



KOHINOOR
ENERGY LIMITED

KEL/COR/PSX/2023/32
October 02, 2023

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

Transmission of Annual Report/Free Float of Shares for the Year Ended June 30, 2023

Dear Sir,

We have to inform you that the Annual Report of the Company for the year ended June 30, 2023 along with Free Float of shares 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

(Khawaja Saif-e-Sultan)
Company Secretary

SAY NO TO CORRUPTION

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

Head Office & Plant: Near Tablighi Ijtama, Raiwind Bypass, Postcode: 55140 Lahore, Pakistan Tel: +92-42-353-92317- 8 Fax: +92-42-353-91285

Registered Office: 301, 3rd Floor, Green Trust Tower, Blue Area, Islamabad, Pakistan Tel: +92-51-281-3021-2 Fax: +92-51-281-3023 E-mail: info@kel.com.pk Web: www.kel.com.pk



KOHINOOR
ENERGY LIMITED



ANNUAL REPORT **2023**

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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. 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

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of shareholders of Kohinoor Energy Limited will be held on October 25, 2023 (Wednesday) at 01:00 P.M. at Islamabad Club, Islamabad to transact the following business:

1. To confirm minutes of the Annual General Meeting held on October 24, 2022.
2. To receive and adopt the Annual Audited Accounts of the Company for the financial year ended June 30, 2023 alongwith Directors' and Auditors' Reports thereon.
3. To approve three interim dividends already paid @15% i.e. Rs. 1.50 per share, @30% i.e. Rs. 3.00 per share and @20% i.e. Rs. 2.00 per share making a total dividend @ 65% i.e. Rs. 6.50 per share for the financial year 2022-23.
4. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

Special Business:

To consider and if deemed fit, to pass with or without modification(s), addition(s) or deletion(s), the following Special Resolution(s) by the members to circulate the annual balance sheet and profit and loss account, auditor's report and directors report, etc. ("annual audited financial statements") to its members through QR enabled code and web link, as recommended by the Board of Directors of the Company:

"RESOLVED THAT QR enabled code and web link of the annual audited financial statements of the company be circulated to members, subject to the requirements of Notification No. S.R.O. 389(I)/2023 of Securities & Exchange Commission of Pakistan dated 21st March 2023 instead of CD/DVD/USB.

FURTHER RESOLVED THAT notice of general meeting be dispatched to members, as per the requirement of the Companies Act, 2017, on their registered address, containing the QR code and the web/link address to view and download the annual audited financial statements together with the reports and documents required to be annexed thereto under the Act.

FURTHER RESOLVED THAT the annual audited financial statements be also circulated to members through email, in case email has been provided by the members of the company, without receiving consents from the members.

FURTHER RESOLVED THAT the company shall provide hard copy of all the future annual audited financial statements to those members only who request the company in writing to receive hard copies."

5. Any other business with the permission of the Chair.

By the order of the Board

Lahore:
September 21, 2023

(Khawaja Safee Sultan)
Company Secretary

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. The share transfer books of the Company will remain closed from October 19, 2023 to October 25, 2023 (both days inclusive). Transfers received at our Share Registrar Office M/S CORPLINK (PVT) LIMITED situated at Wings Arcade, 1-K, Commercial, Model Town, Lahore upto the close of business hours on October 18, 2023 will be treated in time for determination of entitlement to attend and vote at the meeting.
2. A member eligible to attend and vote at this meeting may appoint his / her proxy to attend and vote instead of him/her. Proxies in order to be effective must reach the Company's Head office situated at Near Tablighi Ijtima, Raiwind Bypass, Lahore, not less than 48 hours before the time for holding the meeting. A member shall not be entitled to appoint more than one proxy. Proxies of the Members through CDC shall be accompanied with attested copies of their CNIC. In case of corporate entity, the Board's Resolution/power of attorney with specimen signature shall be furnished along with proxy form to the Company. The members through CDC are requested to bring original CNIC, A/C No. and Participant ID to produce at the time of attending the meeting.
3. As per Circular No. 10 of 2014 dated May 21, 2014, issued by the SECP the members holding aggregate ten percent or more shareholding residing in geographical location may participate in the meeting through video conference. In this regard a prescribed form is available at <https://kel.com.pk/page-investor-information>.
4. As per Section 72 of the Companies Act, 2017 every listed company is required to replace its physical shares into book-entry form (CDC). Therefore, the shareholders having physical shares are requested to convert the shares into book-entry (CDC).

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

The following statement sets out the material facts pertaining to the Special Business to be transacted at the Annual General Meeting of the Company October 25, 2023 (Wednesday) at 01:00 P.M. at Islamabad Club, Islamabad;

Subject to the requirements of Notification No. S.R.O. 389(I)/2023 of Securities & Exchange Commission of Pakistan dated 21st March 2023, the company is desirous to obtain members approval in order to circulate annual audited financial statements to its members through QR enabled code and web/link instead of circulating the same via CD/DVD/USB.

None of the Directors of the Company have any personal interest in the aforesaid Special Business except in their capacity as Shareholders or Directors of the Company.

Lahore:
September 21, 2023

Company Secretary

اطلاع برائے سالانہ اجلاس عام

تمام متعلقہ افراد کو مطلع کیا جاتا ہے کہ کوہ نور انرجی لمیٹڈ کے شیئر ہولڈرز کا تیسواں سالانہ اجلاس عام 25 اکتوبر 2023 (بروز بدھ) دوپہر ایک بجے (01:00) پر اسلام آباد کلب، مین مری روڈ، اسلام آباد میں مندرجہ ذیل امور کی انجام دہی کیلئے منعقد کیا جائے گا:

- 1۔ سالانہ اجلاس عام منعقدہ 24 اکتوبر 2022 کی کاروائی کی توثیق
- 2۔ کمپنی کے سالانہ آڈٹ شدہ حسابات برائے 30 جون 2023 کو ختم ہونے والے مالی سال اور ڈائریکٹرز اور ایگزیکٹوز کی رپورٹس کی وصولی اور قبولیت
- 3۔ تین عبوری ڈیوڈنڈز بحساب 15% (یعنی 1.50 روپے فی شیئر)، 30% (یعنی 3.00 روپے فی شیئر) اور 20% (یعنی 2.00 روپے فی شیئر) جو کہ رواں سال میں پہلے ادا کئے جا چکے ہیں۔ گویا کل ڈیوڈنڈ بحساب 65% (یعنی 6.5 روپے فی شیئر) برائے 30 جون 2023 کو ختم ہونے والے سال کی منظوری دینا
- 4۔ آئندہ سالانہ اجلاس عام تک کمپنی کے آڈیٹرز کی تقرری اور مشاہرے کا تعین

Special Business:

To consider and if deemed fit, to pass with or without modification(s), addition(s) or deletion(s), the following Special Resolution(s) by the members to circulate the annual balance sheet and profit and loss account, auditor's report and directors report, etc. ("annual audited financial statements") to its members through QR enabled code and web link, as recommended by the Board of Directors of the Company:

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FURTHER RESOLVED THAT the company shall provide hard copy of all the future annual audited financial statements to those members only who request the company in writing to receive hard copies."

