



KOHINOOR
ENERGY LIMITED

Half Yearly Report **2024**

July-December (Un-Audited)



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CORPORATE INFORMATION

Board of Directors

Mr. M. Naseem Saigol
Chairman / Non-Executive
Mr. Muhammad Zeid Yousuf Saigol
Chief Executive Officer
Mr. Muhammad Murad Saigol
Executive
Syed Manzar Hassan
Non-Executive
Mr. Muhammad Omer Farooq
Independent
Ms. Sadaf Kashif
Independent
Mr. Faisal Riaz
Independent

Company Secretary

Khawaja Safee Sultan

Audit Committee

Mr. Muhammad Omer Farooq
Chairman
Syed Manzar Hassan
Ms. Sadaf Kashif

HR & Remuneration Committee

Mr. Faisal Riaz
Chairman
Mr. Muhammad Zeid Yousuf Saigol
Syed Manzar Hassan

Management

Mr. Muhammad Zeid Yousuf Saigol
Chief Executive Officer
Mr. Muhammad Ashraf
Chief Operating Officer/
Chief Financial Officer

Auditors

A. F. Ferguson & Co.
Chartered Accountants

Legal Advisor

LMA | Ebrahim Hosain

Bankers

Bank Alfalah Limited
Askari Bank Limited
AL Baraka Bank (Pakistan) Limited
Habib Bank Limited
MCB Bank Limited
Faysal Bank Limited
National Bank of Pakistan
Dubai Islamic Bank Pakistan Limited

Registered Office

301, 3RD Floor, Green Trust Tower,
Blue Area Islamabad, Pakistan.
Tel : +92-51-2813021-2
Fax : +92-51-2813023

Project/Head Office

Post Office Raja Jang, Near Tablighi Ijtima,
Raiwind Bypass, Lahore, Pakistan.
Tel : +92-42-35392317
Fax : +92-42-35393415-7

Shares Registrar

M/S. Corplink (Pvt.) Ltd.
Wings Arcade, 1-K, Commercial, Model Town, Lahore,
Pakistan.
Tel : +92-42-35839182, 35887262, 35916719
Fax : +92-42-35869037

Lahore Office

PEL Factory, 14-KM Ferozepur Road,
Lahore, Postcode 54760, Pakistan.
Tel : +92-42-35920117-8

Company Registration No.

0032461 of 1993-94

Company NTN

0656788-6

Website

www.kel.com.pk

DIRECTORS' REVIEW

The Board of Directors present you the brief report together with the operational and financial results of the Company reviewed by the statutory auditors, for the 2nd quarter / half year ended December 31, 2024.

The Company is engaged in electricity generation from a furnace oil fired power plant having net capacity of 124 MW. Central Power Purchase Agency (CPPA) is the exclusive purchaser of the electricity being generated at the power plant. We report that during the HY under review, the power plant on lower demand from the CPPA, by operated at 4.29% capacity factor and delivered 23,499 MWh of electricity, while during the corresponding half year the power plant by operating at 19.11% capacity factor delivered 104,642 MWh of electricity.

We report that during the half-year ended Dec 31, 2024, the sales revenue of the Company stood at Rs. 1.889 billion as compared to Rs. 5.150 billion during the corresponding six months of the last year. During the 2nd quarter ended Dec 31, 2024 the Company posted net profit after tax of Rs. 11.5 million as compared to net profit after tax of Rs. 180.8 million posted during the corresponding 2nd quarter of the last FY. Overall the Company, during the half year ended Dec 31, 2024 earned Rs. 325.23 million net profit after tax by demonstrating earnings per share (EPS) of Rs. 1.92 as compared to Rs. 757.29 million earned with an EPS of Rs. 4.47 during the corresponding period of six months.

This is with respect to the major maintenance work; we report that during the half year under review no major maintenances occurred while during the corresponding HY of the previous FY three engines were overhauled under 8k major maintenance program as compared.

We are pleased to present that during the period ended December 31, 2024, the Company entered into negotiations with the National Task Force on Implementation of Structural Reforms (Power Sector) for amendments to the Power Purchase Agreement (PPA). Subsequent to the period end, on February 19, 2025, the Amendment Agreement was signed between the CPPA-G and the Company whereby the previously disputed LDs were settled and the Power Purchase Agreement (PPA) has been extended for a period of one hundred and sixty-one (161) days from June 20, 2027 to November 27, 2027. Some salient terms and conditions are as follows:

Effective date

The Amendment Agreement shall be effective from November 01, 2024;

Variable Tariff (EPP)

The indexation mechanism of variable O&M has been changed. Before the amendment, it was supposed to be indexed against 100% devaluation of the Pak Rupee and the variation of the US CPI. In terms of the amendment, it shall be indexed against a 70% devaluation of the Pak Rupee; however, indexation against the US CPI will remain the same; however, in case PKR appreciates against the USD, then 100% of such appreciation shall be passed on to the consumers.

Hybrid Take-and-Pay

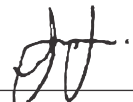
- The frozen part of the escalable component, will be paid in a hybrid take and pay mode. 35% of this component shall be paid on a take-or-pay and 65% on a take-and-pay basis;
- The indexable part of the escalable component has been reduced by 30%. It shall be indexed at the rate of 5% or NCPI annually, whichever is lower.
- Waiver of Delayed Payment Interest till Oct 31, 2024;
- The PPA term will be extended for 161 days, with no capacity payment, in lieu of an amicable settlement of the disputed Liquidated Damages.
- LCIA Arbitration clause in PPA will be substituted with Islamabad seated Arbitration under the local laws.

We would like to take this opportunity to thank CPPA, financial institutions, Pakistan State Oil Company, Wartsila and other suppliers as well as the valued shareholders of the Company for their ongoing support and trust that resulted in successful and smooth operations. The Board also appreciates the hard work and dedication of the management and employees of the Company which resulted in the safe, efficient and smooth operations of the power.

For and on behalf of the Board



M. Zeid Yousuf Saigol
Chief Executive Officer



Syed Manzar Hassan
Director

Lahore:

February 27, 2025

DIRECTORS' REVIEW

بورڈ آف ڈائریکٹرز آپ کو 31 دسمبر 2024 کو ختم ہونے والی دوسری سہ ماہی/ششماہی کے لیے کمپنی کے آپریشنل اور مالیاتی نتائج کے ساتھ مختصر رپورٹ پیش کرتا ہے جس کا قانونی آڈیٹرز نے جائزہ لیا تھا۔

کمپنی فرانس آئنل سے چلنے والے پاور پلانٹ سے بجلی کی پیداوار میں مصروف ہے جس کی 124 میگا واٹ خالص صلاحیت ہے۔ سنٹرل پاور پراجیکٹس (سی پی پی اے) پاور پلانٹ میں پیدا ہونے والی بجلی کی خصوصی خریدار ہے۔ ہم رپورٹ کرتے ہیں کہ HY زیر جائزہ کے دوران، CPPA سے کم ڈیمانڈ پر پاور پلانٹ نے 4.29% صلاحیت کے عنصر پر کام کیا اور 23,499 میگا واٹ بجلی فراہم کی، جبکہ اسی ششماہی کے دوران پاور پلانٹ نے 19.11% صلاحیت کے عنصر پر کام کر کے 104,642 میگا واٹ بجلی فراہم کی۔

ہم رپورٹ کرتے ہیں کہ 31 دسمبر 2024 کو ختم ہونے والے ششماہی کے دوران کمپنی کی سیلز ریویو 1,889 ارب روپے کے مقابلے میں گزشتہ سال کے اسی چھ ماہ کے دوران 5,150 ملین روپے۔ 31 دسمبر 2024 کو ختم ہونے والی دوسری سہ ماہی کے دوران کمپنی نے Rs. کا ٹیکس کے بعد خالص منافع کمایا۔ 11.5 ملین روپے کے بعد ٹیکس کے خالص منافع کے مقابلے میں گزشتہ مالی سال کی اسی دوسری سہ ماہی کے دوران 180.8 ملین پوسٹ کیے گئے۔ مجموعی طور پر، کمپنی نے 31 دسمبر 2024 کو ختم ہونے والے ششماہی کے دوران روپے کمائے۔ 325.23 ملین روپے کی فی حصص آمدنی (EPS) کا مظاہرہ کرتے ہوئے ٹیکس کے بعد خالص منافع۔ 1.92 روپے کے مقابلے میں 757.29 ملین روپے کے چھ ماہ کی اسی مدت کے دوران 4.47 EPS کے ساتھ کمائے۔

