



**KOHINOOR**  
ENERGY LIMITED



# QUARTERLY REPORT

# 2022

July-September (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 Director

Syed Manzar Hassan  
Non-Executive

Mr. Muhammad Omer Farooq  
Independent

Ms. Sadaf Kashif  
Independent

Mr. Faisal Riaz  
Independent

### Company Secretary

Mr. Muhammad Asif

### 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. Ghazanfar Ali Zaidi  
General Manager Technical

Mr. Muhammad Ashraf  
Chief Financial Officer

### Auditors

A. F. Ferguson & Co.  
Chartered Accountants

### Legal Advisor

LMA | Ebrahim Hosain

### Bankers

Standard Chartered Bank (Pakistan) Limited

Bank Alfalah Limited

Askari Bank Limited

AL Baraka Bank (Pakistan) Limited

Habib Bank Limited

MCB Bank Limited

Faysal Bank Limited

Bank Islami Pakistan 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](http://www.kel.com.pk)

## DIRECTORS' REPORT

The Board of Directors takes pleasure to present you the review report on financial and operational performance and interim accounts of Kohinoor Energy Limited for the 1st quarter ended September 30, 2022.

The Company is engaged in electricity generation from a furnace oil fired power plant having a net capacity of 124 MW. The Company has an exclusive power purchase agreement with the Central Power Purchase Agency (Guarantee) Limited (the CPPA) for sale of electricity being generated at the power plant. During the quarter under review the dispatch of electricity was slightly lower than the corresponding quarter of the previous FY, The power plant by operating at 55.57% capacity factor delivered 152,144 MWh of electricity to the CPPA while during the corresponding quarter of the last FY the power plant by operating at 58.28% capacity factor delivered 159,571 MWh of electricity to the CPPA.

Sales revenues of the Company for the 1st quarter of the current FY 2022-23 grew to Rs. 5,884 million as compared to Rs 3,420 million for the corresponding quarter of the previous financial year. The Company earned net profit after tax of Rs. 582.09 million by demonstrating the Earnings Per Share (EPS) of Rs. 3.44 as compared to Rs. 417.44 million (with an EPS of Rs. 2.46) earned during corresponding quarter of the last FY. The savings from fuel efficiency, and no major maintenances during the quarter under review, has contributed to increase in profits of the Company.

We write to report that during the 1st quarter of the current FY 2022-23 due to the timing difference of the running hours, no major maintenance performed compared with two in the corresponding quarter. Therefore maintenance cost on account of major maintenance has been reduced. We report that due to the good care of the engines and all of the allied auxiliary equipment is in good condition.

This is with respect to the matters of imposition of the Liquidated Damages (LDs) imposed by the Power Purchaser and the sales tax demand raised by the Revenue Department we write to report that the status is same as reported in the preceding annual financial statements for the FY 2021-22.

The Board is thankful and acknowledges the consistent support being extended by the financial institutions, CPPA, PSO, Wartsila and other suppliers as well as the valued shareholders of the Company. The Board also extends its appreciation to the management and employees of the Company for their continued efforts resulted in safe, efficient and reliable operations of the plant and we are confident that the same spirit of their enthusiasm shall remain continue in the future.

For and on behalf of the Board



**M. Zeid Yousuf Saigol**  
Chief Executive Officer



**Syed Manzar Hassan**  
Director

**Lahore:**  
**October 25, 2022**

## BALANCE SHEET

EQUITY AND LIABILITIES	Note	September 2022 (Rupees in thousand)	June 2022
<b>CAPITAL AND RESERVES</b>			
Authorized capital 170,000,000 (June 2022: 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 2022: 169,458,614) ordinary shares of Rs. 10 each		1,694,586	1,694,586
Unappropriated profit		3,544,424	3,216,520
		5,239,010	4,911,106
<b>NON CURRENT LIABILITIES</b>			
Long term finance	5	-	-
Deferred Grant	6	-	-
		-	-
<b>CURRENT LIABILITIES</b>			
Short term finances - secured	7	4,286,268	4,047,935
Trade and other payables		491,755	468,425
Accrued finance cost		122,928	86,129
Current portion of Long term finance		14,084	28,070
Current portion of Deferred grant		197	630
Provision for taxation - net		52,259	53,373
Unclaimed dividend		15,085	14,739
		4,982,576	4,699,301
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8	-	-
		10,221,586	9,610,407

The annexed notes 1 to 14 form an integral part of these financial statements.



