ کے تمام غیر متنازع بقایات اور ادائیگیاں، 30 نومبر 2020 کے مطابق PPA کے تحت واپس ادا کی جائیں گی جس میں نقد رقم اور حکومت کی جاری کردہ سیکورٹیز شامل ہوں گی۔ مزید برآں، ریٹرن آن ایکوٹی (RoE) اور ریٹرن آن ایکوٹی ڈیورنگ کنسٹرکشن (RoEDC) کو 17 فیصد سالانہ کے حساب سے پاکستانی روپے میں فکس کیا جائے گا (RoE) اور RoEDC کے لیے کمرشل آپریشن ڈیٹ پر نیچر اسے منظور شدہ ایکوٹی کا حساب USD/148 PKR کے ایکسچینج ریٹ سے کیا جائے، جس میں آئندہ USD ایکسیشن نہیں ہوگی۔ موجودہ RoE اور RoEDC بشمول لاگو ایکسیشن اس وقت تک نافذ ہوگی جب تک موجودہ شرح کے تحت لاگو ایکسچینج ریٹ USD/168 PKR کی حد تک پہنچ جائیں اور کمپنی کی جانب سے اقساط وصول کی جائیں، جبکہ تبدیل شدہ RoE اور RoEDC کا نفاذ باقی ماندہ مدت کے لیے لاگو ہوگا۔ اینگرو پاور جن قادر پور لمیٹڈ نے جنوری 2022 میں پہلی قسط اور جون 2022 میں دوسری قسط وصول کر لی ہے۔ جبکہ نظر ثانی شدہ واپسی کا نظام لاگو ہے۔

کمپنی اسٹیک ہولڈرز کو کسی حل کے لیے راضی کرنے میں مصروف ہے کیونکہ قادر پور فیلڈ سے حاصل ہونے والی گیس ختم ہو رہی ہے۔ گیس ڈپلین مٹیکیشن پلان / آپشن (GDMP/GDMO) کے حوالے سے پی پی آئی بی کی کمیٹی (”کمیٹی“) نے ایک تجویز پیش کی ہے جس کے مطابق اینگرو پاور جن قادر پور لمیٹڈ آرائل این جی کو قادر پور سے نکلنے والی پری میٹ گیس یا ہائی اسپیڈ ڈیزل کے ساتھ مکس استعمال کرے یا جس طرح ممکن ہو، چنانچہ پی پی اے میں کسی بھی فیول کی کم از کم فراہمی یا گارنٹی آف ٹیک کی اجازت نہیں ہوگی۔ آرائل این جی کی فراہمی SNGPL کی جانب سے ”جیسی ہے جب ہے“ کی بنیاد پر فراہم کی جائے گی۔ GDMO پر عمل درآمد سے متعلق ہونے والے تمام کیپکس اور دیگر اخراجات اینگرو پاور جن قادر پور لمیٹڈ برداشت کرے گی۔ اس GDMP/GDMO کی مدت 31 دسمبر 2025 تک کے لیے ہوگی اور کمیٹی نے 2025 میں اس پروجیکٹ پر دوبارہ نظر ثانی کی تجویز دی ہے۔ کمپنی نے اس تجویز کو قبول کیا ہے جو کہ PPIB بورڈ کی منظوری اور عملدرآمدی معاہدے کے تحت مطلوبہ رضامندیوں سے مشروط ہوگی۔

علاوہ ازیں، اینگرو پاور جن قادر پور لمیٹڈ متبادل مقامی ایندھن کی تلاش کے لیے بھی کوشاں ہے۔ دوران سال، کمپنی نے EPQL کو 8-13 mmcf د گیس کی فراہمی کے لیے پیٹرولیم ایکسپلوریشن لمیٹڈ (PEL) کے ساتھ اشتراک عمل کیا۔ کمپنی نے نیچر میں مجوزہ تبدیلی سے متعلق لائسنس اور اضافی فیول کے ٹیرف کے لیے درخواست دی ہے۔ اینگرو پاور جن قادر پور لمیٹڈ مطلوبہ ریگولیٹری منظوریوں کے انتظار میں ہے۔

اہم شیئر ہولڈنگ اور شیئرز کی تجارت

31 دسمبر 2022 کے مطابق، کمپنی کے اکثریتی شیئر ہولڈر اینگرو انرجی لمیٹڈ، سابقہ اینگرو 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 صفحہ نمبر 139 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 2022 کو ختم ہونے والے سال کے لیے انہیں منتخب کرنے کی تجویز دی ہے۔

ڈیویڈنڈ (منافع منقسمہ)

دوران سال، کمپنی نے 5 اگست 2021 کو 1.5 روپے فی شیئر کا عبوری ڈیویڈنڈ دینے کا اعلان کیا۔