یہ اہم دیکھ بھال کے کام کے حوالے سے ہے۔ ہم رپورٹ کرتے ہیں کہ زیر جائزہ ششماہی کے دوران کوئی بڑی دیکھ بھال نہیں ہوئی جبکہ پچھلے مالی سال کے اسی HY کے دوران تین انجنوں کو 8k برے مینٹیننس پروگرام کے مقابلے میں اور ہال کیا گیا تھا۔

ہمیں یہ بتاتے ہوئے خوشی ہو رہی ہے کہ 31 دسمبر 2024 کو ختم ہونے والی مدت کے دوران، کمپنی نے پاور پراجیکٹس (PPA) میں ترامیم کے لیے سٹرکچرل ریبارمز (پاور سیکٹر) کے نفاذ پر قومی ٹاسک فورس کے ساتھ بات چیت کی۔ مدت کے اختتام کے بعد، 19 فروری، 2025 کو، CPPA-G اور کمپنی کے درمیان ترمیمی معاہدے پر دستخط کیے گئے جس کے تحت پہلے سے متنازعہ LDs کا تصفیہ کیا گیا اور پاور پراجیکٹس (PPA) کو ایک سواکٹھ (161) دنوں کی مدت کے لیے 20 جون 2027 سے 27 نومبر 2027 تک بڑھا دیا گیا ہے۔ کچھ اہم شرائط و ضوابط درج ذیل ہیں۔

Effective date

The Amendment Agreement shall be effective from November 01, 2024;

Variable Tariff (EPP)

The indexation mechanism of variable O&M has been changed. Before the amendment, it was supposed to be indexed against 100% devaluation of the Pak Rupee and the variation of the US CPI. In terms of the amendment, it shall be indexed against a 70% devaluation of the Pak Rupee; however, indexation against the US CPI will remain the same; however, in case PKR appreciates against the USD, then 100% of such appreciation shall be passed on to the consumers.

Hybrid Take-and-Pay

- The frozen part of the escalable component, will be paid in a hybrid take and pay mode. 35% of this component shall be paid on a take-or-pay and 65% on a take-and-pay basis;
- The indexable part of the escalable component has been reduced by 30%. It shall be indexed at the rate of 5% or NCPI annually, whichever is lower.
- Waiver of Delayed Payment Interest till Oct 31, 2024;
- The PPA term will be extended for 161 days, with no capacity payment, in lieu of an amicable settlement of the disputed Liquidated Damages.
- LCIA Arbitration clause in PPA will be substituted with Islamabad seated Arbitration under the local laws.

ہم اس موقع پر سی پی پی اے، مالیاتی اداروں، پاکستان اسٹیٹ آئل کمپنی، وارٹیمیا اور دیگر سیٹلائز کے ساتھ ساتھ کمپنی کے قابل قدر شیئرز ہولڈرز کا شکریہ ادا کرنا چاہیں گے کہ ان کی مسلسل حمایت اور اعتماد کے نتیجے میں کامیاب اور ہموار پریزنٹ ہوئے۔ بورڈ کمپنی کی انتظامیہ اور ملازمین کی محنت اور لگن کو بھی سراہتا ہے جس کے نتیجے میں پاور کے مخلوط، موثر اور ہموار پریزنٹ ہوئے۔

For and on behalf of the Board

M. Zeid Yousuf Saigol
Chief Executive Officer

Syed Manzar Hassan
Director

Lahore:
February 27, 2025

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF KOHINOOR ENERGY LIMITED REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed unconsolidated interim statement of financial position of Kohinoor Energy Limited as at December 31, 2024 and the related condensed unconsolidated interim statement of profit or loss and other comprehensive income, condensed unconsolidated interim statement of changes in equity, and condensed unconsolidated interim statement of cash flows, and notes to the condensed unconsolidated interim financial statements for the six month period then ended (herein-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed unconsolidated interim statement of profit or loss and other comprehensive income for the three month period ended December 31, 2024 and December 31, 2023 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2024.

Scope of Review

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

Conclusion

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

The engagement partner on the audit resulting in this independent auditor's report is Amer Raza Mir.



A. F. Ferguson & Co.
Chartered Accountants
Lahore

Date: February 28, 2025

UDIN: RR202410118xJ5fV3wB9

CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF

| | Note | Un-audited December 31, 2024 | Audited June 30, 2024 |
|--|------|------------------------------------|-----------------------------|
| (Rupees in thousand) | | | |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital 170,000,000 (June 30, 2024: 170,000,000) ordinary shares of Rs. 10 each | | 1,700,000 | 1,700,000 |
| Issued, subscribed and paid up capital 169,458,614 (June 30, 2024: 169,458,614) ordinary shares of Rs. 10 each | | 1,694,586 | 1,694,586 |
| Un-appropriated profit | | 1,970,875 | 2,831,855 |
| | | 3,665,461 | 4,526,441 |
| CURRENT LIABILITIES | | | |
| Short term finances - secured | 6 | 2,448,710 | 2,476,137 |
| Trade and other payables | | 133,478 | 605,016 |
| Accrued finance cost | | 112,399 | 65,628 |
| Unclaimed dividend | | 18,637 | 17,830 |
| Employee benefits | | 2,561 | 10,838 |
| Provision for taxation - net | | 25,750 | 29,862 |
| | | 2,741,535 | 3,205,311 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 7 | | |
| | | 6,406,996 | 7,731,752 |

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



Chief Executive Officer



Director



Chief Financial Officer

FINANCIAL POSITION AS AT DECEMBER 31, 2024 (UN-AUDITED)

| | Note | Un-audited December 31, 2024 | Audited June 30, 2024 |
|---|------|------------------------------------|-----------------------------|
| (Rupees in thousand) | | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 8 | 2,570,626 | 2,382,648 |
| Intangible assets | | 1,344 | 1,574 |
| Long term loans, deposits and investments | | 144 | 144 |
| Investment in subsidiary | | 1,000 | 1,000 |
| | | <u>2,573,114</u> | <u>2,385,366</u> |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 491,201 | 403,787 |
| Short term investments | | 398,695 | 14 |
| Stock in trade | | 258,561 | 569,415 |
| Trade debts | 10 | 2,288,030 | 2,853,377 |
| Loans, advances, deposits, prepayments and other receivables | | 353,674 | 553,001 |
| Cash and bank balances | 11 | 43,721 | 966,792 |
| | | <u>3,833,882</u> | <u>5,346,386</u> |
| | | <u>6,406,996</u> | <u>7,731,752</u> |



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTH AND SIX MONTH PERIOD ENDED
DECEMBER 31, 2024 (Un-Audited)

| | Note | Three month period ended | | Six month period ended | |
|--|------|--------------------------|-------------------|------------------------|-------------------|
| | | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| (Rupees in thousand) | | | | | |
| Revenue | 12 | 426,246 | 1,215,675 | 1,888,815 | 5,149,884 |
| Cost of sales | 13 | (165,722) | (896,011) | (1,127,671) | (4,113,042) |
| Gross profit | | 260,524 | 319,664 | 761,144 | 1,036,842 |
| Administrative expenses | | (107,466) | (92,318) | (195,596) | (164,818) |
| Other expenses | | (39,956) | (842) | (39,956) | (842) |
| Other income | 14 | 13,705 | 5,026 | 29,879 | 5,183 |
| Operating Profit | | 126,807 | 231,530 | 555,471 | 876,365 |
| Finance costs | | (111,796) | (50,035) | (222,525) | (118,113) |
| Profit before levy and taxation | | 15,011 | 181,495 | 332,946 | 758,252 |
| Levy - final tax | | (2,875) | (584) | (5,932) | (583) |
| Profit before taxation | | 12,136 | 180,911 | 327,014 | 757,669 |
| Taxation | | (640) | (116) | (1,784) | (375) |
| Profit after tax for the period | | 11,496 | 180,795 | 325,230 | 757,294 |
| Other comprehensive income: | | | | | |
| Items that will not be reclassified subsequently to profit or loss | | - | - | - | - |
| Items that may be reclassified subsequently to profit or loss | | - | - | - | - |
| Total other comprehensive income | | - | - | - | - |
| Total comprehensive income for the period | | 11,496 | 180,795 | 325,230 | 757,294 |
| Earnings per share - basic and diluted - (in Rupees) | | 0.07 | 1.07 | 1.92 | 4.47 |