5۔ چیئر مین کی اجازت سے دیگر امور کی انجام دہی

لاہور:

21 ستمبر 2023

بحکم بورڈ

خواجہ صفی سلطان (کمپنی سیکرٹری)

اطلاع برائے سالانہ اجلاس عام

نوٹ:

- 1- کمپنی کی شیئرز ٹرانسفر بکس 19 اکتوبر 2023 تا 25 اکتوبر 2023 (بشمول دونوں ایام) بند رہیں گی۔ ہمارے شیئرز رجسٹر آفس M/S Corplink (Pvt) Ltd، گنگڑا آرکیڈ، 1-K کمرشل، ماڈل ٹاؤن، لاہور 18 اکتوبر 2023 کو دفتری اوقات تک موصول ہونے والی ٹرانسفرز میٹنگ میں حاضری کی اہلیت کے لئے بروقت اور اہل تصور ہونگی۔
- 2- اس میٹنگ میں شرکت کرنے اور ووٹ دینے کا اہل ممبر اپنا پراکسی مقرر کر سکتا ہے۔ سٹمپ، دستخط اور تصدیق شدہ پراکسیز کمپنی کے ہیڈ آفس کوہ نور انرجی لمیٹڈ واقع نزد تبلیغی اجتماع، رانیوٹ ہائی پاس، لاہور پر میٹنگ کے وقت سے اڑتالیس گھنٹے قبل تک موصول ہونا لازم ہیں، ورنہ قابل قبول نہ ہوں گی۔ سینٹرل ڈپازٹری اکاؤنٹ ہولڈرز کیلئے قومی شناختی کارڈ یا فائدہ حاصل کرنے والے مالک کے پاسپورٹ کی تصدیق شدہ کاپی بعد پراکسی فارم فراہم کرنا ضروری ہے۔ کارپوریٹ شخصیت کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ اور دستخط کا نمونہ (جبراً اس کے کہ پہلے فراہم نہ کی گئی ہو) بعد کمپنی کے پراکسی فارم جمع کرائے جائیں گے۔ پراکسی میٹنگ کے وقت اپنا اصل شناختی کارڈ یا اصل پاسپورٹ بعد اکاؤنٹ نمبر برائے شناخت فراہم کرے گا۔
- 3- SECP کے 21 مئی 2014 کے سرکلر نمبر 10 کے مجوزات کے مطابق جغرافیائی محل وقوع میں رہنے والے شیئرز ہولڈرز جن کی مجموعی شیئرز ہولڈنگ 10% یا اس سے زیادہ ہو وہ ویڈیو کانفرنس کے ذریعے میٹنگ میں شامل ہو سکتے ہیں۔ اس کے لئے شخص فارم کمپنی کی ویب سائٹ <https://kel.com.pk/page-investor-information> پر موجود ہے۔ اس سہولت کو حاصل کرنے کے لئے برائے مہربانی معلومات کمپنی کے شخص شدہ فارم پر شیئرز رجسٹر آفس M/S Corplink (Pvt) Ltd کو مہیا کریں۔
- 4- کمپنیز ایکٹ 2017 کے سیکشن 72 کے تحت تمام لسٹڈ کمپنیز کو اپنے تمام فزیکل شیئرز کو مجوزہ بک انٹری (CDC) میں تبدیل کرنے کی ضرورت ہے لہذا اتمام فزیکل شیئرز رکھنے والے شیئرز ہولڈرز سے درخواست ہے کہ وہ جلد از جلد اپنے شیئرز کو بک انٹری (CDC) میں تبدیل کروالیں۔

کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت اسٹیٹمنٹ

مندرجہ ذیل اسٹیٹمنٹ کمپنی کے سالانہ عمومی اجلاس عام بمقام اسلام آباد کلب، مین مری روڈ، اسلام آباد میں منور شدہ 25 اکتوبر 2023 (بروز بدھ) دوپہر ایک بجے (01:00) منظوری کے لئے پیش کئے جانے والے خصوصی امور سے متعلق اہم حقائق کا احاطہ کرنا ہے

SECP کے 21 مارچ 2023 کے سرکلر نمبر S.R.O.389(I)/2023 کی ہدایات کے پیش نظر کمپنی اپنے اراکین کو سالانہ آڈٹ شدہ مالیاتی گوسواروں کی ترسیل CD/DVD/USB میں کرنے کی بجائے فعال QR کوڈ اور ویب لنک کے ذریعے بھیجنے کے لئے اراکین کی منظوری حاصل کرنا چاہتی ہے۔ خصوصی قراردادوں میں ڈائریکٹران کی ماسوا بحیثیت حصص داران یا کمپنی ڈائریکٹر ایسی کوئی دلچسپی نہیں جس کا اظہار مقصود ہو۔

لاہور: 21 ستمبر 2023

(کمپنی سیکرٹری)

چیرمین جائزہ

بورڈ آف ڈائریکٹر کی جانب سے مجھے آپ کو تیسویں سالانہ رپورٹ پیش کرنے میں خوشی محسوس ہو رہی ہے۔ اس رپورٹ میں ہم کوہ نور انرجی لمیٹڈ کے کاموں اور آپریٹنگ ماحول کی 30 جون 2023 کو ختم ہونے والے آڈٹ شدہ مالی حسابات کا جائزہ فراہم کر رہے ہیں۔

زیر جائزہ سال کے دوران بورڈ نے پاور کمپلیکس اور کمپنی کے دفاتر اور سہولیات کا دورہ کیا جس کا مقصد کلیدی مینجمنٹ ایگزیکٹوز سے ملاقات کرنا اور وہاں کی پیش رفت اور چیلنجز کے بارے میں پہلے سے معلومات حاصل کرنا تھا۔ یہ بات بھی ریکارڈ پر لاتے ہوئے خوشی محسوس ہو رہی ہے کہ آپ کی کمپنی کے تقریباً 142 فٹ ٹائم کام کرنے والے افراد کی ایک پُر جوش ٹیم موجود ہے جو کہ ماہر پیشہ ور، قابل انجینئرز اور ہنرمند افرادی قوت پر مشتمل ہے جو ایمانداری اور محنت کے ساتھ کمپنی کی خدمت کر رہے ہیں جسکی وجہ سے 26 آپریٹنگ سال گزار جانے کے باوجود پاور کمپلیکس محفوظ، بہترین اور انتہائی منوثر کارکردگی کا مظاہرہ کر رہا ہے۔

کمپنی نے رواں سال 2022-23 میں بعد از ٹیکس 1,573 ملین روپے کا منافع کمایا ہے اور فی شیئر آمدنی 9.29 روپے رہی جبکہ اسکے مقابلے میں پچھلے سال کمپنی کا بعد از ٹیکس منافع 1,507 ملین روپے تھا جبکہ فی شیئر آمدنی 8.90 روپے تھی۔ آپ کو یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ بورڈ آف ڈائریکٹر کی سفارشات پر زیر جائزہ مالی سال کے دوران پہلے ہی تین عبوری ڈیوڈنڈ بلز ترتیب 15% اگست 2022، 30% مارچ 2023 اور 20% مئی 2023 میں ادا کر دیئے گئے ہیں جو مالی سال 2022-23 کے لئے کل ملا کر 65% بنتا ہے۔

خلاصہ یہ ہے کہ کوہ نور انرجی لمیٹڈ اپنے شیئر ہولڈرز کے لئے کمپنی کی قدر بڑھانے، مارکیٹ میں اپنی پوزیشن کو مزید مضبوط بنانے، آپریٹنگ استعداد بڑھانے، آمدنی اور مارجن بڑھاتے ہوئے طویل عرصے تک اپنے کاروبار کو بڑھانے کے لئے پُر عزم ہے۔

