



KOHINOOR
ENERGY LIMITED

KEL/COR/PSX/2021/67
October 29, 2021

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

Subject: Transmission of Quarterly Report for the Period Ended September 30, 2021

Dear Sir,

We have to inform you that the Quarterly Report of the Company for the period ended September 30, 2021 have been transmitted through PUCARS and is also available on Company's website.

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

Yours faithfully,
for KOHINOOR ENERGY LIMITED

(Muhammad Asif)
Company Secretary

SAY NO TO CORRUPTION

Liaison Office: PEL Factory 14-KM Ferozpur Road, Lahore, Postcode: 54760 Pakistan Tel: +92-42-359-20117- 8

Head Office & Plant: Near Tablighi Ijtama, Raiwind Bypass, Postcode: 55140 Lahore, Pakistan Tel: +92-42-35392317- 8 Fax: +92-42-35393415- 7

Registered Office: 301, 3rd Floor, Green Trust Tower, Blue Area, Islamabad, Pakistan Tel: +92-51-2813021-2 Fax: +92-51-2813023 E-mail: info@kel.com.pk Web: www.kel.com.pk



KOHINOOR
ENERGY LIMITED

2021 QUARTERLY REPORT

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
Non-Executive
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
United 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

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, 2021.

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. We report that during the quarter under review the dispatch of electricity was comparatively higher than that of the corresponding period. The power plant by operating at 58.28% capacity factor delivered 159,571 MWh of electricity to the CPPA while during the corresponding quarter of last year, the power plant by operating at 54.78% capacity factor delivered 149,985 MWh of electricity to the CPPA.

Sales revenues of the Company for the 1st quarter of 2021-22 grew to Rs. 3,420 million as compared to Rs 2,494 million for the corresponding quarter of the previous financial year. The Company earned net profit after tax of Rs. 417.44 million by demonstrating the Earnings Per Share (EPS) of Rs. 2.46 as compared to Rs. 416.01 million (with an EPS of Rs. 2.45) earned during corresponding quarter of the last FY. We take pleasure to report that despite of the increased spending on major maintenances as being reported in next paragraph, the profits of your Company remained same as earned during the corresponding quarter of previous FY. The increase in capacity payments because of Rupee devaluation and savings from fuel consumption has contributed to the profitability of the Company.

We write to report that during the 1st quarter of the FY 2021-22 due to higher dispatch from the power purchaser, two major maintenances fell earlier, into the quarter under review while it was anticipated for the next quarter. Therefore, two major maintenances were carried out compared with none of the corresponding quarter of the previous FY. All of the maintenance work has been performed as per the schedules and budget.

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 2020-21.


We write to inform you that the Board of Directors in its meeting held on September 03, 2021 had already announced and paid an interim dividend for the FY 2021-22 @52.50% i.e. at rate of Rs. 5.25 per share to the shareholders for which the share transfer books were closed from September 18, 2021 to September 24, 2021 (both days inclusive) and the date of entitlement was fixed as September 18, 2021.

The Board expresses its appreciation to the financial institutions, CPPA, Pakistan State Oil, Wartsila and other suppliers as well as the valued shareholders of the Company for their continued support that resulted in successful and smooth operations. The Board also acknowledges the enthusiasm and determination of the management and employees of the Company resulting in the safe, efficient and smooth operations of the power complex.

For and on behalf of the Board



M. Zeid Yousuf Saigol
Chief Executive Officer



Syed Manzar Hassan
Director

Lahore:
October 21, 2021

BALANCE SHEET

	Note	September 2021 (Rupees in thousand)	June 2021
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorized capital		1,700,000	1,700,000
170,000,000 (June 2021: 170,000,000) ordinary shares of Rs. 10 each			
Issued, subscribed and paid up capital			
169,458,614 (June 2021: 169,458,614) ordinary shares of Rs. 10 each		1,694,586	1,694,586
Unappropriated profit		3,905,898	4,378,113
		5,600,484	6,072,699
NON CURRENT LIABILITIES			
Long term finance	5	14,069	27,930
Deferred Grant	6	212	630
		14,281	28,560
CURRENT LIABILITIES			
Employee benefits		6,062	-
Short term finances	7	2,214,997	3,790,152
Trade and other payables		212,215	165,164
Accrued finance cost		22,556	29,663
Current portion of Long term finance		54,550	53,758
Current portion of Deferred grant		2,881	3,674
Provision for taxation - net		57,669	58,655
Unclaimed dividend		10,609	10,616
		2,581,538	4,111,682
CONTINGENCIES AND COMMITMENTS			
	8	-	-
		8,196,303	10,212,941