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

Chief Executive Officer

Director

Chief Financial Officer

CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2024

| | Share Capital | Un- appropriated Profit | Total |
|--|----------------------|-------------------------------|------------------|
| | (Rupees in thousand) | | |
| Balance as at July 01, 2023 | 1,694,586 | 3,688,506 | 5,383,092 |
| Transactions with owners in their capacity as owners: | | | |
| Interim dividends for the year ended | | | |
| First interim dividend at the rate of Rs. 4.00 per share | - | (677,834) | (677,834) |
| Second interim dividend at the rate of Rs. 5.50 per share | - | (932,022) | (932,022) |
| | | (1,609,856) | (1,609,856) |
| Total comprehensive income for the six month period ended December 31, 2023 | - | 757,294 | 757,294 |
| Balance as at December 31, 2023 | <u>1,694,586</u> | <u>2,835,944</u> | <u>4,530,530</u> |
| Balance as at July 01, 2024 | 1,694,586 | 2,831,855 | 4,526,441 |
| Transactions with owners in their capacity as owners: | | | |
| Interim dividend for the year ended | | | |
| First interim dividend at the rate of Rs. 7 per share | - | (1,186,210) | (1,186,210) |
| Total comprehensive income for the six month period ended December 31, 2024 | - | 325,230 | 325,230 |
| Balance as at December 31, 2024 | <u>1,694,586</u> | <u>1,970,875</u> | <u>3,665,461</u> |

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED UNCONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2024

| | Note | Six month period ended | |
|---|------|------------------------|----------------------|
| | | December 31, 2024 | December 31, 2023 |
| (Rupees in thousand) | | | |
| Cash flows from operating activities | | | |
| Cash generated from operations | 15 | 1,149,083 | 2,084,416 |
| Employee benefits paid | | (24,272) | (20,003) |
| Finance costs paid | | (175,754) | (186,313) |
| Income tax paid | | (5,896) | (14,238) |
| Net cash generated from operating activities | | 943,161 | 1,863,862 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (297,495) | (374,235) |
| Profit on bank deposits received | | 29,879 | 1,292 |
| Income on short term investment | | - | 3,892 |
| Purchase of short term investments | | (1,607,795) | (2,213,318) |
| Proceeds from sale of short term investments | | 1,209,114 | - |
| Proceeds from disposal of operating fixed assets | | 12,895 | 993 |
| Net cash used in investing activities | | (653,402) | (2,581,376) |
| Cash flows from financing activities | | | |
| Dividend paid | | (1,185,403) | (1,578,913) |
| Repayment of long term finances | | - | - |
| Net cash used in financing activities | | (1,185,403) | (1,578,913) |
| Net decrease in cash and cash equivalents | | (895,644) | (2,296,427) |
| Cash and cash equivalents at the beginning of the period | | (1,509,345) | (777,464) |
| Cash and cash equivalents at the end of the period | 16 | (2,404,989) | (3,073,891) |

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



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO THE CONDENSED UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTH AND SIX MONTH PERIOD ENDED DECEMBER 31, 2024 (Un-Audited)

1 Legal status and nature of business

Kohinoor Energy Limited (the 'Company') was incorporated in Pakistan on April 26, 1994 as a public limited company under the repealed Companies Ordinance, 1984 (the Ordinance) repealed with the enactment of the Companies Act, 2017 on May 30, 2017. The Company is listed on the Pakistan Stock Exchange. The principal activities of the Company are to own, operate and maintain a power plant of 124 MW capacity in Lahore and to sell the electricity produced therefrom to a sole customer, the Water and Power Development Authority (WAPDA) under a Power Purchase Agreement (PPA), for a term of 30 years which commenced from June 19, 1997. Subsequently, WAPDA has irrevocably transferred all of its rights, obligations and liabilities under the PPA to Central Power Purchasing Agency Guarantee Limited (CPPA-G) (Power Purchaser) thereunder via Novation Agreement and Amendment Agreement to the Implementation Agreement which became effective on February 11, 2021 after approval from the relevant authorities. The Power Purchase Agreement (PPA) has been extended for a period of one hundred and sixty one (161) days from June 20, 2027 to November 27, 2027, based on the Amendment Agreement signed on February 19, 2025 between the CPPA-G and the Company.

The address of the registered office of the Company is 301, 3rd Floor, Green Trust Tower, Blue Area, Islamabad and the Company's power plant has been set up at Post Office Raja Jang, Near Tablighi Ijtima, Raiwind Bypass, Lahore.

A subsidiary company was incorporated in 2024 under the name of KEL Power Solutions (Private) Limited ("KPSL"). The principal line of business of the company shall be to carry on all or any of the businesses of generating, purchasing, importing, transforming, converting, distributing, supplying, exporting, installing solar plants, related services, supply of solar panels, obtaining agencies, establishing distribution network & accessories etc. The Company has been incorporated under section 16 of the Companies Act, 2017 (XIX of 2017) on May 13, 2024. The address of the registered office of the Company is Near Tablighi Ijtima, Raiwind Bypass, Lahore.

2 Statement of Compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.

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

3 Basis of preparation

These condensed unconsolidated interim financial statements are un-audited but subject to limited scope review. These condensed interim financial statements do not include all the information and disclosures required in an audited financial statements and therefore should be read in conjunction with the Company's annual audited financial statements for the year ended June 30, 2024.

These condensed unconsolidated interim financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand rupee unless otherwise specified.

4 Standards, amendments and interpretations to published accounting standards

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

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates as detailed below:

4.1.1 Standards, amendments and interpretations to existing standards that are effective in current period

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on July 1, 2024 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed unconsolidated interim financial statements.

4.1.2 Standards, amendments and interpretations to existing standards that are not yet effective and/or have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2025, but are considered not to be relevant to the Company's operations and are, therefore, not detailed in these condensed unconsolidated interim financial statements.

5 Material accounting information, estimates, judgements and financial risk management

The preparation of these condensed unconsolidated interim financial statements is in conformity with the approved accounting and reporting standards as applicable in Pakistan. Interim reporting requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

Accounting policies, judgements and estimates made by the management in preparation of these condensed unconsolidated interim financial statements are same as those applied to the audited financial statements as at and for the year ended June 30, 2024.

The Company's financial risk management objectives and policies are consistent with those disclosed in the audited financial statements as at and for the year ended June 30, 2024.

5.1 Change in accounting estimate - useful life and residual value of assets

As described in note 1 to the condensed unconsolidated financial statements, the PPA of the Company has been extended for a period of one hundred and sixty one (161) days, therefore the remaining useful lives of plant and machinery, buildings, and intangible assets have been revised during the period so that the depreciable amount of assets is written off over the economic life or the extended term of PPA, whichever is lower. Furthermore, the residual value of plant and machinery, buildings and laboratory equipment has also increased based on a valuation exercise conducted by an independent valuer. Such a change has been accounted for as a change in an accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and has been treated prospectively. Had these useful lives and residual values not been changed, the depreciation / amortisation for the year would have been higher by Rs 167 million and profit after tax for the year would have been lower by Rs 167 million (EPS impact – Rs 0.98 per share). Future profits before tax would also increase by Rs 167 million for the next six months.