ریٹائرمنٹ بینفٹ فنڈز

کمپنی ایسے پلانز ترتیب دیتی ہے جن سے ملازمت یار ریٹائرمنٹ کے بعد کمپنی کے ملازمین کو فوائد حاصل ہوتے ہیں۔ ان میں ڈیفائنڈ کٹری بیوشن (ڈی سی) گریجویٹ فنڈ اور ڈی سی پروویڈنٹ فنڈ شامل ہیں۔ اینگرو کارپوریشن گریجویٹ فنڈز اور اینگرو کارپوریشن پروویڈنٹ فنڈ حتمی بیرونٹ کمپنی، اینگرو کارپوریشن کی جانب سے ان کے ملازمین، متعلقہ ذیلی اداروں بشمول اینگرو پاور جن قادر پور لمیٹڈ کے لیے چلائے جاتے ہیں۔

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

ریٹائرمنٹ فنڈ *	اینگرو کارپوریشن لمیٹڈ پروویڈنٹ فنڈ 1	اینگرو کارپوریشن لمیٹڈ گریجویٹ فنڈ 1
	31 دسمبر 2022	31 دسمبر 2022
	روپے بلین میں	
ٹوٹل اثاثہ جات	5,033	3,409
سیونگ اسکیمز	836	897
گورنمنٹ سیکورٹیز	2,176	1,637
لسٹڈ سیکورٹیز	1,321	587
بینک بیلنس اور ٹرم ڈپازٹ رسیپٹس	579	200
دیگر	122	87
ٹوٹل	5,033	3,409

* غیر آڈٹ شدہ

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 بزنسز 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، سیکینکل ٹریننگ، مہارتوں کی ترقی اور صحت کی بہتری کے ذریعے انسانی فلاح پر خرچ ہو رہی ہے۔

2022 میں، ہمارے وقف پر انٹری ہیلتھ کیئر سینٹر (PHC) نے قریبی دیہات کے لیے ہینڈز کے تعاون سے 5000 سے زائد مریضوں کو علاج معالجہ کی سہولیات فراہم کیں۔ ادارے نے 30 عدد آگے سیشن منعقد کئے جس میں شرکاء کی تعداد 450 رہی۔ اینگرو پاور جن قادر پور لمیٹڈ، اینگرو فاؤنڈیشن اور انڈس ریورس سینٹر کے تعاون سے ضلع گھوٹکی کے سب سے بڑے ایڈاپٹڈ اسکول نیٹ ورک کو چلا رہا ہے۔ اس نیٹ ورک کے ذریعے گھوٹکی کے رشید احمد آرائیں، 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۔

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 ایسے ماحول کو یقینی بنانے کے لیے پرعزم ہیں جس میں ایسی اقدار کو پروان چڑھایا جائے جن سے ملازمین کی جسمانی اور ذہنی صحت کو ترجیح ملتی ہو۔ اسی ترجیح کے پیش نظر دوران سال ہم نے اپنے ملازمین کو ایک دن ساحل سمندر پر گزارنے اور وہاں پر مختلف جسمانی اور ذہنی صحت سے متعلق سیشن منعقد کرائے۔

ہم نے اس سال بھی صحت و تندرستی پر مبنی ’ایلیویٹ‘ پروگرام کو جاری رکھا جو تین سال سے کامیابی کے ساتھ جاری ہے۔ اس پروگرام کے تحت ملازمین کو یہ موقع میسر تھا کہ وہ تھراپسٹ سے کاؤنسلنگ حاصل کریں اور منظم ورکشاپس میں شرکت کریں جبکہ ملازمین کو کھچاؤ کم کرنے کے لیے اسٹریس ریلیف اور مجموعی تندرستی کے لیے بھی گروپ سیشن منعقد کرائے۔

پیشہ وارانہ مہارتوں میں مسلسل ترقی کے لیے، ہمارے ملازمین نے دوران سال 12000 سے زائد گھنٹوں پر محیط ٹریننگ حاصل کی جس سے ہماری ٹیموں کی جانب سے اپنے متعلقہ شعبہ جات میں پیشہ وارانہ ترقی میں دلچسپی کا اندازہ لگایا جاسکتا ہے۔

اینگرو پاور جن قادر پور لمیٹڈ کی لیڈر شپ نے کمپنی سے متعلق اپ ڈیٹس پر تبادلہ خیال کے لیے دوران سال کئی ٹاؤن ہال سیشن منعقد کئے اور اپنے ملازمین کی کامیابیوں کو سراہنے اور منانے کے لیے پلانٹ پراسپاٹ اینڈ لاگ سروس ایوارڈز کی تقریب منعقد کی گئی جس میں ملازمین کے انفرادی اور اجتماعی کاموں پر حوصلہ افزائی کی گئی جبکہ 5 سال اور 10 سال سے زائد مدت گزارنے والے ملازمین کو بھی ایوارڈز سے نوازا گیا۔

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 کراتی رہی ہے تاکہ ایک متنوع اور اجتماعیت کی حامل کام کی جگہ بننے کی ہماری کوششیں تکمیل پذیر ہوں۔ اکتوبر کے مہینے میں کمپنی آفس میں پنک ٹوربریک سیل کا اہتمام کیا گیا تاکہ چھاتے کے سرطان سے متعلق آگہی کے لیے فنڈ جمع کئے جائیں اور نومبر کے مہینے میں دو مین انٹر پرائیوٹرز ڈے منایا گیا جس میں خواتین کی جانب سے چلائے جانے والے بزنسز کی نشاندہی ہوئی اور انہیں سپورٹ کیا گیا۔