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



Chief Executive Officer



Director

AS AT SEPTEMBER 30, 2021 (Un-Audited)

	Note	September 2021 (Rupees in thousand)	June 2021
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	2,743,659	2,841,686
Intangible assets		2,962	3,088
Long term loans and deposits		624	815
		<u>2,747,245</u>	<u>2,845,589</u>
CURRENT ASSETS			
Stores, spares and loose tools		297,575	300,594
Stock-in-trade		371,212	756,453
Trade debts		3,873,476	3,981,105
Loans, advances, deposits, prepayments and other receivables		307,044	536,830
Cash and bank balances		599,751	1,792,370
		5,449,058	7,367,352
		<u>8,196,303</u>	<u>10,212,941</u>



Chief Financial Officer

PROFIT AND LOSS ACCOUNT

FOR THE QUARTER ENDED SEPTEMBER 30, 2021 (Un-Audited)

	Note	July to September	
		2021	2020
		(Rupees in thousand)	
Sales		3,419,972	2,493,981
Cost of sales	10	(2,910,478)	(1,898,545)
Gross profit		509,494	595,436
Administrative expenses		(54,259)	(66,636)
Operating Profit		455,235	528,800
Other income		1,637	456
Finance costs		(38,955)	(113,108)
Profit before tax		417,917	416,148
Taxation		(475)	(137)
Profit after tax		417,442	416,011
Earnings per share - basic and diluted	Rupees	2.46	2.45

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, 2021 (Un-Audited)

	July to September	
	2021	2020
	(Rupees in thousand)	
Profit for the period	417,442	416,011
Other comprehensive income	-	-
Total comprehensive income for the quarter	417,442	416,011

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, 2021 (Un-Audited)

	Note	July to September	
		2021	2020
Cash flows from operating activities		(Rupees in thousand)	
Cash generated from operations	12	1,314,924	666,579
Staff retirement benefits paid		(18)	(74,825)
Finance costs paid		(45,799)	(184,548)
Taxes paid		(1,461)	(381)
Net cash from operating activities		1,267,646	406,825
Cash flows from investing activities			
Purchase of property, plant and equipment		(467)	(11,564)
Interest/mark-up income received		1,853	478
Net increase in long term loans, advances and deposits		191	(700)
Sale proceeds of property, plant and equipment		-	3,733
Net cash used in investing activities		1,578	(8,054)
Cash flows from financing activities			
(Decrease) / Increase in short term finance		(1,575,155)	(602,097)
Increase in long term finance		-	114,245
Repayment of long term finance		(14,281)	-
Dividend paid		(872,408)	(808)
Net cash used in financing activities		(2,461,843)	(488,660)
Net increase/(decrease) in cash and cash equivalents		(1,192,619)	(89,889)
Cash and cash equivalents at beginning of the period		1,792,370	302,408
Cash and cash equivalents at the end of the period		599,751	212,519

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, 2021 (Un-Audited)

	Share capital	Un-appropriated profit (Rupees in thousand)	Total
Balance as on July 1, 2020	1,694,586	4,848,005	6,542,591
Total comprehensive income for the period	-	416,011	416,011
Balance as on September 30, 2020	<u>1,694,586</u>	<u>5,264,016</u>	<u>6,958,602</u>
1st Interim dividend for the year ended June 30, 2021 at the rate of Rs 6.00 per share	-	(1,016,752)	(1,016,752)
2nd Interim dividend for the year ended June 30, 2021 at the rate of Rs 4.00 per share		(677,834)	(677,834)
Profit for the period (Oct-20 to Jun-21)	-	783,410	783,410
Other Comprehensive Income:			
Re-measurement of staff gratuity fund	-	25,273	25,273
Balance as on June 30, 2021	<u>1,694,586</u>	<u>4,378,113</u>	<u>6,072,699</u>
1st Interim dividend for the year ending June 30, 2022 at the rate of Rs 5.25 per share	-	(889,658)	(889,658)
Total comprehensive income for the quarter	-	417,442	417,442
Balance as on September 30, 2021	<u><u>1,694,586</u></u>	<u><u>3,905,898</u></u>	<u><u>5,600,484</u></u>

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, 2021 (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, 2021.

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, 2021.

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, 2021.