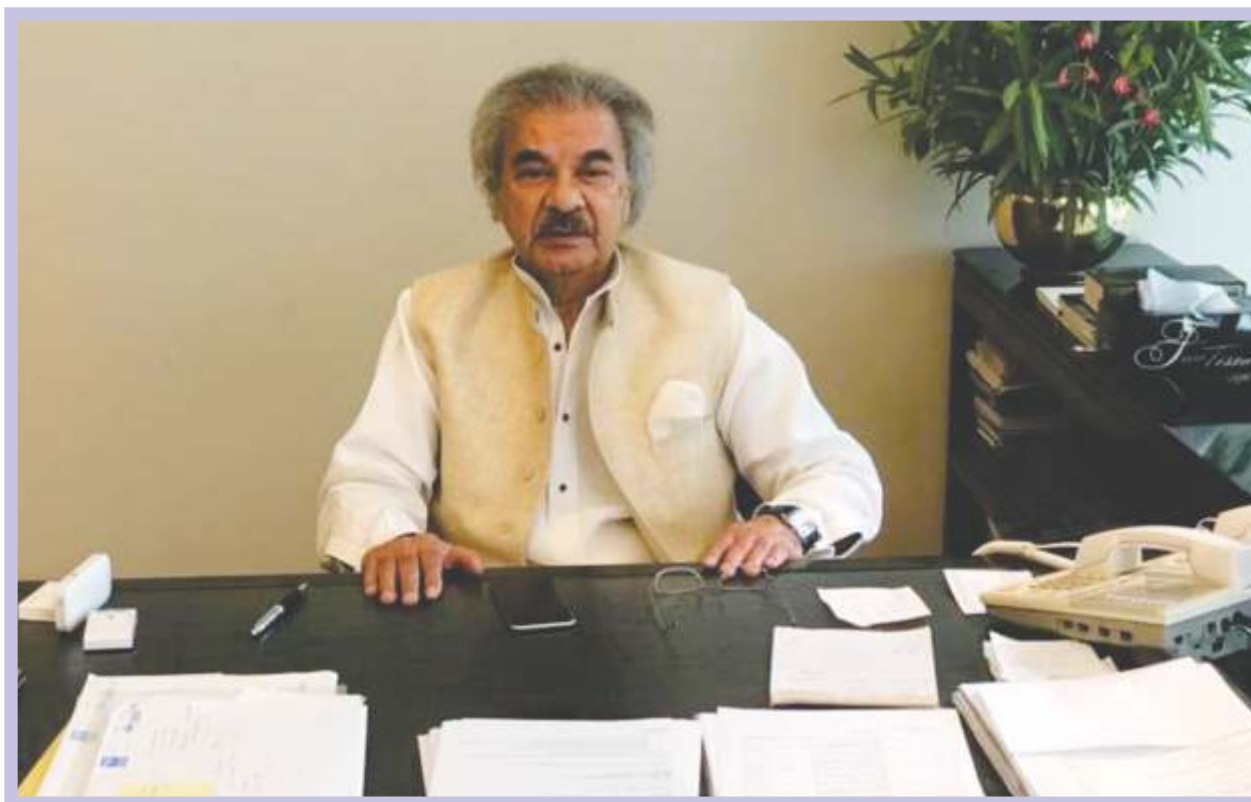


ایم نسیم سہگل
چیرمین

لاہور

21 ستمبر 2023

CHAIRMAN'S REVIEW



On behalf of the Board of Directors, I have great pleasure in presenting you the 30th Annual Report providing an overview of Kohinoor Energy Limited's operations, our operating environment and the Audited Financial Statements for the year ended June 30, 2023.

During the year under review the Board visited the power complex and Company offices and facilities with the objective of meeting with the key management executives and gaining firsthand knowledge of the developments and challenges in place. It is pleasurable to put on record that your Company has a dedicated and enthusiastic team of nearly 142 fulltime working people comprises of professionals, qualified engineers and skilled workforce who are serving to the Company with honesty and hardworking. Therefore, despite of the laps of the 26 operational years the power complex is demonstrating the safe, reliable and the most efficient operations.

During the Financial Year 2022-2023 the Company posted net profit after tax of Rs.1,573 million by demonstrating earning per share (EPS) of Rs. 9.29 as compared to net profit after tax of Rs. 1,507 million with an EPS of Rs. 8.90 demonstrated last year. It takes immense pleasure to inform you that during the financial year under review upon the recommendations of the Board of Directors three interim dividends have already been paid @15% in August 2022, @30% in March 2023 and @20% in May 2023 respectively, making cumulative dividend distribution for the financial year 2022-23 @65%.

In summary, Kohinoor Energy Limited continues to be committed to growing its businesses over the longer term to build the company's value for our shareholder, by further strengthening its position in the market, increasing operational efficiency, boosting revenue and significantly improving margins and earnings.


M. Naseem Saigol
Chairman

Lahore:
September 21, 2023

DIRECTORS' REPORT



The Board of Directors feels pleasure to present the Annual Report together with the audited financial statements of the Company for the financial year ended June 30, 2023.

Principal Activities

The principal business objective of the Company is to own, operate and maintain a furnace oil fired power station with a net capacity of 124 MW (gross capacity of 131.44 MW).

Financial Results

We report that during the year financial year 2022-23, total sales of the Company stood at Rs. 12.583 billion compared to Rs. 14.538 billion in the last financial year. The dispatch of electricity was comparatively lower than that of the previous Financial Year. The dispatch was comparatively lower, however the devaluation of Pak Rupees and lower number of major maintenances contributed to higher profits in comparison to last year. The company earned net profit after tax of Rs. 1,573 million yielding the earnings per share (EPS) of Rs. 9.29 as compared to Rs. 1,507 million (EPS 8.90) during the last financial year. The summarized financial result of the Company for the year ended June 30, 2023 is as follows:-

Rupees in Thousand	2023	2022
Profit before taxation	1,575,006	1,509,580
Taxation	1,539	(2,200)
Profit after taxation	1,573,467	1,507,380
Other comprehensive income / (loss)	-	-
Total comprehensive income for the year	1,573,467	1,507,380
Un-appropriated profit brought forward	3,216,520	4,378,113
Available for appropriations	4,789,987	5,885,493
1st Interim Dividend 2022-23 @ 15% (1st Interim Dividend 2021-22 @ 52.50%)	254,188	(889,658)
2nd Interim Dividend 2022-23 @ 30% (2nd Interim Dividend 2021-22 @ 77.50%)	508,376	(1,313,304)
3rd Interim Dividend 2022-23 @ 20% (3rd Interim Dividend 2020-21 @ 27.50%)	338,917	(466,011)
	1,101,481	(2,668,973)
Un-appropriated profit carried forward	3,688,506	3,216,520
Earnings per share	Rupees 9.29	8.90

DIRECTORS' REPORT

The Board takes pleasure in reporting that subsequent to the settlement of the matter of long outstanding overdue payments with the Central Power Purchasing Agency (CPPA), the Company is regularly receiving payments from the CPPA. The Company has employed a sufficient amount of working capital for maintaining the fuel stocks to ensure smooth plant operations.

The status of the matter related to the imposition of liquidated damages (LDs), as detailed in Note 12.1(i) and 12.1(ii) to the financial statements, is the same as reported to you earlier. The management and the legal advisors of the Company are of the view that there are adequate grounds to defend the claim for such LDs; therefore, no provision has been made in these financial statements.

Moreover, on the matter related to sales tax demand raised by the Federal Board of Revenue (the FBR) as detailed in Note 12.1(iii) to the financial statements, we report that the matter is at the Supreme Court of Pakistan. The management is of the view that since there are meritorious grounds to defend the case; therefore no provision for the demand has been made in these financial statements.

Moreover, with respect to the matter of a sales tax demand of Rs. 184.13 million raised by the Deputy Commissioner Inland Revenue ('DCIR') on account of the inadmissible input tax as detailed in Note 12.1(iv) to these financial statements. Subsequent to the year's end, Commissioner Inland Revenue (Appeals) adjudicated the case and out of total demand of Rs. 184 m, deleted the demand of Rs. 153 million relating to the disallowing of the input tax based on the apportionment of expenses relevant to the Capacity Purchase Price, whereas the remaining amount of Rs. 31 million is annulled and remanded back to the DCIR for fresh adjudication. Hence, the demand against the said order stands NIL.