6 Short term finances - secured

Short term borrowings under mark-up and Shariah arrangements obtained as under:

| | | <u>Un-audited</u> | <u>Audited</u> |
|--|------------|-----------------------------|------------------|
| | | <u>December</u> | <u>June</u> |
| | | <u>31, 2024</u> | <u>30, 2024</u> |
| | | <u>(Rupees in thousand)</u> | |
| Under mark up arrangements - secured | - note 6.1 | 1,328,492 | 836,119 |
| Under arrangements permissible under Shariah - secured | - note 6.2 | 1,120,218 | 1,640,018 |
| | | <u>2,448,710</u> | <u>2,476,137</u> |

6.1 Markup Arrangements

Short term finances available from commercial banks under mark up arrangements amount to Rs. 4,000 million (June 30, 2023: Rs. 4,000 million). The rates of mark up for finances under mark up arrangement ranged from 14.86% to 21.83% per annum (June 30, 2024: 21.12% to 23.66% per annum). Various sub facilities comprising money market loans and letters of guarantee have also been utilized during the period. The security and other agreements, negotiable instruments and documents to be executed by the Company in favor of the bank shall be in the form and substance satisfactory to the bank. The Company shall execute or cause to be executed all such instruments, deeds or documents, which the bank may in its sole discretion require. Out of the aggregate running finances availed by the Company, Rs. 4,000 million are secured by joint pari passu charge on current assets.

6.2 Arrangements permissible under Shariah

Short term finances available from commercial banks under mark up arrangements out of which finances available from Islamic banks under Islamic arrangements amount to Rs. 3,150 million (June 30, 2024: Rs. 3,150 million). The rates of mark up for finances under arrangements permissible under shariah ranged from 16.28% to 22.59% per annum (June 30, 2024: 20.96% to 23.64% per annum) on the balances outstanding.

6.3 Of the aggregate facility of Rs. 1,475 million (June 30, 2024: Rs. 1,475 million) for opening letters of credit and Rs. 7 million (June 30, 2024: Rs. 7 million) for guarantees, the amount utilized as at December 31, 2024 was Rs. 5.81 million (June 30, 2024: Rs.135.22 million) and Rs. 6.68 million (June 30, 2024: Rs. 6.68 million) respectively.

7 Contingencies and commitments

7.1 Contingencies

There has been no significant change in the status of the contingent liabilities disclosed as at June 30, 2024 except the following:

As per terms of the Amendment Agreement signed by the Company with CPPA-G, the previously disputed liquidated damages (LDs) imposed by the Power Purchaser will stand settled subject to the performance of an additional one hundred and sixty one (161) days after June 19, 2027 without any payment of Capacity.

7.2 Commitments

- (i) Letters of credit / bank contracts other than capital expenditure are Rs. Nil (June 30, 2024: Rs 40.11 million).
- (ii) Letters of credit / bank contracts for capital expenditure are Rs. 5.81 million (June 30, 2024: Rs 95.11 million).

| | | Un-audited December 31, 2024 | Audited June 30, 2024 |
|--------------|---|------------------------------------|-----------------------------|
| | | (Rupees in thousand) | |
| 8 | Property, plant and equipment | | |
| | Operating fixed assets - note 8.1 | 2,232,779 | 2,235,446 |
| | Major spare parts and standby equipment | 337,847 | 147,202 |
| | | <u>2,570,626</u> | <u>2,382,648</u> |
| 8.1 | Operating fixed assets | | |
| | Opening net book value | 2,235,446 | 2,290,382 |
| | Additions during the period / year - note 8.1.1 | 106,850 | 412,701 |
| | | <u>2,342,296</u> | <u>2,703,083</u> |
| | Disposals during the period / year (at net book value) - note 8.1.2 | 13,012 | 4,821 |
| | Depreciation charged during the period / year | 96,505 | 462,816 |
| | | <u>(109,517)</u> | <u>(467,637)</u> |
| | | <u>2,232,779</u> | <u>2,235,446</u> |
| 8.1.1 | Additions during the period / year | | |
| | Plant and machinery | 91,349 | 351,862 |
| | Building | 1,496 | - |
| | Office appliances and equipment | 70 | 127 |
| | Electric appliances and equipment | 398 | 1,219 |
| | Computers | 268 | 1,176 |
| | Vehicles | 13,269 | 58,317 |
| | | <u>106,850</u> | <u>412,701</u> |
| 8.1.2 | Disposals during the period / year | | |
| | Computer | 361 | 39 |
| | Vehicles | 12,651 | 4,782 |
| | | <u>13,012</u> | <u>4,821</u> |

| Un-audited December 31, 2024 | | Audited June 30, 2024 | |
|------------------------------------|------------|-----------------------------|------------|
| Cost | Fair Value | Cost | Fair Value |
| (Rupees in thousand) | | (Rupees in thousand) | |

9 Investments at fair value

Fair value through profit or loss Mutual Funds

| | | | | |
|--------------|----------------|----------------|-----------|-----------|
| Mutual Funds | <u>398,695</u> | <u>398,695</u> | <u>14</u> | <u>14</u> |
|--------------|----------------|----------------|-----------|-----------|

| | | Un-audited December 31, 2024 | Audited June 30, 2024 |
|---------------------------------|-------------|------------------------------------|-----------------------------|
| (Rupees in thousand) | | | |
| 10 Trade debts - secured | | | |
| Trade debts - secured | - note 10.1 | 2,288,030 | 2,853,377 |
| Provision for doubtful debts | | - | - |
| | | 2,288,030 | 2,853,377 |

- 10.1** Trade debts represent an overdue amount of Rs 2,288 million (June 30, 2024: Rs 2,853 million) receivable from CPPA-G. During the period, an amount of Rs. 40 million with regards to interest on delayed payment has been written off as per the terms of the Amendment Agreement to the PPA signed between the Company and the CPPA-G on February 19, 2025. The same has been included in 'other expenses'.

| | | Un-audited December 31, 2024 | Audited June 30, 2024 |
|--|-------------|------------------------------------|-----------------------------|
| (Rupees in thousand) | | | |
| 11 Cash and bank balances | | | |
| Balance at banks in: | | | |
| Current accounts | | 18,395 | 4,372 |
| Saving accounts | | | |
| - Under interest / mark up arrangements | - note 11.1 | 1,277 | 338,645 |
| - Retention account - Onshore | | 23,742 | 21,377 |
| - Term Deposit Receipts | | - | 600,000 |
| - Under arrangements permissible under Shariah | - note 11.1 | 120 | 99 |
| | | 25,139 | 960,121 |
| | | 43,534 | 964,493 |
| Cash in hand | | 187 | 2,299 |
| | | 43,721 | 966,792 |

- 11.1** The balance in savings bank accounts bear mark up at rates ranging from 13.5% to 20.5% per annum (June 30, 2024: 20.10% to 20.50% per annum) and balance in accounts under arrangements permissible under Shariah bear profit at the rates ranging from 4.75% to 20.5% per annum (June 30, 2024: 4.29% to 20.5%).

| 12 Revenue | Note | Un-audited | Un-audited |
|---------------------------------|------|----------------------|-------------------|
| | | December 31, 2024 | December 31, 2023 |
| | | (Rupees in thousand) | |
| Energy Purchase Price revenue | | 894,768 | 4,504,364 |
| Less: Sales tax | | (136,490) | (687,106) |
| | | <u>758,278</u> | <u>3,817,258</u> |
| Capacity Purchase Price revenue | 12.2 | 1,057,773 | 1,201,813 |
| Delayed payment mark-up | 12.2 | 72,764 | 130,813 |
| | | <u>1,888,815</u> | <u>5,149,884</u> |