کمپنی کی جانب سے سالانہ ایمپلوائی انگیجمنٹ سروے کیا گیا تاکہ 2022 کے دوران ملازمین ورک فورس سے متعلق اطمینان کا معیار واضح ہو، جس میں کمپنی نے کامیابی کے ساتھ 92 فیصد کا بہتر انگیجمنٹ انڈیکس برقرار رکھا، یہ نتائج اینگرو پاور جن قادر پور لمیٹڈ کی جانب سے ملازم دوست پالیسیوں کا ثبوت پیش کرتے ہیں۔

ہیلتھ، سیفٹی اینڈ انوائرنمنٹ

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 پینٹل انوائرنمنٹل کوالٹی اسٹینڈرڈز (NEQS) اور ورلڈ بینک گروپ کی ہدایات کے مطابق 100 فیصد عمل درآمد کو یقینی بناتے ہیں۔

کمپنی نے Covid-19 سے تحفظ کے لیے خصوصی پروٹوکولز تیار کئے اور عمل درآمد کی اور اپنی ٹیم کی حفاظت کو یقینی بنانے کے لیے ہمارے تمام اسٹاف کی 100 فیصد ویکسینیشن کو یقینی بنایا گیا ہے اور جانچ پڑتال کا عمل سال بھی جاری رہا۔ علاوہ ازیں، 400 سے زائد ملازمین کے ورک فورس پر محیط بڑی انسپیکشن سے کووڈ کیسز سے نجات اور حفاظت کا یقین کیا گیا، انسپیکشن کے نتائج کسی فرسٹ ایڈیکس یا کسی قابل ذکر انجری کے بغیر مکمل کئے گئے۔ پلانٹ سال بھر آپریشنل رہا اور دوران سال پلانٹ سائٹ پر کسی طرح کے بھی کیسز رونما نہیں ہوئے۔

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 او سی 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 پروجیکٹ کے کمرشل آپریشنز کی تاریخ (COD) سے اب تک 4,663 روز بغیر کسی حادثے یا نقصان کے گزرے ہیں اور 9.85 ملین محفوظ مین آؤرز کا سنگ میل عبور کر لیا گیا ہے۔ ماحول کی حفاظت کا عزم بھی ہماری HSE کوششوں کا لازمی حصہ رہا ہے۔

ڈائریکٹرز کا جائزہ برائے شیئر ہولڈرز

سال ختم شدہ 31 دسمبر 2022

ڈائریکٹرز 31 دسمبر 2022 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۔

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 گھونگی 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 1995 سے پریمیٹ گیس ضائع ہو جاتی تھی۔ 26 اکتوبر 2007 کو دستخط شدہ پاور پریچر ایگریمنٹ (PPA) کے تحت بجلی نیشنل ٹرانسمیشن اینڈ ڈسٹری بیویشن 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 میں 2014 میں شامل کیا گیا۔

مارکیٹ کا جائزہ

CPPA-G سسٹم میں بجلی کی پیداوار 137 بلین یونٹس کے ساتھ 2022 میں بھی اسی سطح پر رہی۔ اقتصادی اور مالیاتی پابندیوں کے نتیجے میں معاشی سرگرمیوں میں سست روی کے سبب دوران سال بجلی کی طلب متاثر ہوئی۔ بجلی کی طلب میں اضافہ سے ہی گزشتہ سالوں کے اضافی اخراجات اور آئندہ کی مہنگائی کے اثرات سے بچا جاسکتا ہے۔ مزید براں، یہ ضروری ہے کہ مجموعی سسٹم موثر ہو اور نقصانات کی سطح کو کم کیا جائے۔

گردشی قرضہ توانائی کے مقامی شعبے کے لیے ایک مستقل مسئلہ رہا ہے۔ سرکلوئیٹ کے بڑھنے میں T&D کے زیادہ نقصانات، کم ریکوری، بجلی کی چوری اور مہنگا فیول مکس اہم اسباب ہیں۔ نئے پاور پراجیکٹس کے شروع ہونے سے صلاحیتوں کی ادائیگی بڑھتی جا رہی ہے اور نتیجے میں سرکلوئیٹ میں اضافہ ہو رہا ہے۔ کمپنی متعلقہ اسٹیک ہولڈرز کے ساتھ بھرپور انداز میں مصروف عمل ہے تاکہ لیکوئیٹی کی صورتحال کو منظم کیا جائے اور ادائیگیوں کا بروقت حصول یقینی ہو۔

گزشتہ سال کے دوران، فیول کی عالمی قیمتوں میں تیزی اور پاکستانی روپے کی ناقدری رہی جبکہ مقامی فیول پر چلنے کے نتیجے میں EPQL نے سال بھر میرٹ آرڈر میں اعلیٰ رینٹنگ برقرار رکھی۔