Chief Executive Officer



Director

## AS AT SEPTEMBER 30, 2022 (Un-Audited)

ASSETS	Note	September 2022 (Rupees in thousand)	June 2022
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	2,607,186	2,690,796
Intangible assets		2,457	2,584
Long term loans and deposits		354	354
		<u>2,609,997</u>	<u>2,693,734</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		288,172	270,179
Stock-in-trade		776,670	915,860
Trade debts		5,484,787	4,185,218
Loans, advances, deposits, prepayments and other receivables		892,772	724,908
Cash and bank balances		169,188	820,508
		<u>7,611,589</u>	<u>6,916,673</u>
		<u>10,221,586</u>	<u>9,610,407</u>



Chief Financial Officer

## PROFIT AND LOSS ACCOUNT

FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (Un-Audited)

	Note	July to September	
		2022	2021
(Rupees in thousand)			
<b>Sales</b>		5,883,619	3,419,972
Cost of sales	10	(5,072,067)	(2,910,478)
<b>Gross profit</b>		811,552	509,494
Administrative expenses		(69,275)	(54,259)
<b>Operating Profit</b>		742,277	455,235
Other income		1,239	1,637
Finance costs		(161,077)	(38,955)
<b>Profit before tax</b>		582,439	417,917
Taxation		(347)	(475)
<b>Profit after tax</b>		582,092	417,442
Earnings per share - basic and diluted	<b>Rupees</b>	3.44	2.46

The annexed notes 1 to 14 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer



# STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (Un-Audited)

	July to September	
	2022	2021
	(Rupees in thousand)	
Profit for the period	582,092	417,442
Other comprehensive income	-	-
<b>Total comprehensive income for the quarter</b>	<b>582,092</b>	<b>417,442</b>

The annexed notes 1 to 14 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# CASH FLOW STATEMENT

FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (Un-Audited)

	Note	July to September	
		2022	2021
(Rupees in thousand)			
<b>Cash flows from operating activities</b>			
Cash generated from operations	12	(470,998)	1,314,924
Staff retirement benefits paid		(5,397)	(18)
Finance costs paid		(124,227)	(45,799)
Taxes paid		(1,461)	(1,461)
<b>Net cash from operating activities</b>		<b>(602,083)</b>	<b>1,267,646</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(22,395)	(467)
Interest/mark-up income received		1,198	1,853
Net increase in long term loans, advances and deposits		-	191
Sale proceeds of property, plant and equipment		1,888	-
<b>Net cash used in investing activities</b>		<b>(19,309)</b>	<b>1,578</b>
<b>Cash flows from financing activities</b>			
(Decrease) / Increase in short term finance		238,333	(1,575,155)
Increase in long term finance		-	-
Repayment of long term finance		(14,420)	(14,281)
Dividend paid		(253,842)	(872,408)
<b>Net cash used in financing activities</b>		<b>(29,928)</b>	<b>(2,461,843)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(651,320)</b>	<b>(1,192,619)</b>
<b>Cash and cash equivalents at beginning of the period</b>		<b>820,508</b>	<b>1,792,370</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>169,188</b>	<b>599,751</b>