12.1 This represents revenue from contract with sole customer of the Company i.e. CPPA-G.

12.2 The Company entered into an Agreement with the Power Purchaser on February 19, 2025, to amend the existing PPA and IA by agreeing to a hybrid Take and Pay model (hereby known as "Amendment Agreement"). As per terms of the Amendment Agreement, effective from November 1, 2024, the current indexation mechanism will be amended to incorporate certain discounts and adjustments. Accordingly, the amount of Capacity Purchase Price Revenue includes a reversal of Rs.171 million (2023: Nil). Furthermore, the Company agreed to relinquish its claim to late payment surcharge as on October 31, 2024. Accordingly, the amount of delayed payment mark up includes an reversal of Rs.156 million (2023: Nil).

| 13 Cost of sales | Un-audited | | Un-audited | |
|--|--------------------------|-------------------|------------------------|-------------------|
| | Three month period ended | | Six month period ended | |
| | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| | (Rupees in thousand) | | | |
| Raw material consumed | 40,209 | 528,461 | 711,714 | 3,443,790 |
| Liquidated damages | 15,818 | - | 15,818 | - |
| Salaries, wages and benefits | 62,132 | 55,455 | 121,481 | 105,349 |
| Stores and spares consumed | 6,533 | 120,124 | 28,579 | 195,300 |
| Depreciation on operating fixed assets | (37,305) | 110,965 | 89,921 | 215,784 |
| Fee and subscription | 3,515 | 1,502 | 3,515 | 2,579 |
| Insurance | 36,463 | 34,859 | 71,547 | 70,023 |
| Travelling, conveyance and entertainment | 6,574 | 9,416 | 15,660 | 19,104 |
| Repairs and maintenance | 1,223 | 5,366 | 3,381 | 8,424 |
| Communication charges | 942 | 604 | 942 | 1,142 |
| Electricity consumed in-house | 19,093 | 20,016 | 41,031 | 32,793 |
| Environmental expenses | 25 | 238 | 25 | 463 |
| Contracted services | 10,500 | 8,003 | 20,846 | 16,262 |
| Miscellaneous | - | 1,002 | 3,211 | 2,029 |
| | <u>165,722</u> | <u>896,011</u> | <u>1,127,671</u> | <u>4,113,042</u> |

| 14 Other income | Un-audited | | Un-audited | |
|--------------------------|--------------------------|----------------------|------------------------|----------------------|
| | Three month period ended | | Six month period ended | |
| | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| | (Rupees in thousand) | | | |
| Income on bank deposits | 2,215 | 469 | 6,152 | 1,292 |
| Income from mutual funds | 11,490 | 4,557 | 23,727 | 3,891 |
| | <u>13,705</u> | <u>5,026</u> | <u>29,879</u> | <u>5,183</u> |

| 15 Cash generated from operations | Un-audited | |
|---|------------------------|----------------------|
| | Six month period ended | |
| | December 31, 2024 | December 31, 2023 |
| | (Rupees in thousand) | |
| Profit before taxation | 327,014 | 758,252 |
| Adjustment for non-cash charges and other items: | | |
| - Depreciation and amortization | 96,734 | 220,243 |
| - Loss / (Gain) on disposal of property, plant and equipment | 117 | 842 |
| - Income on bank deposits and mutual funds | (29,879) | (5,184) |
| - Provision for employee retirement benefits | 15,996 | 11,140 |
| - Finance costs | 222,525 | 118,113 |
| Profit before working capital changes | <u>632,507</u> | <u>1,103,406</u> |
| Effect on cash flow due to working capital changes: | | |
| - Increase in stores, spares and loose tools | (87,414) | (24,649) |
| - Decrease in stock in trade | 310,854 | 603,558 |
| - Decrease in trade debts | 565,347 | 278,010 |
| - Decrease in loans, advances, deposits, prepayments and other receivables | 199,327 | 381,985 |
| - Decrease in trade and other payables | (471,538) | (257,894) |
| | <u>516,576</u> | <u>981,010</u> |
| | <u>1,149,083</u> | <u>2,084,416</u> |

| 16 Cash and cash equivalents | | Un-audited | | Audited | |
|-------------------------------|-----------|----------------------|--------------------|-------------------|--|
| | | December 31, 2024 | | December 31, 2023 | |
| | | (Rupees in thousand) | | | |
| Cash and bank balances | - note 11 | 43,721 | 21,622 | | |
| Short term finances - secured | - note 6 | (2,448,710) | (3,095,513) | | |
| | | <u>(2,404,989)</u> | <u>(3,073,891)</u> | | |

17 Fair values of financial assets and liabilities

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 measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these condensed interim financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Specific valuation techniques used to value financial instruments include:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following is categorization of assets which are disclosed at fair value as at December 31, 2024:

| | (Rupees in thousand) | | | |
|---------------------------|----------------------|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Investments at fair value | 398,695 | - | - | 398,695 |

The following is categorization of assets which are disclosed at fair value as at June 30, 2024:

| | (Rupees in thousand) | | | |
|---------------------------|----------------------|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Investments at fair value | 14 | - | - | 14 |

18 Transactions with related parties

The related parties comprise associated undertakings, other related companies, key management personnel, inclusive of directors, and their close family members and post retirement benefit plan. The Company in the normal course of business carries out transactions with various related parties. The transactions with related parties, other than those which have been specifically disclosed elsewhere in these condensed unconsolidated interim financial statements are as follows:

| Relationship with the Company | Nature of transaction | Un-audited | |
|---|---|------------------------|----------------------|
| | | Six month period ended | |
| | | December 31, 2024 | December 31, 2023 |
| (Rupees in thousand) | | | |
| i) Associated undertakings and other related parties | Purchase of services | 227 | - |
| | Purchase of goods | - | 149 |
| | Dividend paid | 692,124 | 939,118 |
| ii) Key management personnel | Dividend paid | 44,380 | 60,011 |
| | Salaries and other employee benefits | 70,897 | 59,333 |
| iii) Post retirement benefit plan | Expense charged | 8,276 | 7,388 |

All transactions with related parties are carried out on mutually agreed terms and conditions.

19 Date of authorization for issue

These condensed unconsolidated interim financial statements were authorized for issue on _____ by the Board of Directors of the Company.

20 Subsequent events after reporting date

There are no other significant events that have occurred subsequent to the reporting date, other than those mentioned elsewhere in these condensed interim financial statements.


21 Corresponding figures

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

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED CONSOLIDATED INTERIM STATEMENT OF

| | Note | Un-audited December 31, 2024 | Un-audited June 30, 2024 |
|--|------|------------------------------------|--------------------------------|
| (Rupees in thousand) | | | |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital 170,000,000 (June 30, 2024: 170,000,000) ordinary shares of Rs. 10 each | | 1,700,000 | 1,700,000 |
| Issued, subscribed and paid up capital 169,458,614 (June 30, 2024: 169,458,614) ordinary shares of Rs. 10 each | | 1,694,586 | 1,694,586 |
| Un-appropriated profit | | 1,970,605 | 2,831,855 |
| | | 3,665,191 | 4,526,441 |
| CURRENT LIABILITIES | | | |
| Short term finances - secured | 6 | 2,448,710 | 2,476,137 |
| Trade and other payables | | 133,486 | 605,016 |
| Accrued finance cost | | 112,399 | 65,628 |
| Unclaimed dividend | | 18,637 | 17,830 |
| Employee benefits | | 2,561 | 10,838 |
| Provision for taxation - net | | 25,713 | 29,862 |
| | | 2,741,506 | 3,205,311 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 7 | | |
| | | 6,406,697 | 7,731,752 |

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



Chief Executive Officer



Director



Chief Financial Officer

FINANCIAL POSITION AS AT DECEMBER 31, 2024 (UN-AUDITED)

| | Note | Un-audited December 31, 2024 | Un-audited June 30, 2024 |
|---|------|------------------------------------|--------------------------------|
| (Rupees in thousand) | | | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 8 | 2,570,626 | 2,382,648 |
| Intangible assets | | 1,344 | 1,574 |
| Long term loans, deposits and investments | | 144 | 1,144 |
| | | 2,572,114 | 2,385,366 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | | 491,201 | 403,787 |
| Short term investments | | 398,695 | 14 |
| Stock in trade | | 258,561 | 569,415 |
| Trade debts | 10 | 2,288,030 | 2,853,377 |
| Loans, advances, deposits, prepayments and other receivables | | 353,674 | 553,001 |
| Cash and bank balances | 11 | 44,422 | 966,792 |
| | | 3,834,583 | 5,346,386 |
| | | 6,406,697 | 7,731,752 |