حکومت اور آئی پی پیز کے درمیان فروری 2021 میں طے پانے والے ماسٹر ایگریمنٹ کے مطابق، آئی پی پیز کے بقایا جات قسطوں میں ادا کئے جا رہے ہیں۔ 2022 میں کمپنی نے تقریباً 8.1 بلین روپے کی دونوں اقساط وصول کر لی ہیں۔

انتظامی کارکردگی

2022 میں کمپنی پلانٹ %93 قابل فروخت بجلی کی موجودگی کے قابل رہا اور پلانٹ سے نیشنل گرڈ کو %41 لوڈ فیکٹر کے ساتھ 768 GWh کا ٹوٹل نیٹ الیکٹرکل آؤٹ پٹ فراہم کیا جبکہ 2021 کے دوران لوڈ فیکٹر %46 تھا۔ لوڈ فیکٹر میں کمی کی وجہ بڑی سطح کی اوور ہالنگ کے سبب پہلے سے طے شدہ بندش رہی، یہ اوور ہالنگ ہر 6 سال بعد کی جاتی ہے۔

مالیاتی کارکردگی

زیر جائزہ سال کے لیے سیلز کی آمدنی گزشتہ سال کی اسی مدت کے 10,204 ملین روپے کے مقابلے میں 10,027 ملین روپے رہی۔ سیلز کی آمدنی میں کمی زیر جائزہ سال کے دوران بجلی کی کم فراہمی سے ہوئی۔ نتیجتاً زیر جائزہ مدت کے لیے مجموعی منافع 1,711 ملین روپے کے ساتھ گزشتہ سال کے 1,383 ملین روپے کے مقابلے میں کم رہا۔

کمپنی نے 2022 کے دوران 1,472 ملین روپے کا خالص منافع کمایا جبکہ 2021 میں 1594 ملین روپے تھا۔ اس طرح گزشتہ سال کے 4.92 روپے فی شیئر کے مقابلے میں 2022 کے لیے ہر ایک شیئر پر منافع 4.55 روپے بنتا 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 مکس موڈ میں دستیاب کر دیا ہے۔ چنانچہ پلانٹ گیس اور ہائی اسپید ڈیزل دونوں پر دستیاب ہے۔ مزید براں عملدرآمدی ایگریمنٹ کی شرائط کے مطابق، کمپنی نے تمام اسٹیک ہولڈرز کے ساتھ مل کر گیس کی کمی پر تقابو پانے کے لیے ایک مسودہ تیار کر کے پی پی آئی بی کو پیش کیا ہے۔ کمپنی متعلقہ اسٹیک ہولڈرز کے ساتھ متبادل فیول پلان سے متعلق بھرپور انداز میں مصروف عمل 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 دیانتداری پر یقین رکھتے ہیں۔ ہم دیانت دار، شفاف، واضح کاروباری سمت کے ساتھ اپنے اسٹیک ہولڈرز سے بھی اسی عمل کی توقع رکھتے ہیں۔

نوٹ:

1) سالانہ اجلاس عام میں بذریعہ وڈیو کانفرنس فیلیٹی پارٹیسپینٹس کی شرکت:

ممبران سے درخواست کی جاتی ہے کہ وہ وڈیو کانفرنس فیلیٹی کے ذریعے اجلاس میں شرکت کریں جس کے انتظامات کمپنی کی طرف سے کیے جائیں گے۔

وہ تمام شیئرز ہولڈرز اجلاس میں فزیکل طور پر یا بذریعہ وڈیو کانفرنس شرکت کے خواہشمند ہیں، اُن سے درخواست ہے کہ وہ اپنا نام، فونیومبر، موبائل نمبر، سی این آئی سی / پاسپورٹ نمبر

https://forms.office.com/r/Svc5bvK4XM پر رجسٹر کروائیں۔ فزیکل اجلاس یا وڈیو لنک اور لاگ ان کی تفصیلات کی تصدیقی ای میل صرف اُن ممبران کو بھیجی جائے گی جن

کی رجسٹریشن سالانہ اجلاس عام سے 48 گھنٹے قبل موصول ہوگئی ہوں۔

شیئرز ہولڈرز سالانہ اجلاس عام کے ایجنڈا آئیٹمز سے متعلق اپنی آراء اور سوالات agm.epql@engro.com پر بھیج سکتے ہیں۔

2- سالانہ رپورٹ 2022 کی الیکٹرانک ٹرانسمیشن

کمپنیز ایکٹ 2017 کے سیکشن (6) 223 کی تعمیل میں، کمپنی نے الیکٹرانک طور پر سالانہ رپورٹ 2022 کو ای میل کے ذریعے ان شیئرز ہولڈرز تک پہنچایا ہے جن کے ای میل پتے کمپنی کے شیئرز

رجسٹر امیر میسرز فیکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کے پاس دستیاب ہیں۔ ان صورتوں میں، جہاں کمپنی کے شیئرز رجسٹر کے پاس ای میل ایڈریس دستیاب نہیں ہیں، انھیں مذکورہ مالیاتی بیانات کو