	Note	September 2021	June 2021
5 Long Term Finance - Secured			
Long Term Loan	5.1	68,619	81,688
Less: Current Portion shown under current liabilities		(54,550)	(53,758)
		<u>14,069</u>	<u>27,930</u>
5.1 Reconciliation of carrying amount is as follows:			
Opening Balance		81,688	-
Loan received during the year		-	114,245
Loan repaid		(14,281)	(29,641)
Transferred to deferred grant		-	(9,418)
Unwinding of grant		1,211	6,502
Closing Balance		<u>68,619</u>	<u>81,688</u>
Less: Current portion shown under current liabilities		(54,550)	(53,758)
		<u>14,069</u>	<u>27,930</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 2021	June 2021
6 Deferred Grant			
Opening Balance		4,304	-
Received during the year		-	9,418
Unwinding of grant		(1,211)	(5,114)
Closing Balance	6.1	<u>3,093</u>	<u>4,304</u>
Represented by:			
Non - current portion		212	630
Current portion		2,881	3,674
		<u>3,093</u>	<u>4,304</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 2021	June 2021
7 Short Term Financing - Secured		
- Under mark up arrangements	1,389,915	2,214,475
- Under arrangements permissible under Shariah	825,082	1,575,677
	<u>2,214,997</u>	<u>3,790,152</u>

Short term finances available from banks under mark up arrangements amount to Rs. 7,510 million (June 30, 2021: Rs. 7,510 million), out of which finances available from Islamic banks under Islamic arrangements amount to Rs. 2,900 million (June 30, 2021: Rs. 2,900 million). The rates of mark up for finances under mark up arrangement ranged from 7.62% to 9.01% per annum (June 30, 2021: 7.23% to 9.83% per annum) and for finances under arrangement permissible under Shariah ranged from 7.72 % to 8.45% per annum (June 30, 2021 : 7.55% to 9.79% 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, 2021 except the following:

- 8.1** Commitment regarding letter of credit/bank contracts other than capital expenditure Rs. 7 million (June 30, 2021: Rs. 20.17 million).

Commitment regarding letter of credit for capital expenditure Rs. 50 million (June 30, 2021: Rs. Nil million).

	Note	September 2021	June 2021
(Rupees in thousand)			
9 Property, plant and equipment			
Operating fixed assets	9.1	2,666,086	2,764,406
Capital work in progress		24,327	24,034
Stores held for capital expenditures		53,246	53,246
		<u>2,743,659</u>	<u>2,841,686</u>
9.1 Operating fixed assets			
Opening net book value		2,764,406	3,129,907
Additions (At cost)		173	60,142
		<u>2,764,579</u>	<u>3,190,049</u>
Disposals (at NBV)		-	(10,047)
Assets Write-offs (at NBV)		-	(929)
Depreciation charge		(98,493)	(414,667)
		<u>(98,493)</u>	<u>(425,643)</u>
Closing net book value		<u>2,666,086</u>	<u>2,764,406</u>

July to September

2021	2020
(Rupees in thousand)	

10 Cost of sales

Raw material consumed	2,665,218	1,680,504
Salaries, wages and benefits	50,812	63,435
Stores and spares consumed	62,771	17,612
Depreciation/amortization	96,827	103,174
Insurance	18,917	17,522
Traveling, conveyance and entertainment	6,237	4,828
Repair and maintenance	1,512	2,187
Electricity consumed in-house	3,173	3,697
Contract Staff Charges	3,142	3,992
Miscellaneous	1,869	1,594
	2,910,478	1,898,545

July to September

2021	2020
(Rupees in thousand)	

11 Transactions with related parties

Relationship with the company	Nature of transactions		
i. Associated undertakings and other related parties	Purchase of services	76	116
	Purchase of goods	25,580	-
ii. Key Management Personnel	Salaries and other employee benefits	20,723	33,337
	Dividend paid	552,574	-
ii. Retirement benefit plan	Expense charged	-	5,196

September 2021	June 2021
(Rupees in thousand)	

Period end balances

Payable to related parties	-	-
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July to September

2021	2020
(Rupees in thousand)	

12 Cash generated from operations

Profit before tax	417,917	416,148
Adjustments for:		
Depreciation/amortization	98,619	105,352
Loss on disposal of property, plant & equipment	-	17
Interest income	(1,637)	(473)
Provision for retirement benefits	6,080	5,196
Finance cost	38,692	112,455
Profit before working capital changes	559,671	638,694
Effect on cash flow due to working capital changes		
Stores and spares	3,019	(2,575)
Stock in trade	385,241	(367,280)
Trade debts	107,629	305,887
Other receivables	229,570	204,764
Creditors, accrued and other liabilities	29,795	(112,910)
	755,254	27,885
	1,314,924	666,579

13 Date of authorization for issue

These financial statements were authorized for issue on October 21, 2021 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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