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE MONTH AND SIX MONTH PERIOD ENDED
DECEMBER 31, 2024 (Un-Audited)

| | Note | Three month period ended | | Six month period ended | |
|--|------|--------------------------|-------------------|------------------------|-------------------|
| | | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| (Rupees in thousand) | | | | | |
| Revenue | 12 | 426,246 | 1,215,675 | 1,888,815 | 5,149,884 |
| Cost of sales | 13 | (165,722) | (896,011) | (1,127,671) | (4,113,042) |
| Gross profit | | 260,524 | 319,664 | 761,144 | 1,036,842 |
| Administrative expenses | | (107,641) | (92,318) | (196,114) | (164,818) |
| Other expenses | | (39,956) | (842) | (39,956) | (842) |
| Other income | 14 | 13,905 | 5,026 | 30,127 | 5,183 |
| Operating Profit | | 126,832 | 231,530 | 555,201 | 876,365 |
| Finance costs | | (111,796) | (50,035) | (222,525) | (118,113) |
| Profit before levy and taxation | | 15,036 | 181,495 | 332,676 | 758,252 |
| Levy - final tax | | (2,875) | (584) | (5,932) | (583) |
| Profit before taxation | | 12,161 | 180,911 | 326,744 | 757,669 |
| Taxation | | (640) | (116) | (1,784) | (375) |
| Profit after tax for the period | | 11,521 | 180,795 | 324,960 | 757,294 |
| Other comprehensive income: | | | | | |
| Items that will not be reclassified subsequently to profit or loss | | - | - | - | - |
| Items that may be reclassified subsequently to profit or loss | | - | - | - | - |
| Total other comprehensive income | | - | - | - | - |
| Total comprehensive income for the period | | 11,521 | 180,795 | 324,960 | 757,294 |
| Earnings per share - basic and diluted - (in Rupees) | | 0.07 | 1.07 | 1.92 | 4.47 |

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

Chief Executive Officer

Director

Chief Financial Officer

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2024

| | Share Capital | Un- appropriated Profit | Total |
|--|----------------------|-------------------------------|------------------|
| | (Rupees in thousand) | | |
| Balance as at July 01, 2023 | 1,694,586 | 3,688,506 | 5,383,092 |
| Transactions with owners in their capacity as owners: | | | |
| Interim dividends for the year ended | | | |
| First interim dividend at the rate of Rs. 4.00 per share | - | (677,834) | (677,834) |
| Second interim dividend at the rate of Rs. 5.50 per share | - | (932,022) | (932,022) |
| | | (1,609,856) | (1,609,856) |
| Total comprehensive income for the six month period ended December 31, 2023 | - | 757,294 | 757,294 |
| Balance as at December 31, 2023 | <u>1,694,586</u> | <u>2,835,944</u> | <u>4,530,530</u> |
| Balance as at July 01, 2024 | 1,694,586 | 2,831,855 | 4,526,441 |
| Transactions with owners in their capacity as owners: | | | |
| Interim dividend for the year ended | | | |
| First interim dividend at the rate of Rs. 7 per share | - | (1,186,210) | (1,186,210) |
| Total comprehensive income for the six month period ended December 31, 2024 | - | 324,960 | 324,960 |
| Balance as at December 31, 2024 | <u>1,694,586</u> | <u>1,970,605</u> | <u>3,665,191</u> |

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



Chief Executive Officer



Director



Chief Financial Officer

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2024

| | Note | Six month period ended | |
|---|------|------------------------|----------------------|
| | | December 31, 2024 | December 31, 2023 |
| (Rupees in thousand) | | | |
| Cash flows from operating activities | | | |
| Cash generated from operations | 15 | 1,148,573 | 2,084,416 |
| Employee benefits paid | | (24,272) | (20,003) |
| Finance costs paid | | (175,754) | (186,313) |
| Income tax paid | | (5,933) | (14,238) |
| Net cash generated from operating activities | | 942,614 | 1,863,862 |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (297,495) | (374,235) |
| Profit on bank deposits received | | 30,127 | 1,292 |
| Long term Loans and deposits repaid | | 1,000 | - |
| Income on short term investment | | - | 3,892 |
| Purchase of short term investments | | (1,607,795) | (2,213,318) |
| Proceeds from sale of short term investments | | 1,209,114 | - |
| Proceeds from disposal of operating fixed assets | | 12,895 | 993 |
| Net cash used in investing activities | | (652,154) | (2,581,376) |
| Cash flows from financing activities | | | |
| Dividend paid | | (1,185,403) | (1,578,913) |
| Repayment of long term finances | | - | - |
| Net cash used in financing activities | | (1,185,403) | (1,578,913) |
| Net decrease in cash and cash equivalents | | (894,943) | (2,296,427) |
| Cash and cash equivalents at the beginning of the period | | (1,509,345) | (777,464) |
| Cash and cash equivalents at the end of the period | 16 | (2,404,288) | (3,073,891) |

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



Chief Executive Officer



Director



Chief Financial Officer

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTH AND SIX MONTH PERIOD ENDED DECEMBER 31, 2024 (Un-Audited)

1 Legal status and nature of business

Kohinoor Energy Limited (the 'Company') was incorporated in Pakistan on April 26, 1994 as a public limited company under the repealed Companies Ordinance, 1984 (the Ordinance) repealed with the enactment of the Companies Act, 2017 on May 30, 2017. The Company is listed on the Pakistan Stock Exchange. The principal activities of the Company are to own, operate and maintain a power plant of 124 MW capacity in Lahore and to sell the electricity produced therefrom to a sole customer, the Water and Power Development Authority (WAPDA) under a Power Purchase Agreement (PPA), for a term of 30 years which commenced from June 19, 1997. Subsequently, WAPDA has irrevocably transferred all of its rights, obligations and liabilities under the PPA to Central Power Purchasing Agency Guarantee Limited (CPPA-G) (Power Purchaser) thereunder via Novation Agreement and Amendment Agreement to the Implementation Agreement which became effective on February 11, 2021 after approval from the relevant authorities. The Power Purchase Agreement (PPA) has been extended for a period of one hundred and sixty one (161) days from June 20, 2027 to November 27, 2027, based on the Amendment Agreement signed on February 19, 2025 between the CPPA-G and the Company.

The address of the registered office of the Company is 301, 3rd Floor, Green Trust Tower, Blue Area, Islamabad and the Company's power plant has been set up at Post Office Raja Jang, Near Tablighi Ijtima, Raiwind Bypass, Lahore.

A subsidiary company was incorporated in 2024 under the name of KEL Power Solutions (Private) Limited ("KPSL"). The principal line of business of the company shall be to carry on all or any of the businesses of generating, purchasing, importing, transforming, converting, distributing, supplying, exporting, installing solar plants, related services, supply of solar panels, obtaining agencies, establishing distribution network & accessories etc. The Company has been incorporated under section 16 of the Companies Act, 2017 (XIX of 2017) on May 13, 2024. The address of the registered office of the Company is Near Tablighi Ijtima, Raiwind Bypass, Lahore.

2 Statement of Compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017.

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

3 Basis of preparation

These condensed consolidated interim financial statements are un-audited. These condensed interim financial statements do not include all the information and disclosures required in an audited financial statements and therefore should be read in conjunction with the Company's annual un-audited financial statements for the year ended June 30, 2024.

These condensed consolidated interim financial statements are prepared in Pak Rupees, which is the functional currency of the Company. Figures have been rounded off to the nearest thousand rupee unless otherwise specified.

4 Standards, amendments and interpretations to published accounting standards

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

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates as detailed below:

4.1.1 Standards, amendments and interpretations to existing standards that are effective in current period

Certain standards, amendments and interpretations to accounting standards are effective for accounting periods beginning on July 1, 2024 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed consolidated interim financial statements.