ڈاؤن لوڈ کرنے کے لیے QR فعال کوڈ / ویب لنک کے ساتھ سالانہ اجلاس عام کا پرنٹ شدہ نوٹس بھیج دیئے گئے ہیں۔ تاہم، کمپنی کسی بھی ممبر کی درخواست پر ایک ہفتے کے اندر ان کی مانگ پر ان

کے رجسٹرڈ پتے پر سالانہ رپورٹ کی ہارڈ کاپیاں مفت فراہم کرے گی۔

مزید، شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ کمپنی کے شیئرز رجسٹر، میسرز فیکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو اپنے درست ای میل ایڈریس (درست CNIC کی کاپی کے ساتھ) فراہم

کریں، اگر ممبر کے پاس فزیکل فارم میں حصص ہیں یا ممبر کے متعلقہ شرکت کنندہ / سرمایہ کار کا وٹس سروسز کے پاس اگر حصص بک انٹری فارم میں رکھے گئے ہیں۔

3- کمپنی کی حصص منتقلی کتب بروز جمعرات، 23 مارچ، 2023 تا بروز بدھ، 29 مارچ 2023 (بشمول دونوں دن) بند رہیں گی۔ ہمارے رجسٹر اربنام میسرز فیکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ،

F - 8 نزد فاران ہوٹل، بلاک 6، پی۔ ای۔ سی۔ ایچ۔ ایس، شاہراہ فیصل، کراچی، پی اے بی ایکس نمبرز: 5-34380101 (21-92) اور ای میل

info.shares@famco.com.pk کے آفس میں بروز بدھ، 22 مارچ، 2023 کو کاروبار کی بندش سے قبل (شام 5:00 بجے) موصول شدہ ٹرانسفرز متعلقہ اشخاص کے اجلاس میں

شرکت کرنے اور ووٹ دینے کے مقاصد کے لئے بروقت تصور کئے جائیں گے۔

4- ممبر جو اجلاس میں شرکت اور ووٹ کا حقدار ہے، اُسے کسی دوسرے شخص کو اپنا پراکسی بنانے کا حق حاصل ہے اور نامزد کردہ پراکسی کو اجلاس میں شرکت کرنے، بولنے اور ووٹ دینے کا حق حاصل

ہوگا۔ پراکسی فارمز کو اجلاس سے 48 گھنٹے قبل کمپنی کو موصول ہونا لازمی ہے۔ پراکسی کو کمپنی کا ممبر ہونا ضروری نہیں ہے۔

5 - پراکسیوں کی تقرری کے تقاضے

(a) انفرادی افراد 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 گے۔

(b) پراکسی فارم پر دو افراد (مرد) گواہ ہوں گے جن کے نام، پتے اور سی این آئی سی نمبر فارم پر درج ہوں گے۔

(c) درست سی این آئی سی کی تصدیق شدہ کاپیاں یا بینیفیشل اونر کے پاسپورٹ اور پراکسی، پراکسی فارم کے ساتھ پیش کیے جائیں گے۔

(d) پراکسی سالانہ اجلاس عام کے وقت اپنا درست اصل سی این آئی سی یا اصل پاسپورٹ پیش کرے گا۔

(e) کارپوریٹ ادارے کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی، نامزد شخص کے نمونے کے دستخط کے ساتھ، پراکسی فارم کے ساتھ کمپنی کو جمع کروایا جائے گا جب تک کہ

اسے پہلے فراہم نہ کیا گیا ہو۔

6- کمپنیز ریگولیشنز (پوسٹل بیلٹ) 2018 کے مطابق، ایجنڈا آئیٹم کے کسی بھی مقصد کے لیے کمپنیز ایکٹ 2017 کے سیکشن 143 اور 144 کے مطلوبات سے مشروط، ممبران کو اپنے بذریعہ

پوسٹل بیلٹ 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۔

7- درست سی این آئی سی جمع کروانا (لازمی)

ایس ای سی پی کی ہدایات کے مطابق جن شیئرز ہولڈرز کے درست شناختی کارڈز، شیئرز رجسٹر کے پاس دستیاب نہیں ہیں ان کا ڈیوڈنڈ روکا جاسکتا ہے۔ اس لیے فزیکل شیئرز ہولڈنگ رکھنے والے تمام

شیئرز ہولڈرز کو مشورہ دیا جاتا ہے کہ وہ اپنے درست سی این آئی سی کی فوٹو کاپی فوری طور پر، اگر پہلے سے فراہم نہیں کی گئی ہیں، شیئرز رجسٹر، میسرز فیکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو بغیر کسی تاخیر

کے جمع کروائیں۔

8- غیر دعوی دار ڈیوڈنڈ

کمپنیز ایکٹ 2017 کے سیکشن 244 کے پروویژن کے مطابق، کمپنی کی طرف سے جاری کردہ کوئی بھی شیئرز، یا اعلان کردہ ڈیوڈنڈ جو ادائیگی کی تاریخ سے تین سال کی مدت تک غیر دعوی دار / غیر ادا شدہ رہ