Dividend Distribution

During the financial year under review upon recommendations of the Board of Directors of the Company, three interim dividends have already been paid @15% in August 2022, @30% in March 2023 and @20% in May 2023 respectively, making cumulative dividend distribution for the financial year 2022-23 @65%.

Operations

We report that during the financial year under review, the dispatch of electricity was lower than that of the previous financial year. Therefore, the power plant by running at 30.30%, delivered 329,160 MWh of electricity as compared to the 47.49% capacity factor (515,812 MWh) delivered during the previous financial year. Moreover on account of maintenance activities, we report that during the FY 2022-23, one engine reached at 132k(1 Engine) operational hours and was overhauled under 8k major maintenance program while during the FY 2021-22, six major maintenances were carried out. All of the planned and unplanned maintenances have been successfully carried out by our internal technical team in accordance with the budgeted and estimated numbers. We feel pleasure to report that all the engines and their respective auxiliary equipments are in good condition for safe and reliable operations.

The board takes immense pleasure to report that the Company in maintaining its track record has successfully qualified the Annual Dependable Capacity Test (ADC), conducted by the Power Purchaser on June 02, 2023. The power complex has demonstrated the capacity of 128.66 MW which is pretty higher than the net contractual capacity of 124 MW. Alhamdu Lilla, it is pertinent to mention that the power complex despite of surpassing 26 operational years is still in robust, excellent and reliable condition. The Board of Directors recognizes and appreciates the hardworking and dedication of the employees of the Company that resulted in such a remarkable achievement.

Risk Management

The finance department of the Company is carrying out the Risk management under the principles and directions of the Board. The Board provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. The risk management principles are geared to identifying and analyzing the risks to which the Company is exposed to and establishing the appropriate control mechanisms. The principles of risk

management and the processes applied are regularly reviewed, taking due regard and changes in the sector and in the activities of the Company. The ultimate goal is to develop controls, based on the existing training management guidelines and conscious approach to risks.

Operational Risks

We take pleasure that the management being vigilant has established a very comprehensive system for recognition and management of operational risks. The Quality & EHS department of power plant is fully responsible to discharge its responsibilities to identify, measure and to take necessary steps for addressing and mitigating the probabilities of malfunctioning or any unforeseen event. Standard Operational Procedures (SOPs) and contingency plans equivalent to international quality standards are in place. The SOPs at power complex have been implemented to ensure the safe and reliable operations of the power complex.

Financial Risks

The financial risk management is disclosed in note 34 to these financial statements of the Company.

Credit Rating

We report that the Pakistan Credit Rating Agency (PACRA) has maintained the same rating as awarded last year i.e. "AA" (Double A) and "A1+" (A one plus) for the long-term and short-term entity ratings of the Company respectively. It reflects stable business profile emanating from a secured regulatory structure. This entails sovereign guaranteed revenues and cash flows, given adherence to agreed performance benchmarks. The Company meets its availability and efficiency levels which is an outcome of technically sound O&M team, robust systems and controls, and strong governance structure.

Statements in compliance to the Code of Corporate Governance (CCG)

The Directors state that:

- The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity;
- Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;



DIRECTORS' REPORT



- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the Company's ability to continue as a going concern
- The key operating and financial data of last six years is attached to the report.
- During the financial year under review the Board of Directors (BoD) and the Audit Committee (AC) met, each for five times. The names of the persons who remain on the board during the FY 2022-23 and their attendance are as follows:

Name of Directors	Attendance	
	BOD	AC
Mr. M. Naseem Saigol	3/5	
Mr. Muhammad Zeid Yousuf Saigol	4/5	
Mr. Muhammad Murad Saigol	4/5	
Syed Manzar Hassan	5/5	5/5
Mr. Muhammad Omer Farooq	5/5	5/5
Ms. Sadaf Kashif	5/5	5/5
Mr. Faisal Riaz	4/5	

- During the financial year under review the Human Resource and Remuneration Committee met for one time and Mr. Muhammad Zeid Yousuf Saigol, Mr. Faisal Riaz and Syed Manzar Hassan attended the said meeting.
- During the year under review no trading in shares was performed by the directors, executives, their spouses and minor children.

- The Company has established Employees Provident Fund and registered with the concerned authority as detailed in note 10 to these financial statements. The unaudited value of the Kohinoor Energy Employees Provident Fund as on June 30, 2023: Rs. 44.33m (Rs. 24.66m in 2022).
- The Board has formed Audit Committee. It comprises of three non-executive directors. And an independent director is the Chairman of the Committee
- The Board as required by CCG for reporting on trade in shares of the Company, has defined that the expression 'Executive' shall means the CEO, COO, CFO, Head of Internal Audit, Company Secretary and the Managers / Departmental Heads of the Company by whatever name called

Corporate Social Responsibility (CSR)

Kohinoor Energy Limited ("the KEL") strongly believes in discharging its responsibilities as a corporate member of Pakistan and acts as a contributory member of the society. KEL fulfills its Corporate Social Responsibilities (CSR) in a manner that positively impacts its community. The Education and the Health Care are the focus areas of KEL's CSR Plan.

a) Medical Facility

KEL as a socially aware and responsible organization paying attention to one of the CSR programs, is providing free medical assistance to the deserving people of the surrounding area of the power complex. A competent medical team comprising of qualified Doctor and its nursing staff is serving the patients with full devotion and dedication. During the FY 2022-23 total 7669 deserving patients have been provided with medical care at a cost of Rs. 5.9 million.

b) Education Facility

The Company is contributing to its second CSR program by providing free education to the deserving children of the adjacent community of power complex. We feel pleasure to report that during the corresponding financial year 2022-23, total 77 students are being provided with education, of which the earliest 04 batches of students have passed out secondary school certificate. KEL has consistently been extending its generosity towards the improvement of surrounding community through contribution in support for education of the society and, during the year, Rs. 3.4 million have been spent on account of education program of CSR.

Impact on Environment

We work meticulously to reduce our environmental impacts from the procurement of raw materials to the generation of electricity. Our environmental stewardship initiatives help protects the environment while improving efficiency, reducing costs and using energy and natural resources efficiently.

Our environmental policy achieves the following objectives:

- Improve the efficiency and sustainability of our business activities and products
- Reduce wastes and prevent environmental pollution.
- Use energy and natural resources efficiently.

We recognize the interrelated nature of these three priorities. Our work in one area unavoidably affects the others. Therefore, KEL have developed comprehensive management and governance systems to ensure that environmental considerations are fully integrated into our day-to-day planning and operations.

We seek to identify and mitigate climate-related challenges and risks that are posed to our supply-chain and operations through our management and policies. Reducing our environmental footprint in our operations is a core part of KEL's business strategy as we respond to global external pressures, such as climate change, extreme weather events and growing resource scarcity. Through developing policies and making responsible choices that allow us to react quickly and be flexible when responding to such events, we ensure that our businesses and operations are resilient, and that we operate in an environmentally and socially responsible manner.

DIRECTORS' REPORT

Our environmental impacts are closely interconnected and our approach to managing them must be integrated as well. We have developed comprehensive management and governance systems that reflect our priorities and ensure they are fully incorporated within our day-to-day planning and business processes. Our commercial operations are designed to achieve the objective of reducing our environmental footprint. We work towards a sustainable future whilst keeping the Company's interest in mind.

Our environment, health and safety strategy – commits us to advancing KEL Environment, Health and Safety (EHS) by:

- Developing a work environment that promotes employee health and productivity and strives to be injury-free.
- Conserving our natural resources by improving the efficiency and sustainability of our operations, reducing greenhouse gas emissions and water use and minimizing waste.
- Continuing to strengthen EHS practices across all aspects of the business, in addition to maintaining compliance with applicable requirements.