4.1.2 Standards, amendments and interpretations to existing standards that are not yet effective and/or have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2025, but are considered not to be relevant to the Company's operations and are, therefore, not detailed in these condensed consolidated interim financial statements.

5 Material accounting information, estimates, judgements and financial risk management

The preparation of these condensed consolidated interim financial statements is in conformity with the approved accounting and reporting standards as applicable in Pakistan. Interim reporting requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on the historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.

Accounting policies, judgements and estimates made by the management in preparation of these condensed consolidated interim financial statements are same as those applied to the un-audited financial statements as at and for the year ended June 30, 2024.

The Company's financial risk management objectives and policies are consistent with those disclosed in the un-audited financial statements as at and for the year ended June 30, 2024

5.1 Change in accounting estimate - useful life and residual value of assets

As described in note 1 to the condensed consolidated financial statements, the PPA of the Company has been extended for a period of one hundred and sixty one (161) days, therefore the remaining useful lives of plant and machinery, buildings, and intangible assets have been revised during the period so that the depreciable amount of assets is written off over the economic life or the extended term of PPA, whichever is lower. Furthermore, the residual value of plant and machinery, buildings and laboratory equipment has also increased based on a valuation exercise conducted by an independent valuer. Such a change has been accounted for as a change in an accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and has been treated prospectively. Had these useful lives and residual values not been changed, the depreciation / amortisation for the year would have been higher by Rs 167 million and profit after tax for the year would have been lower by Rs 167 million (EPS impact – Rs 0.98 per share). Future profits before tax would also increase by Rs 167 million for the next six months.

6 Short term finances - secured

Short term borrowings under mark-up and Shariah arrangements obtained as under:

| | | <u>Un-audited</u> <u>December</u> <u>31, 2024</u> | <u>Un-audited</u> <u>June</u> <u>30, 2024</u> |
|--|------------|---|---|
| (Rupees in thousand) | | | |
| Under mark up arrangements - secured | - note 7.1 | 1,328,492 | 836,119 |
| Under arrangements permissible under Shariah - secured | - note 7.2 | 1,120,218 | 1,640,018 |
| | | <u>2,448,710</u> | <u>2,476,137</u> |

6.1 Markup Arrangements

Short term finances available from commercial banks under mark up arrangements amount to Rs. 4,000 million (June 30, 2023: Rs. 4,000 million). The rates of mark up for finances under mark up arrangement ranged from 14.86% to 21.83% per annum (June 30, 2024: 21.12% to 23.66% per annum). Various sub facilities comprising money market loans and letters of guarantee have also been utilized during the period. The security and other agreements, negotiable instruments and documents to be executed by the Company in favor of the bank shall be in the form and substance satisfactory to the bank. The Company shall execute or cause to be executed all such instruments, deeds or documents, which the bank may in its sole discretion require. Out of the aggregate running finances availed by the Company, Rs. 4,000 million are secured by joint pari passu charge on current assets.

6.2 Arrangements permissible under Shariah

Short term finances available from commercial banks under mark up arrangements out of which finances available from Islamic banks under Islamic arrangements amount to Rs. 3,150 million (June 30, 2024: Rs. 3,150 million). The rates of mark up for finances under arrangements permissible under shariah ranged from 16.28% to 22.59% per annum (June 30, 2024: 20.96% to 23.64% per annum) on the balances outstanding.

6.3 Of the aggregate facility of Rs. 1,475 million (June 30, 2024: Rs. 1,475 million) for opening letters of credit and Rs. 7 million (June 30, 2024: Rs. 7 million) for guarantees, the amount utilized as at December 31, 2024 was Rs. 5.81 million (June 30, 2024: Rs.135.22 million) and Rs. 6.68 million (June 30, 2024: Rs. 6.68 million) respectively.

7 Contingencies and commitments

7.1 Contingencies

There has been no significant change in the status of the contingent liabilities disclosed as at June 30, 2024 except the following:

As per terms of the Amendment Agreement signed by the Company with CPPA-G, the previously disputed liquidated damages (LDs) imposed by the Power Purchaser will stand settled subject to the performance of an additional one hundred and sixty one (161) days after June 19, 2027 without any payment of Capacity.

7.2 Commitments

- (i) Letters of credit / bank contracts other than capital expenditure are Rs. Nil (June 30, 2024: Rs 40.11 million).
- (ii) Letters of credit / bank contracts for capital expenditure are Rs. 5.81 million (June 30, 2024: Rs 95.11 million).

| | | Un-audited December 31, 2024 | Un-audited June 30, 2024 |
|----------------------|--|---|---|
| (Rupees in thousand) | | | |
| 8 | Property, plant and equipment | | |
| | Operating fixed assets | - note 8.1 2,232,779 | 2,235,446 |
| | Major spare parts and standby equipment | 337,847 | 147,202 |
| | | <u>2,570,626</u> | <u>2,382,648</u> |
| 8.1 | Operating fixed assets | | |
| | Opening net book value | 2,235,446 | 2,290,382 |
| | Additions during the period / year | - note 8.1.1 106,850 | 412,701 |
| | | 2,342,296 | 2,703,083 |
| | Disposals during the period / year (at net book value) | - note 8.1.2 13,012 | 4,821 |
| | Depreciation charged during the period / year | 96,505 | 462,816 |
| | | <u>(109,517)</u> | <u>(467,637)</u> |
| | | <u>2,232,779</u> | <u>2,235,446</u> |
| 8.1.1 | Additions during the period / year | | |
| | Plant and machinery | 91,349 | 351,862 |
| | Building | 1,496 | - |
| | Office appliances and equipment | 70 | 127 |
| | Electric appliances and equipment | 398 | 1,219 |
| | Computers | 268 | 1,176 |
| | Vehicles | 13,269 | 58,317 |
| | | <u>106,850</u> | <u>412,701</u> |
| 8.1.2 | Disposals during the period / year | | |
| | Computer | 361 | 39 |
| | Vehicles | 12,651 | 4,782 |
| | | <u>13,012</u> | <u>4,821</u> |
| | | <u>Un-audited December 31, 2024</u> | <u>Un-audited June 30, 2024</u> |
| 9 | Investments at fair value | Cost | Fair Value |
| | | (Rupees in thousand) | |
| | Fair value through profit or loss | | |
| | Mutual Funds | | |
| | Mutual Funds | <u>398,695</u> | <u>398,695</u> |
| | | <u>14</u> | <u>14</u> |

| | | Un-audited December 31, 2024 | Un-audited June 30, 2024 |
|---------------------------------|-------------|------------------------------------|--------------------------------|
| (Rupees in thousand) | | | |
| 10 Trade debts - secured | | | |
| Trade debts - secured | - note 11.1 | 2,288,030 | 2,853,377 |
| Provision for doubtful debts | | - | - |
| | | 2,288,030 | 2,853,377 |

- 10.1** Trade debts represent an overdue amount of Rs 2,288 million (June 30, 2024: Rs 2,853 million) receivable from CPPA-G. During the period, an amount of Rs. 40 million with regards to interest on delayed payment has been written off as per the terms of the Amendment Agreement to the PPA signed between the Company and the CPPA-G on February 19, 2025. The same has been included in 'other expenses'.

| | | Un-audited December 31, 2024 | Un-Audited June 30, 2024 |
|--|-------------|------------------------------------|--------------------------------|
| (Rupees in thousand) | | | |
| 11 Cash and bank balances | | | |
| Balance at banks in: | | | |
| Current accounts | | 18,395 | 4,372 |
| Saving accounts | | | |
| - Under interest / mark up arrangements | - note 11.1 | 1,277 | 338,645 |
| - Retention account - Onshore | | 23,742 | 21,377 |
| - Term Deposit Receipts | | - | 600,000 |
| - Under arrangements permissible under Shariah | - note 11.1 | 821 | 99 |
| | | 25,840 | 960,121 |
| | | 44,235 | 964,493 |
| Cash in hand | | 187 | 2,299 |
| | | 44,422 | 966,792 |