The annexed notes 1 to 14 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

## STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (Un-Audited)

	Share capital	Un-appropriated profit	Total
	(Rupees in thousand)		
<b>Balance as on July 1, 2021</b>	1,694,586	4,378,113	6,072,699
	-		
<b>1st Interim dividend for the year ending June 30, 2022 at the rate of Rs 5.25 per share</b>		(889,658)	(889,658)
Total comprehensive income for the period	-	417,442	417,442
Balance as on September 30, 2021	1,694,586	3,905,898	5,600,484
2nd Interim dividend for the year ended June 30, 2022 at the rate of Rs 7.75 per share		(1,313,304)	(1,313,304)
3rd Interim dividend for the year ended June 30, 2022 at the rate of Rs 2.75 per share		(466,011)	(466,011)
Profit for the period (Oct-21 to Jun-22)	-	1,089,938	1,089,938
<b>Balance as on June 30, 2022</b>	1,694,586	3,216,520	4,911,106
	-	(254,188)	(254,188)
<b>1st Interim dividend for the year ending June 30, 2023 at the rate of Rs 1.50 per share</b>		(254,188)	(254,188)
Total comprehensive income for the quarter	-	582,092	582,092
<b>Balance as on September 30, 2022</b>	1,694,586	3,544,424	5,239,010

The annexed notes 1 to 14 form an integral part of these financial statements.



Chief Executive Officer



Director



Chief Financial Officer

# SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE QUARTER ENDED SEPTEMBER 30, 2022 (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 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.

## 2. Statement of Compliance

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

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

- Provision of & directives issued under the Companies Act, 2017

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

This condensed interim financial information does not include all the information required for annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended June 30, 2022.

## 3. Significant Accounting Policies

The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the company for the year ended June 30, 2022.

## 4 Accounting Estimates & Judgements

The preparation of the condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. In preparing this condensed interim financial information, the significant judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements for the year ended June 30, 2022.

	Note	September 2022	June 2022
<b>5 Long Term Finance - Secured</b>			
Long Term Loan	5.1	14,084	28,070
Less: Current Portion shown under current liabilities		(14,084)	(28,070)
		<u>-</u>	<u>-</u>
<b>5.1 Reconciliation of carrying amount is as follows:</b>			
Opening Balance		28,070	81,688
Loan repaid		(14,420)	(58,261)
Unwinding of grant		433	4,643
Closing Balance		14,084	28,070
Less: Current portion shown under current liabilities		(14,084)	(28,070)
		<u>-</u>	<u>-</u>

**5.1.1** This represent amount of loan against facility of Rs. 145,000 thousand obtained under SBP refinance scheme of salaries & wages. The amount is repayable in 8 quarterly installments starting from March 31, 2021 and carry mark up at the rate of 1.5% p.a which is payable quarterly. This facility is secured by Joint Pari Passu charge in current assets of the company.

	Note	September 2022	June 2022
<b>6 Deferred Grant</b>			
Opening Balance		630	4,304
Unwinding of grant		(433)	(3,674)
Closing Balance	6.1	<u>197</u>	<u>630</u>
<b>Represented by:</b>			
Non - current portion		-	-
Current portion		197	630
		<u>197</u>	<u>630</u>

**6.1** Govt grant has been recognised against loan obtained under SBP refinance scheme of salaries & wages in lieu of below market interest rates payable on this loan. There are no unfulfilled conditions or contingencies attached to this grant effecting its recognition at the reporting date.

	September 2022	June 2022
<b>7 Short Term Financing - Secured</b>		
- Under mark up arrangements	2,486,268	2,547,935
- Under arrangements permissible under Shariah	1,800,000	1,500,000
	<u>4,286,268</u>	<u>4,047,935</u>

Short term finances available from banks under mark up arrangements amount to Rs. 8,010 million (June 30, 2022: Rs. 7,510 million), out of which finances available from Islamic banks under Islamic arrangements amount to Rs. 3,400 million (June 30, 2022: Rs. 2,900 million). The rates of mark up for finances under mark up arrangement ranged from 14.6 % to 16.21 % per annum (June 30, 2022: 7.62% to 15.36% per annum) and for finances under arrangement permissible under Shariah ranged from 14.66 % to 16.66 % per annum (June 30, 2022 : 7.80% to 14.71% per annum) on the balances outstanding.