Internal Control System of the Company

The management has adopted as far as practicable, all the internal control policies and procedures in achieving management's objectives of ensuring, as far as practicable, the orderly and efficient conduct of its business, including adherence to management policies, safeguarding of assets, prevention and detection of fraud and error, accuracy and completeness of accounting records, and timely preparation of reliable financial information.

Auditors

The present statutory auditors of the Company M/s A. F. Ferguson & Co. Chartered Accountants retire and being eligible, offer themselves for reappointment. The Audit Committee and the Board of Directors of the Company have endorsed their re-appointment for shareholders consideration in the forthcoming AGM.

Pattern of Shareholding

A statement of pattern of shareholding and additional information as at June 30, 2023 is annexed to the Annual Report.

Acknowledgement

The Board recognizes and appreciates the valuable shareholders, WAPDA Central Power Purchasing Agency (CPPA), PPIB, financial institutions and, Wartsila, ABB, Pakistan State Oil and other business partners for their trust and continued support to the Company. We also appreciate all of the executives and staff members of the Company for their hard work, dedication and commitment with the Company and we are sure that the same spirit of commitment will remain continue in the years to come.

For and on behalf of the Board



M. Zeid Yousuf Saigol
Chief Executive Officer



Syed Manzar Hassan
Director

Lahore:
September 21, 2023

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کمپنی کے مالی حسابات کے ساتھ سالانہ رپورٹ برائے مدت ختمہ 30 جون 2023 خوشی محسوس کرتے ہوئے پیش کرتے ہیں۔

اہم سرگرمیاں

کمپنی کا بنیادی مقصد فرنس آئل سے چلنے والے 124 میگا واٹ کی خالص گنجائش (کل استعداد 131.44 میگا واٹ) بجلی گھر کی ملکیت، اسے چلانا اور اس کی دیکھ بھال کرنا ہے۔

مالی نتائج

ہم رپورٹ کرتے ہیں کہ 2022-2023 کو ختم ہونے والے مالی سال کے دوران کمپنی کی مجموعی فروخت آمدنی 12,583 ملین روپے تک پہنچ گئی جبکہ گزشتہ مالی سال میں 14,538 ملین روپے ریکارڈ کی گئی تھی۔ بجلی کی ترسیل پچھلے مالی سال سکیم رہی۔ تاہم امریکی ڈالر کے مقابلے میں روپے کی قدر میں کمی اور کم تعداد میں میجر مینجمنٹس نے کمپنی کے سیلز ریونیو کے اضافے میں اہم کردار ادا کیا۔ کمپنی نے 1,573 ملین روپے کا بعد از ٹیکس منافع حاصل کر کے 9.29 روپے کی فی حصص آمدنی کا مظاہرہ کیا جبکہ پچھلے سال بعد از ٹیکس منافع 1,507 ملین روپے اور فی حصص آمدنی 8.90 روپے تھی۔ کمپنی کے سالانہ مالی نتائج 30 جون 2023 کے اختتام پر درج ذیل ہیں:

2022	2023	
(روپے ہزار میں)		
1,509,580	1,575,006	قبل از ٹیکس منافع
(2,200)	1,539	ٹیکس
1,507,380	1,573,467	بعد از ٹیکس منافع
-	-	دیگر جامع آمدنی / (خسارہ)
1,507,380	1,573,467	کل وسیع جامع آمدنی برائے سال
4,378,113	3,216,520	غیر مختص شدہ منافع
5,885,493	4,789,987	پہلا عبوری منافع منقسمہ 2022-23 - 15% (پہلا عبوری منافع منقسمہ 52.50% جو مالی سال 2021-22 میں ادا کیا گیا)
(889,658)	254,188	دوسرا عبوری منافع منقسمہ 2022-23 - 30% (دوسرا عبوری منافع منقسمہ 77.50% جو مالی سال 2021-22 میں ادا کیا گیا)
(1,313,304)	508,376	تیسرا عبوری منافع منقسمہ 2022-23 - 20% (تیسرا عبوری منافع منقسمہ 27.50% جو مالی سال 2021-22 میں ادا کیا گیا)
(466,011)	338,917	
(2,668,973)	1,101,481	
3,216,520	3,688,506	غیر ادا شدہ منافع
8.90	9.29	روپے آمدنی فی شیئر

بورڈ یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ سینٹرل پاور پراجیکٹس کے ساتھ طویل عرصے سے واجب الادا ادائیگیوں کے معاملے کو طے کرنے کے بعد کمپنی باقاعدگی سے CPP سے ادائیگیاں وصول کر رہی ہے۔ تیل کی بڑھتی ہوئی قیمتوں کو مد نظر رکھتے ہوئے کمپنی نے پلانٹ آپریشنز کیلئے ایک بڑی مقدار میں ورکنگ کیپٹل کو تیل کی Storage کے لئے استعمال کیا ہے

مالیاتی بیانات پر نوٹ 12.1.(i) اور 12.1.(ii) میں تفصیل کے مطابق لیکویڈیٹیڈ ڈیج (LDS) کے نفاذ سے متعلق معاملے کی صورتحال وہی ہے جو آپ کو پہلے اطلاع دی گئی تھی۔ کمپنی مینجمنٹ اور قانونی مشیروں کا خیال ہے کہ اس طرح کے لیکویڈیٹیڈ ڈیج (LDS) کے دعوے کے دفاع کے لیے مناسب بنیاد موجود ہے، اس لئے کمپنی نے منسلک مالیاتی گوشوارے میں کوئی پروژن نہیں رکھی۔

مزید یہ کہ فیڈرل بورڈ آف ریونیو (ایف بی آر) کی طرف سے اٹھائے گئے سیلز ٹیکس ڈیمانڈ سے متعلق معاملے پر جیسا کہ نوٹ (iii) 12.1 میں مالی بیانات میں تفصیل دی گئی ہے، ہم رپورٹ کرتے ہیں کہ یہ معاملہ سپریم کورٹ آف پاکستان میں ہے۔ انتظامیہ کا موقف ہے کہ چونکہ اس کیس کے دفاع کیلئے مناسب بنیاد موجود ہے، اس لئے کمپنی نے منسلک مالیاتی گوشوارے میں کوئی پروژن نہیں رکھی۔

مزید سیلز ٹیکس کے مطالبے کے حوالے سے - 184.13 ملین ڈیڑھ کمشنران لینڈ ریونیو ('DCIR') نے ناقابل قبول ان پٹ ٹیکس کی وجہ سے اکٹھا کیا جیسا کہ نوٹ (iv) 12.1 میں ان مالیاتی بیانات کی تفصیل ہے۔ سال کے اختتام کے بعد کمشنران لینڈ ریونیو ('Appeals') نے کیس کا فیصلہ سناتے ہوئے 184 ملین روپے کی طلب سے 153 ملین روپے کا مطالبہ حذف کر دیا ہے جبکہ باقی 31 ملین روپے کے مطالبے کو منسوخ کرتے ہوئے نئے فیصلے کیلئے DCIR کو واپس بھیج دیا گیا ہے لہذا مذکورہ حکم کی مد میں مطالبہ کو نہیں۔

ڈیوڈنڈ کی ادائیگی

رواں مالی سال کے دوران بورڈ آف ڈائریکٹرز نے تین عبوری ڈیوڈنڈز کی منظوری دی ہے جو پہلے ہی سے 15% اگست 2022، 30% مارچ 2023 اور 20% مئی 2023 میں ادا کر دیئے گئے ہیں جو مالی سال 2022-23 کے لئے کل ملا کر 65% بنتا ہے۔