- 11.1** The balance in savings bank accounts bear mark up at rates ranging from 13.5% to 20.5% per annum (June 30, 2024: 20.10% to 20.50% per annum) and balance in accounts under arrangements permissible under Shariah bear profit at the rates ranging from 4.75% to 20.5% per annum (June 30, 2024: 4.29% to 20.5%).

| | Note | Un-audited | Un-audited |
|---------------------------------|------|----------------------|-------------------|
| | | December 31, 2024 | December 31, 2023 |
| 12 Revenue | | | |
| | | (Rupees in thousand) | |
| Energy Purchase Price revenue | | 894,768 | 4,504,364 |
| Less: Sales tax | | (136,490) | (687,106) |
| | | <u>758,278</u> | <u>3,817,258</u> |
| Capacity Purchase Price revenue | 13.2 | 1,057,773 | 1,201,813 |
| Delayed payment mark-up | 13.2 | 72,764 | 130,813 |
| | | <u>1,888,815</u> | <u>5,149,884</u> |

12.1 This represents revenue from contract with sole customer of the Company i.e. CPPA-G.

12.2 The Company entered into an Agreement with the Power Purchaser on February 19, 2025, to amend the existing PPA and IA by agreeing to a hybrid Take and Pay model (hereby known as "Amendment Agreement"). As per terms of the Amendment Agreement, effective from November 1, 2024, the current indexation mechanism will be amended to incorporate certain discounts and adjustments. Accordingly, the amount of Capacity Purchase Price Revenue includes a reversal of Rs.171 million (2023: Nil). Furthermore, the Company agreed to relinquish its claim to late payment surcharge as on October 31, 2024. Accordingly, the amount of delayed payment mark up includes an reversal of Rs.156 million (2023: Nil).

| Un-audited | | Un-audited | |
|--------------------------|----------|------------------------|----------|
| Three month period ended | | Six month period ended | |
| December | December | December | December |
| 31, 2024 | 31, 2023 | 31, 2024 | 31, 2023 |
| (Rupees in thousand) | | | |

13 Cost of sales

| | | | | |
|--|----------------|----------------|------------------|------------------|
| Raw material consumed | 40,209 | 528,461 | 711,714 | 3,443,790 |
| Liquidated damages | 15,818 | - | 15,818 | - |
| Salaries, wages and benefits | 62,132 | 55,455 | 121,481 | 105,349 |
| Stores and spares consumed | 6,533 | 120,124 | 28,579 | 195,300 |
| Depreciation on operating fixed assets | (37,305) | 110,965 | 89,921 | 215,784 |
| Fee and subscription | 3,515 | 1,502 | 3,515 | 2,579 |
| Insurance | 36,463 | 34,859 | 71,547 | 70,023 |
| Travelling, conveyance and entertainment | 6,574 | 9,416 | 15,660 | 19,104 |
| Repairs and maintenance | 1,223 | 5,366 | 3,381 | 8,424 |
| Communication charges | 942 | 604 | 942 | 1,142 |
| Electricity consumed in-house | 19,093 | 20,016 | 41,031 | 32,793 |
| Environmental expenses | 25 | 238 | 25 | 463 |
| Contracted services | 10,500 | 8,003 | 20,846 | 16,262 |
| Miscellaneous | - | 1,002 | 3,211 | 2,029 |
| | <u>165,722</u> | <u>896,011</u> | <u>1,127,671</u> | <u>4,113,042</u> |

| 14 Other income | Un-audited | | Un-audited | |
|--------------------------|--------------------------|----------------------|------------------------|----------------------|
| | Three month period ended | | Six month period ended | |
| | December 31, 2024 | December 31, 2023 | December 31, 2024 | December 31, 2023 |
| | (Rupees in thousand) | | | |
| Income on bank deposits | 2,415 | 469 | 6,400 | 1,292 |
| Income from mutual funds | 11,490 | 4,557 | 23,727 | 3,891 |
| | <u>13,905</u> | <u>5,026</u> | <u>30,127</u> | <u>5,183</u> |

| 15 Cash generated from operations | Un-audited | |
|--|------------------------|----------------------|
| | Six month period ended | |
| | December 31, 2024 | December 31, 2023 |
| | (Rupees in thousand) | |
| Profit before taxation | 326,744 | 758,252 |
| Adjustment for non-cash charges and other items: | | |
| - Depreciation and amortization | 96,734 | 220,243 |
| - Loss / (Gain) on disposal of property, plant and equipment | 117 | 842 |
| - Income on bank deposits and mutual funds | (30,127) | (5,184) |
| - Provision for employee retirement benefits | 15,996 | 11,140 |
| - Finance costs | 222,525 | 118,113 |
| Profit before working capital changes | 631,989 | 1,103,406 |
| Effect on cash flow due to working capital changes: | | |
| - Increase in stores, spares and loose tools | (87,414) | (24,649) |
| - Decrease in stock in trade | 310,854 | 603,558 |
| - Decrease in trade debts | 565,347 | 278,010 |
| - Decrease in loans, advances, deposits, prepayments and other receivables | 199,327 | 381,985 |
| - Decrease in trade and other payables | (471,530) | (257,894) |
| | <u>516,584</u> | <u>981,010</u> |
| | <u>1,148,573</u> | <u>2,084,416</u> |

| 16 Cash and cash equivalents | Un-audited | | Un-audited | |
|-------------------------------|----------------------|--------------------|--------------------|--|
| | December 31, | | June 30, | |
| | 2024 | | 2024 | |
| | (Rupees in thousand) | | | |
| Cash and bank balances | - note 11 | 44,422 | 966,792 | |
| Short term finances - secured | - note 6 | (2,448,710) | (2,476,137) | |
| | | <u>(2,404,288)</u> | <u>(1,509,345)</u> | |

17 Fair values of financial assets and liabilities

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 measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these condensed interim financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Specific valuation techniques used to value financial instruments include:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following is categorization of assets which are disclosed at fair value as at December 31, 2024:

| | (Rupees in thousand) | | | |
|---------------------------|----------------------|---------|---------|---------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Investments at fair value | 398,695 | - | - | 398,695 |

The following is categorization of assets which are disclosed at fair value as at June 30, 2024:

| | (Rupees in thousand) | | | |
|---------------------------|----------------------|---------|---------|-------|
| | Level 1 | Level 2 | Level 3 | Total |
| Assets: | | | | |
| Investments at fair value | 14 | - | - | 14 |

18 Transactions with related parties

The related parties comprise associated undertakings, other related companies, key management personnel, inclusive of directors, and their close family members and post retirement benefit plan. The Company in the normal course of business carries out transactions with various related parties. The transactions with related parties, other than those which have been specifically disclosed elsewhere in these condensed consolidated interim financial statements are as follows:

| Relationship with the Company | Nature of transaction | Un-audited | |
|---|---|------------------------|----------------------|
| | | Six month period ended | |
| | | December 31, 2024 | December 31, 2023 |
| (Rupees in thousand) | | | |
| i) Associated undertakings and other related parties | Purchase of services | 227 | - |
| | Purchase of goods | - | 149 |
| | Dividend paid | 692,124 | 939,118 |
| ii) Key management personnel | Dividend paid | 44,380 | 60,011 |
| | Salaries and other employee benefits | 70,897 | 59,333 |
| | iii) Post retirement benefit plan | Expense charged | 8,276 |

All transactions with related parties are carried out on mutually agreed terms and conditions.

19 Date of authorization for issue

These condensed consolidated interim financial statements were authorized for issue on February 27, 2025 by the Board of Directors of the Company.

20 Subsequent events after reporting date

There are no other significant events that have occurred subsequent to the reporting date, other than those mentioned elsewhere in these condensed interim financial statements.

21 Corresponding figures

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

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. However, no significant re-arrangements have been made.

Chief Executive Officer

Director

Chief Financial Officer



“ SAY NO TO CORRUPTION”

Contribution to Social Welfare

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