گئے ہیں اور قابل ادا ہیں، انھیں فیڈرل گورنمنٹ کے کریڈٹ کے لیے اور شیئرز ہولڈرز کے دعویٰ کو فائل کرنے کے لیے شیئرز ہولڈرز کو جاری کردہ نوٹسز کے بعد سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان میں جمع

کروانا ضروری ہے۔ جاری کردہ شیئرز اور کمپنی کی طرف سے اعلان کردہ ڈیوڈنڈ کی تفصیلات جو تین سال سے زائد عرصے سے بقایا ہے، 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 دعویٰ شدہ ڈیوڈنڈ اور شیئرز کے دعوے فوری طور پر درج کیے جائیں۔ اگر مقررہ وقت میں کمپنی کے پاس کوئی دعویٰ

درج نہیں کیا جاتا ہے، تو کمپنی، سیکشن (2) 244 ایکٹ کے تحت اخبار میں نوٹس دینے کے بعد غیر دعوی دار / غیر ادا شدہ رقم اور حصص وفاقی حکومت کے پاس جمع کروائے گی۔

9- سی ڈی سی اکاؤنٹ میں فزیکل شیئرز کی تبدیلی

ایس ای سی پی نے اپنے لیٹر نمبر CSD/ED/Misc/2016-639-640 مؤرخہ 26 مارچ 2021 کے ذریعے تمام لسٹڈ کمپنیوں کو مشورہ دیا ہے کہ وہ کمپنیز ایکٹ، 2017 ("ایکٹ") کے

سیکشن 72 کی دفعات پر عمل کریں۔، جس کے تحت تمام کمپنیوں کو ایکٹ کے نفاذ کے چار سالوں کے اندر فزیکل فارم میں جاری کردہ شیئرز کو بک انٹری فارم میں تبدیل کرنے کی ضرورت ہے۔

اس کے مطابق، فزیکل فولیو / 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 کریں۔ 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 انوسٹر اکاؤنٹ سروس پرووائیڈر

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 تحویل، ڈپلیکیٹ حصص کے اجراء کے لیے درکار رسمی کارروائیوں سے

گریز، وغیرہ۔ کمپنی کے شیئرز ہولڈرز فزیکل شیئرز کو بک انٹری فارم میں تبدیل کرنے کے لیے کمپنی کے شیئرز رجسٹر اور ٹرانسفر ایجنٹ، یعنی فیکو ایسوسی ایٹس (پرائیویٹ) لمیٹڈ سے رابطہ کر سکتے ہیں۔

انٹگرو پاورجن قادر پور لمیٹڈ

نوٹس برائے

سالانہ اجلاس عام

مطلع کیا جاتا ہے کہ مندرجہ ذیل کاروباری اُمور کی انجام دہی کے لیے انٹگرو پاورجن قادر پور لمیٹڈ (”کمپنی“) کا سترہواں سالانہ اجلاس عام، بروز بدھ، مورخہ 29 مارچ 2023 کو دوپہر 02:30 بجے، کراچی اسکول آف بزنس اینڈ لیڈرشپ، نیشنل اسٹیڈیم روڈ، بالمقابل لیاقت نیشنل ہسپتال، کراچی۔ 74800 میں منعقد ہوگا۔

ممبران سے درخواست کی جاتی ہے کہ وہ ووٹوں کا نفرنس فیملیٹی 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 اُمور

- 1۔ کمپنی کے 31 دسمبر 2022 کو اختتام پذیر ہونے والے سال کے آڈٹ شدہ مالیاتی گوشوارے کے ساتھ ساتھ ڈائریکٹرز رپورٹ اور آڈیٹرز رپورٹ اور چیئرمین کی جائزہ رپورٹ کی وصولی، جائزہ اور قبول کرنا۔
کمپنیز ایکٹ، 2017 کے سیکشن (7) 223 کے مطوبات کے مطابق کمپنی کے مالیاتی گوشوارے کمپنی کی ویب سائٹ پر اپ لوڈ کر دیئے گئے ہیں جو مندرجہ ذیل لنک سے ڈاؤن لوڈ کیے جاسکتے ہیں:

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



- 2۔ سال 2023 کے لیے آڈیٹرز کا تقرر اور ان کے معاوضے کا تعین کرنا۔ ممبران کو مطلع کیا جاتا ہے کہ بورڈ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے کمپنی کے آڈیٹرز کے طور پر دوبارہ تقرری کے لیے ریٹائر ہونے والے آڈیٹرز اے ایف فرگوسن اینڈ کمپنی، کے نام کی سفارش کی ہے۔

خصوصی اُمور:

- 4۔ کمپنیز ایکٹ 2017 کے سیکشن 38 کے تحت کمپنی کی ایسوسی ایشن کے آرٹیکلز میں ترمیم کرنے کے لیے درج ذیل خصوصی قرارداد (قراردادوں) پر غور کرنے اور اگر مناسب سمجھا جائے تو ترمیم، اضافہ یا حذف کے ساتھ یا اس کے بغیر پاس کرنا، جیسا کہ کمپنی کے بورڈ آف ڈائریکٹرز نے تجویز کیا ہے:

منظور کیا گیا کہ انٹگرو پاورجن قادر پور لمیٹڈ (”کمپنی“) کے آرٹیکلز آف ایسوسی ایشن کے آرٹیکلز 78 میں ترمیم کی گئی ہے جسے اب ایسا پڑھا جائے:

”78۔ بورڈ آف ڈائریکٹرز کے اجلاسوں کا کوہ کمپنیز ایکٹ، 2017 کے سیکشن (1) 176 کے تحت درکار ہوگا۔ سوائے اس کے کہ ایکٹ میں واضح طور پر فراہم کیا گیا ہے، بورڈ کے اجلاسوں میں ہر سوال کا تعین اراکین کے ووٹوں کی اکثریت سے کیا جائے گا۔ ڈائریکٹرز ذاتی طور پر یا وائڈ پائلٹ کے ذریعے پیش ہوتے ہیں، ہر ڈائریکٹر کا ایک ووٹ ہوتا ہے۔ ووٹوں کی برابری یا برابری کی صورت میں، چیئرمین کو بطور ڈائریکٹر اپنے اصل ووٹ کے علاوہ کاسٹنگ ووٹ بھی حاصل ہوگا۔“

مزید یہ منظور کیا گیا کہ کمپنی کے آرٹیکلز آف ایسوسی ایشن کے آرٹیکلز 81 میں ترمیم کی جائے گی اور اس کو مندرجہ ذیل پڑھا جائے گا:

”81۔ ڈائریکٹرز یا کمیٹی آف ڈائریکٹرز کی میٹنگ کا نوٹس وصول کرنے کا حقدار اس وقت کے لیے ڈائریکٹرز یا کمیٹی آف ڈائریکٹرز کی اکثریت کے ذریعے تحریری طور پر منظور شدہ قرارداداتی ہی درست اور موثر ہوگی جیسے کہ اسے ڈائریکٹرز یا ڈائریکٹرز کی کمیٹی کا باضابطہ اجلاس اور انعقاد میں منظور کیا گیا ہو۔

مزید منظور کیا گیا کہ کمپنی کے چیف ایگزیکٹو آفیسر اور/یا کمپنی سیکرٹری قانونی، کارپوریٹ اور طریقہ کار کو پورا کرنے کے لیے، اکیلے، تمام ایکٹس، کارروائیوں کو کرنے، کوئی بھی اور تمام ضروری اقدامات کرنے کا مجاز ہے۔ مذکورہ قرارداد کے مقصد کو مکمل طور پر حاصل کرنے کے لیے اس کی جانب سے ضروری سمجھے جانے والے تمام ضروری دستاویزات/ریٹرن فائل کریں۔

بحکم بورڈ
حنان بٹول
کمپنی سیکریٹری

کراچی
8 فروری، 2023

معزز حصص یافتگان،

EPQL درآمد شدہ ایندھن سے متعلق ملک کے موجودہ میکرو اکنامک حالات کو مد نظر رکھتے ہوئے ایک صدی سے زائد مدت پر مشتمل اپنی میراث کے ساتھ پاکستان میں توانائی کے منظر نامے میں مسلسل اپنا کلیدی کردار ادا کر رہا ہے، جو کہ وقت کی اہم ضرورت ہے۔

کمپنی سیفٹی کے بہترین ریکارڈ کے ساتھ اپنا کام بخوبی انجام دے رہی ہے نیز کمپنی نے ہر چھ سال بعد مقررہ وقت میں بغیر کسی فرسٹ ایڈکس اور کسی بھی قسم کے حادثے کے بغیر طے شدہ اہم معائنہ جات رانسپیکشن کو کامیابی سے مکمل کیا ہے۔

ہر چند یہ کہ مجموعی طور پر یہ صنعت گردش قرضوں (سرکلر ڈیٹ) سے جڑے مختلف مسائل سے نبرد آزما ہے، جو کہ توانائی کے مقامی شعبہ میں مستقل بنیاد پر ایک مسئلہ رہا ہے، تاہم پھر بھی EPQL عوام کو توانائی کی فراہمی اور پاکستان کی مجموعی معاشی حالت کو مزید ترقی دینے کے لیے اپنے مشن پر ثابت قدمی سے سرگرم عمل ہے۔ کمپنی نے مقامی ایندھن کے دستیاب وسائل کی وجہ سے گزشتہ سال کے دوران بین الاقوامی سطح پر ایندھن کی بڑھتی ہوئی قیمتوں اور روپے کی قدر میں ہونے والی کمی کے پیش نظر، میرٹ آرڈر پر اپنی اعلیٰ ترین درجہ بندی (ریٹنگ) کو برقرار رکھا۔ اس نے سال 2021 کے 46% کے مقابلے میں، رواں سال کے دوران 93% کے قابل دستیابی عوامل کا اظہار کیا 41% کے لوڈ فیکٹر کے ساتھ 768 GWh کا الیکٹرکل آؤٹ پٹ (برقی پیداوار) فراہم کیا۔ کم لوڈ فیکٹر، طے کردہ اہم معائنہ جاتی عمل کی وجہ سے تھا۔