آپریشنز

ہم رپورٹ کرتے ہیں کہ زیر بحث مالی سال کے دوران بجلی کی ترسیل پچھلے مالی سال کے مقابلے میں زیادہ تھی۔ اس لئے پاور کمپلیکس نے 30.30% استعدادی محرک کے طور پر کام کر کے 329,160 MWhs بجلی فراہم کی جبکہ پچھلے سال 47.49% فیصد کی استعداد کے ساتھ 515,812 MWhs بجلی فراہم کی۔ مزید برآں زیر غور مالی سال 2022-23 کی شیڈولڈ میٹری نیٹس کے دوران چھ انجن جو کہ (ایک انجن 132K) آپریشنل گھنٹے مکمل کر چکا تھا اُسے 8K میجر میٹری نیٹس پروگرام کے تحت اور ہال کیا گیا جبکہ پچھلے سال چھ انجن میجر میٹری نیٹس پروگرام کے تحت اور ہال کئے گئے۔ تمام شیڈولڈ اور انشیڈولڈ میٹری نیٹس ہماری اپنی ٹیم نے مقررہ طریقہ کار اور بجٹ کے مطابق کامیابی کے ساتھ کی گئی ہے۔ ہمیں یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ تمام انجن اور معاون آلات، محفوظ اور قابل بھروسہ آپریشنز کے لیے بالکل ٹھیک حالت میں ہیں۔

ہمیں یہ بتاتے ہوئے بھی خوشی ہے کہ ہم نے واپڈا کی طرف سے 02 جون 2023 کو لیے جانے والے Annual Dependable Capacity Test (ADC) کو کامیابی سے کو ایفائی کیا۔ نتیجتاً اس نے 128.66 MW استعداد کی قابل تعریف پرفارمنس کا مظاہرہ کیا جو 124 MW کی مجموعی معاہداتی استعداد سے کہیں زیادہ ہے۔ الحمد للہ ہم کامل یقین کے ساتھ یہ بتا رہے ہیں کہ کارکردگی کے 26 سال مکمل کرنے کے باوجود پاور پلانٹ بہترین حالت میں ہے۔ بورڈ آف ڈائریکٹرز مینجمنٹ اور ملازمین کی انتھک محنت کو سراہتا ہے جس کی بدولت یہ نمایاں کامیابی حاصل ہوئی

رسک مینجمنٹ

رسک مینجمنٹ، بورڈ کے منظور شدہ اصولوں اور پالیسیوں کے تحت فنانس ڈیپارٹمنٹ کرتا ہے۔ بورڈ مجموعی طور پر رسک مینجمنٹ کے لیے اصول مہیا کرتا ہے، نیز مخصوص شعبوں جیسے کہ غیر ملکی زرمبادلہ کا رسک، شرح سود کا رسک، کریڈٹ رسک اور اضافی لیکویڈیٹی کی سرمایہ کاری کے لیے پالیسیاں فراہم کرتا ہے۔ رسک مینجمنٹ کے اصول ان خطرات کی نشاندہی اور تجزیہ کرنے کے لیے تیار ہیں جن کو کمپنی سامنے لا کر مناسب کنٹرول میکانزم قائم کرتی ہے۔ رسک مینجمنٹ کے اصولوں اور لاگو ہونے والے عمل کا باقاعدگی سے جائزہ لیا جاتا ہے، مناسب خیال رکھا جاتا ہے اور شعبے اور کمپنی کی سرگرمیوں میں تبدیلی کی جاتی ہے۔ حتمی ہدف موجودہ ٹریڈنگ مینجمنٹ گائیڈ لائنز اور خطرات کے بارے میں شعوری نقطہ نظر کی بنیاد پر کنٹرول تیار کرنا ہے۔

آپریشنل خطرات

مینجمنٹ نے آپریشنل خطرات کی شناخت کے لئے ایک مکمل اور مربوط طریقہ کار وضع کیا ہے۔ پلانٹ پر کسی بھی قسم کے خطرے کی شناخت کرنے اور غیر متوقع خطرے کے وقوع پذیر ہونے کو کم کرنے کے لئے ضروری حفاظتی اقدامات کرنا مکمل طور پر کوالٹی اور EHS فنکشن کی ذمہ داری ہے۔ معیاری آپریشنل طریقہ کار ہنگامی منصوبے بین الاقوامی معیار کے مطابق ہیں پلانٹ پر استعمال ہونے والے تمام آپریشنل طریقہ کار کے پیچھے کڑی محنت اور پریکٹس ہے اور پلانٹ کے آپریشنز کو بہتر اور محفوظ بنانے کے لئے بروئے کار

ڈائریکٹرز رپورٹ

ہیں

مالیاتی خطرات

کمپنی کے مالیاتی خطرات کے انتظام کو کمپنی کے مالیاتی حسابات کے نوٹ نمبر 34 میں واضح کر دیا گیا ہے۔

کریڈٹ ریٹنگ

کمپنی کی کریڈٹ ریٹنگ جیسا کہ پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے کمپنی کی طویل المدت اور قلیل المدت entity ریٹنگو طے کی ہیں، اسی طرح سے بالترتیب "AA" (ڈبل اے) اور "A1+" (اے ون پلس) ہیں۔ یہ ریٹنگز کریڈٹ رسک کے نہ ہونے کے برابر خطرے کو ظاہر کرتی ہیں۔ یہ مالیاتی وعدوں کی بروقت پاس داری کی مضبوط گنجائش کی طرف اشارہ کرتی ہیں۔ مستقبل قریب میں یہ گنجائش کسی قابل قدر خطرے سے دوچار ہوتی نظر نہیں آتی۔ یہ ریٹنگز کمپنی کے مضبوط فنانشل پروفائل کی عکاسی کرتی ہیں۔ یہ ریٹنگز کمپنی کے اندر آپریشنز اینڈ مینجمنٹ (O&M) سرگرمیوں کے کامیاب انتظام کا اعتراف اور فی اعتبار سے مضبوط انتظام، مستحکم سسٹمز اور کنٹرولز اور کمپنی کے طاقت ور انتظامی ڈھانچے کی عکاسی کرتی ہیں۔

کوڈ آف کارپوریٹ گورننس کی تعمیل میں اسٹیٹمنٹس

ڈائریکٹرز بیان کرتے ہیں کہ:

☆ فنانشل اسٹیٹمنٹس، جو کمپنی کی انتظامیہ کی طرف سے تیار کیے گئے ہیں، اس کے حالات، آپریشنز کے نتائج، کیش فلو، اور ایکویٹی میں تبدیلیوں کی سچائی کے ساتھ عکاسی کرتے ہیں۔

☆ کمپنی کے حسابات کو کھاتوں میں مناسب طریقے سے درج کیا گیا ہے۔

☆ فنانشل اسٹیٹمنٹس کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینوں کی بنیاد مناسب اور معقول فیصلوں پر ہے۔

☆ فنانشل اسٹیٹمنٹس کی تیاری میں فنانشل رپورٹنگ کے بین الاقوامی معیارات، جیسے کہ پاکستان میں قابل اطلاق ہیں کی پابندی کی گئی ہے

☆ داخلی کنٹرول کے نظام کو موثر طریقے سے نافذ کیا گیا اور اس پر نظر رکھی گئی ہے۔

☆ کمپنی کے آگے بڑھنے کی قابلیت کے بارے میں کوئی شبہ نہیں ہے۔

☆ پچھلے چھ سال کا آپریٹنگ اور فنانشل ڈیٹا اس رپورٹ کے ساتھ منسلک ہے۔

☆ زیر جائزہ مالی سال کے دوران بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی کے سات اجلاس ہوئے اور سال 2022-23 کے دوران بورڈ پر رہنے والے ڈائریکٹرز کے