## 8 Contingencies and commitments

There is no change in contingencies & commitments from the preceding published financial statements of the company for the year ended June 30, 2022 except the following:

- 8.1 Commitment regarding letter of credit/bank contracts other than capital expenditure Rs. 31 million (June 30, 2022: Rs. 35.51 million).

Commitment regarding letter of credit for capital expenditure Rs. 41 million (June 30, 2022: Rs. 96.35 million).

	Note	September 2022	June 2022
(Rupees in thousand)			
<b>9 Property, plant and equipment</b>			
Operating fixed assets	9.1	2,541,197	2,624,932
Capital work in progress		22	-
Stores held for capital expenditures		65,967	65,864
		2,607,186	2,690,796
<b>9.1 Operating fixed assets</b>			
Opening net book value		2,624,932	2,764,406
Additions (At cost)		22,271	270,621
		2,647,203	3,035,027
Disposals ( at NBV)		(1,847)	(1,787)
Assets Write-offs (at NBV)		-	(7,901)
Depreciation charge		(104,159)	(400,407)
		(106,006)	(410,095)
Closing net book value		2,541,197	2,624,932

		<b>July to September</b>	
		<b>2022</b>	<b>2021</b>
		<b>(Rupees in thousand)</b>	
<b>10</b>	<b>Cost of sales</b>		
	Raw material consumed	4,827,273	2,665,218
	Salaries, wages and benefits	62,522	50,812
	Stores and spares consumed	30,091	62,771
	Depreciation/amortization	102,094	96,827
	Insurance	24,963	18,917
	Traveling, conveyance and entertainment	8,064	6,237
	Repair and maintenance	2,693	1,512
	Electricity consumed in-house	6,563	3,173
	Contract Staff Charges	4,243	3,142
	Miscellaneous	3,561	1,869
		<b>5,072,067</b>	<b>2,910,478</b>
<b>11</b>	<b>Transactions with related parties</b>		
	<b>Relationship with the company</b>		
	<b>Nature of transactions</b>		
	i. Associated undertakings and other related parties		
	Purchase of services	49	76
	Purchase of goods	3,843	25,580
	Dividend paid	148,368	519,287
	ii. Key Management Personnel		
	Salaries and other employee benefits	30,996	20,723
	Dividend paid	9,475	33,300
		<b>September</b>	<b>June</b>
		<b>2022</b>	<b>2022</b>
		<b>(Rupees in thousand)</b>	
	<b>Period end balances</b>		
	Payable to related parties	-	-

	<b>July to September</b>	
	<b>2022</b>	<b>2021</b>
<b>(Rupees in thousand)</b>		
<b>12 Cash generated from operations</b>		
Profit before tax	582,439	417,917
Adjustments for:		
Depreciation/amortization	104,285	98,619
Loss on disposal of property, plant and equipment	(41)	-
Interest income	(1,198)	(1,637)
Provision for retirement benefits	3,878	6,080
Finance cost	161,026	38,692
<b>Profit before working capital changes</b>	<b>850,389</b>	<b>559,671</b>
Effect on cash flow due to working capital changes		
Stores and spares	(17,993)	3,019
Stock in trade	139,190	385,241
Trade debts	(1,299,569)	107,629
Other receivables	(167,864)	229,570
Creditors, accrued and other liabilities	24,849	29,795
	<u>(1,321,387)</u>	<u>755,254</u>
	<u>(470,998)</u>	<u>1,314,924</u>

### 13 Date of authorization for issue

These financial statements were authorized for issue on October 25, 2022 by the Board of Directors of the company.

### 14 Corresponding figures

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



Chief Executive Officer



Director



Chief Financial Officer



**“ SAY NO TO CORRUPTION ”**

**Contribution to Social Welfare**

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