فروری 2021 میں حکومت اور IPPs کے مابین طے ہونے والے اہم ترین معاہدہ کے تحت واجب الادا رقوم کی قسطوں میں وصول کرنے کے طریقہ کار پر اتفاق کیا گیا۔ EPQL نے سال 2022 میں کامیابی کے ساتھ تقریباً 8.1 بلین روپے کی اقساط حاصل کیں۔

EQPL کی اس پیش رفت سے ملنے والے نتیجے میں EQPL نے حال ہی میں قادر پور گیس فیلڈ سے پرمیٹ گیس کی فراہمی کے حوالے سوئی نادرن گیس پائپ لائنز لمیٹڈ (SNGPL) کے ساتھ ایک معاہدہ (GSA) کیا ہے۔ قادر پور فیلڈ سے گیس کی فراہمی ختم ہوتے ہی کمپنی نے گیس کی کمی کے مراحل کا اعلان کیا اور پلانٹ کو دونوں طریقوں یعنی پرمیٹ گیس اور ہائی اسپیڈ ڈیزل کے استعمال کے ذریعے چلایا گیا ہے۔ کمپنی بشمول سندھ میں دستیاب قریبی گیس کے ذخائر سے مقامی طور پر ایندھن کی فعال انداز میں دریافت کے عمل کے ساتھ ایندھن کی متبادل فراہمی کے لیے متعلقہ اسٹیک ہولڈرز کے ساتھ مصروف عمل ہے اور ہم اس حوالے سے عنقریب ضابطے کی مطلوبہ منظوری حاصل کرنے کے منتظر ہیں۔

کمپنی اپنے لوگوں کو ترقی کی منازل طے کرانے اور ذریعہ معاش کو یقینی بنانے کے لیے اپنے پراجیکٹ کے اطراف میں موجود کمیونٹیز کو مجموعی طور پر ترقی دینے اور آگے بڑھانے پر اپنی توجہ مرکوز رکھے ہوئے ہے۔ کمپنی، اپنے ایک جامع کاروباری ماڈل کے تحت اینگروفاؤنڈیشن کے نام سے اطراف میں بسنے والے لوگوں کو بہتر طرز زندگی فراہم کرنے میں ہمہ تن مصروف ہے۔ فلاحی امور کے حوالے سے مختص سرمایہ کو تعلیم، تیکنیکی تربیت، فن مہارت اور صحت کی نگہداشت جیسے شعبہ جات میں لوگوں کی بہتری کے لیے استعمال کیا گیا ہے۔ سال 2022 میں "ہینڈز" کے اشتراک سے اطراف کے گاؤں کے لیے ایک مخصوص پرائمری ہیلتھ کیئر سینٹر (PHC) قائم کیا گیا جہاں پر 5,000 سے زائد مریضوں کو

بروقت طبی علاج کی سہولیات فراہم کی گئیں۔ ہم نے انڈس ریپورس سینٹر (IRC) کے تعاون سے ضلع گھونگی میں چلنے والے اسکولوں کے سب سے بڑے نیٹ ورکس میں سے ایک کو مکمل معاونت بھی فراہم کی ہے، جن میں 3 عدد سرکاری اسکولز جن کے نام رشید احمد آرائیں، گل محمد عربانی اور جمعہ خان عربانی شامل ہیں۔ اس نیٹ ورک کے تحت سالانہ 700 سے زائد طلباء کو تعلیم دی جاتی ہے۔

میں اس اقتباس کے اختتام پر کمپنی کو ترقی دینے میں کردار ادا کرنے پر EPQL کی انتظامیہ، ملازمین، کسٹمرز، شراکت داروں اور اسٹیک ہولڈرز کا تہہ دل سے مشکور و ممنون ہوں۔ آپ سب کی جانب سے کئے جانے والے بھروسے، اعتماد اور عزم کا بے حد شکریہ۔ ہم اپنے حصص یافتگان، شراکت داروں، اپنے لوگوں اور کمیونٹیز کو زیادہ سے زیادہ سہولیات کی بہم فراہمی کو یقینی بنانے کے لیے مختلف نوعیت کے اسٹیک ہولڈرز کے ساتھ اپنا کام اسی طرح جاری رکھتے ہوئے، مجھے رکھیں گے۔ امید اور استقامت کے ساتھ کئے جانے والے اس سفر کو جاری رکھتے ہوئے، مجھے یقین ہے کہ سال 2023 نہ صرف ہمارے لیے بلکہ مجموعی طور پر پاکستان بھر کے لیے خوشحالی کا سال ثابت ہوگا۔

Mr. Yusuf Jamil Siddiqui
Chairman