نام اور حاضری درج ذیل ہے:

حاضری			حاضری	
آڈٹ کمیٹی	بورڈ	ڈائریکٹر کا نام	بورڈ	ڈائریکٹر کا نام
5/5	5/5	جناب سید منظر حسن	3/5	جناب نسیم سہگل
5/5	5/5	جناب محمد عمر فاروق	4/5	جناب محمد زید یوسف
5/5	5/5	محترمہ صدف کاشف	4/5	سہگل
			4/5	جناب محمد مراد سہگل
				جناب فیصل ریاض

- ☆ زیر غور مالی سالی کے دوران ایچ آر اور مشاہرہ کمیٹی کا ایک اجلاس ہو جس میں جناب محمد زید یوسف سہگل، جناب سید منظر حسن اور جناب فیصل ریاض شریک ہوئے۔
- ☆ رواں مالی سال کے دوران ایگزیکٹوز، سپانسرز اور ڈائریکٹرز نے شیئرز کی کوئی ٹرانزیکشن نہیں کی۔
- ☆ کمپنی نے ایمپلائز پراوڈنڈ فنڈ قائم کیا اور اسے متعلقہ اتھارٹی کے پاس رجسٹر کرایا جیسا کہ مالیاتی گوشوارے کے نوٹ نمبر 10 میں بتایا گیا ہے۔ 30 جون 2023 کو پراوڈنڈ فنڈ میں سرمایہ کاری کی مالیت 44.33 ملین ہے (جبکہ 2022 میں اسکی مالیت 24.66 ملین تھی)
- ☆ بورڈ نے آڈٹ کمیٹی قائم کی ہے۔ بہتین نان ایگزیکٹوز ڈائریکٹرز پر مشتمل ہے۔ غیر جانبدار ڈائریکٹر اس کمیٹی کا چیئر مین ہے۔
- ☆ بورڈ نے، جیسا کہ کمپنی کے اندر شیئرز کی خرید و فروخت کے بارے میں اطلاع دینے کے لیے CCG کا تقاضا ہے، یہ تشریح کی ہے کہ لفظ "ایگزیکٹوز" کا مطلب CFO, CEO, COO, ہیڈ آف انٹرنل آڈٹ، کمپنی سیکرٹری، اور کمپنی کے منیجرز / شعبہ جاتی سربراہ ہوں گے خواہ انھیں کسی بھی نام سے پکارا جائے۔

کارپوریٹ سماجی ذمہ داریاں (CSR)

کوہ نور انرجی لمیٹڈ پاکستان کے کارپوریٹ ممبر کی حیثیت اپنی معاشرتی ذمہ داریاں پوری کرنے پر یقین رکھتا ہے اور معاشرے کے ایک معاون ممبر کے طور پر کام کر رہا ہے۔ کوہ نور انرجی اپنی سماجی ذمہ داریوں کو اس انداز سے پورا کرتا ہے جو اسکی ملحقہ کمیونٹی پر مثبت اثرات مرتب کرتا ہے۔ علاج معالجے کی سہولت اور تعلیم ہمارے CSR پروگرام کا اہم حصہ ہے۔

(a) طبی سہولت

کوہ نور انرجی سماجی طور پر باخبر اور ذمہ دار کمپنی کے طور پر اپنے CSR پروگرام کے تحت کے آس پاس کے علاقے کے مستحق لوگوں کو مفت علاج معالجے کی سہولت فراہم کر رہی ہے۔ کو الیفائیڈ ڈاکٹر اور اسٹاف پر مشتمل ایک باصلاحیت میڈیکل ٹیم پورے خلوص کے ساتھ مریضوں کی خدمت کر رہی ہے۔ رواں مالی سال 2022-23 کے دوران 5.9 ملین روپے سے 7,669 مستحق مریضوں کا علاج معالجہ کیا گیا۔

(b) تعلیمی سہولت

آپ کی کمپنی کی مینجمنٹ ایک اور CSR پروگرام کے تحت قریبی آبادی کے مستحق بچوں کو مفت تعلیم فراہم کر رہی ہے اور اس طرح تعلیم کے ذریعے معاشرے کی ترقی میں اپنا کردار ادا کر رہی ہے۔ اس ضمن میں ہم آپ کو آگاہ کرنا چاہیں گے کہ اس وقت 77 طلباء کو سکول کی سطح پر تعلیم کی سہولت فراہم کی جا رہی ہے۔ ابتدائی طلباء کے چار بچے اپنا سینڈری سکول کا امتحان پاس کر چکے ہیں۔ کوہ نور انرجی کمیونٹی کی تعلیم کے لئے اپنے تعاون کے ذریعے گردنواح کی آبادی کی بہتری کے لئے مسلسل اپنے فلاح و بہبود کے کام کو بڑھا رہی ہے۔ کمپنی نے سال کے دوران تعلیمی سہولت کی مد میں 3.4 ملین روپے خرچ کیے۔

ماحول پر اثرات

ہم خام مال کی خریداری سے لے کر بجلی کی پیداوار تک اپنے ماحولیاتی اثرات کو کم کرنے کے لئے احتیاط سے کام کرتے ہیں۔ ہمارے ماحولیاتی اسٹیور شپ اقدامات ماحول کی حفاظت کرتے اور بہتر بناتے ہیں، اخراجات کو کم کرتے ہیں اور قدرتی وسائل کو مؤثر طریقے سے بروئے کار لاتے ہیں۔ ہماری ماحولیاتی پالیسی مندرجہ ذیل مقاصد کو حاصل کرتی ہے:

۔ ہماری کاروباری سرگرمیوں اور مصنوعات کی کارکردگی کو بہتر بنانا

۔ ویسٹ کو کم کر کے ماحولیاتی آلودگی سے بچانا

۔ توانائی اور قدرتی وسائل کو مؤثر انداز سے استعمال کرنا

ہم ان تینوں ترجیحات کی باہمی وابستگی کی نوعیت کو تسلیم کرتے ہیں۔ ایک علاقے میں ہمارا کام دوسروں کو غیر ضروری طور پر متاثر کرتا ہے لہذا کوہ نور انرجی نے یہ یقینی بنانے کے لئے ایک جامع نظام تیار کیا ہے تاکہ تحفظ ماحولیات ہماری منصوبہ بندی اور کاموں میں مکمل طور پر مربوط ہو۔ ہم آب و ہوا سے وابستہ چیلنجوں اور خطرات کی نشاندہی کرنے اور ان کو کم کرنے کی کوشش کرتے ہیں جو ہماری انتظامیہ اور پالیسیوں کو آپریشنز کی وجہ سے لاحق ہیں۔ اپنے کاموں میں ماحولیاتی آلودگی کو کم کرنا کوہ نور انرجی کی حکمت عملی کا بنیادی حصہ ہے

ڈائریکٹرز رپورٹ

ہم اس بات کو یقینی بناتے ہوئے ماحول کو اپنی معاشرتی ذمہ داری سمجھ کر اپنا کام کرتے ہیں۔ ہمارے ماحولیاتی اثرات ایک دوسرے سے جڑے ہوئے ہیں اور انکے نظم و نسق کے لئے ہمارا طریقہ کار بھی مربوط ہونا چاہیے۔ ہم نے جامع مینجمنٹ اور گورننس سسٹم تیار کیا ہے جو ہماری ترجیحات کی عکاسی کرتے ہیں اور اسے یقینی بناتے ہیں کہ وہ ہماری روزمرہ کی منصوبہ بندی اور کام میں مکمل طور پر شامل ہے ہمارے کمرشل آپریشنز ماحولیاتی آلودگی کو کم کرنے کو مد نظر رکھ کر بنائے گئے ہیں ہم کمپنی کی بہتری کو نظر رکھتے ہوئے بہترین مستقبل کے لئے کام کرتے ہیں۔ ہماری ماحول، صحت اور حفاظت کی حکمت عملی کوہ نور انرجی کے ماحول، صحت اور حفاظت کو آگے بڑھانے کا عہد کرتی ہے:

کام کے لئے ایسا ماحول مہیا کرنا جو ملازمین کی صحت کا خیال اور حادثے سے بچاؤ کو مد نظر رکھے۔
اپنے آپریشنز کی استعداد اور استحکام کو بہتر بنانے کے لئے، گرین ہاؤس گیسوں کے اخراج، پانی کے استعمال اور فضلہ کو کم سے کم کر کے اپنے قدرتی وسائل کی حفاظت کرنا۔
قابل اطلاق تقاضوں کی تعمیل کو برقرار رکھنے کے علاوہ کاروبار کے تمام پہلوؤں میں EHS کے طریقوں کو مضبوط بنا کر جاری رکھنا۔

کمپنی کا اندرونی نظام کنٹرول

انتظامیہ نے کام کے مقاصد کو حاصل کرنے کو یقینی بنانے کے لئے تمام اندرونی کنٹرول کی پالیسیوں کو اپنایا ہے۔ جہاں عملی طور پر اس کے کاروبار کے منظم اور منوثر انداز میں انتظامی پالیسیوں کی تعمیل، اثاثوں کی حفاظت، دھوکہ دہی اور غلطی کا پتہ لگانے سمیت، اکاؤنٹنگ ریکارڈ کی درستگی اور مکمل، قابل اعتماد مالیاتی معلومات کی بروقت تیاری ہے

آڈیٹرز

کمپنی کے موجودہ قانونی آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس ریٹائر ہو رہے ہیں، انھوں نے مستحق ہونے کے ناطے خود کو دوبارہ تقرر کے لیے پیش کیا ہے۔ کمپنی کی آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے شیئر ہولڈرز کے سالانہ اجلاس عام میں ان کے تقرر کی منظوری دے دی ہے۔

شیئر ہولڈنگ کا پیٹرن

اسٹیٹمٹ آف پیٹرن آف شیئر ہولڈنگ اور اضافی معلومات، جیسا کہ 30 جون 2023 کو تھیں، اس سالانہ رپورٹ کے ساتھ منسلک ہیں۔

اظہار تشکر

بورڈ، گراں قدر شیئر ہولڈرز، سی پی پی اے، پی پی آئی بی، مالیاتی اداروں، Wartsila، پاکستان اسٹیٹ آئل اور دوسرے کاروباری ساتھیوں کی مسلسل حمایت، اور کمپنی پرانے کے اعتماد کا اعتراف اور تعریف کرتا ہے جس سے کمپنی کو قوم کی خدمت کرنے میں مدد ملی۔ پاور پلانٹ کے تمام شعبوں میں اعلیٰ درجے کی کارکردگی کو فروغ دینے کے لئے جدید اور حوصلہ افزا کام کی فضا کے قیام کے لئے مینجمنٹ کی تعریف کرتے ہیں۔ اور ہم تمام ایگزیکٹوز اور ایمپلوائز کی انتھک محنت، خلوص اور لگن کے بھی شکر گزار ہیں کہ انھوں نے پلانٹ کے آپریشنز کو محفوظ اور یقینی بنایا اور ہمیں یقین ہے کہ آئندہ مستقبل میں بھی وفاداری کا یہ جذبہ برقرار رہے گا۔



سید مظفر حسن
ڈائریکٹر



محمد یوسف سہگل
چیف ایگزیکٹو

لاہور

21 ستمبر 2023

HUMAN RESOURCE MANAGEMENT

A hardworking and motivated human resource has always been a key to success of a company. The Human Resource (HR) function at Kohinoor Energy Limited is one of the key functions at the Company. Our HR policies provide transparency and drive our employees that how we are translating our strategic priorities into actions. It sets examples that what we achieved in the past years by developing professional organizational culture, retain talent, performance based compensation, equality based culture of respect and recognitions.

Our HR function operates as a strategic partner with senior management and all departmental heads. The Key to this role has been its continued focus to keep aligned our departmental targets with Team Mission Statement (TMS) which is the ultimate vision of the management of the Company. We are sincerely grateful to all employees for their close and constructive cooperation in the year 2023 because of whom the Company operated with progress despite of the challenges. Continuing with that partnership will be the key to success in the years to come.



CORPORATE SOCIAL RESPONSIBILITY (CSR)

Kohinoor Energy Limited ("the KEL") strongly believes in discharging its responsibilities as a corporate member of Pakistan and acts as a contributory member of the society. KEL fulfills its Corporate Social Responsibilities (CSR) in a manner that positively impacts its community. The Education and the Health Care are the focus areas of KEL's CSR Plan.



1. Medical Assistance

KEL as a socially aware and responsible organization paying attention to one of the CSR programs, is providing free medical assistance to the deserving people of the surrounding area of the power complex. A competent medical team comprising of qualified Doctor and its nursing staff is serving the patients with full devotion and dedication. During the FY 2022-23 total 7,669 deserving patients have been provided with medical care at a cost of Rs. 5.9 million.



2. Educational Patronage

KEL is determined to do its utmost efforts in furthering worthy causes that contribute to the lives of individuals and help in improving the standards of society as a whole. The Company is contributing to its second CSR program by providing free education to the deserving children of the adjacent community of power complex. We feel pleasure to report that during the corresponding financial year 2022-23, total 77 students are being provided with education, of which the earliest 04 batches of students have passed out secondary school certificate.

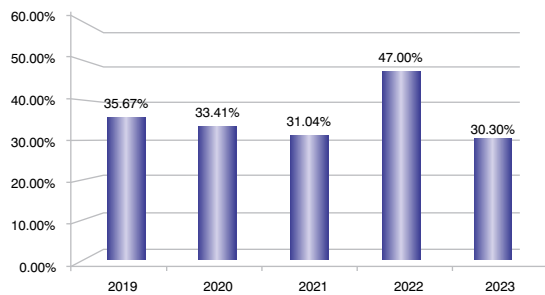
KEL has consistently been extending its generosity towards the improvement of surrounding community through contribution in support for education of the society and, during the year, Rs. 3.4 million have been spent on account of education program of CSR.

FINANCIAL DATA

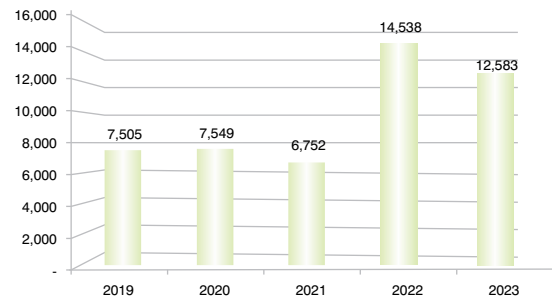
	2022-2023	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018
DISPATCH LEVEL (%)	30.30%	47.00%	31.04%	33.41%	35.67%	59.42%
DISPATCH (MWH)	329,160	515,812	337,122	363,856	387,435	645,395
REVENUE (Rs. 000)						
ENERGY FEE	10,131,116	12,731,175	4,635,701	5,020,777	5,592,339	6,852,409
CAPACITY FEE	1,966,432	1,631,827	1,752,832	1,623,874	1,328,564	1,128,422
INTEREST ON DELAYED PAYMENT	485,589	175,308	363,797	904,131	583,835	301,810
TOTAL REVENUE	12,583,137	14,538,310	6,752,330	7,548,782	7,504,738	8,282,641
COST OF SALES	10,194,769	12,562,948	4,983,277	5,391,882	5,946,315	7,019,967
GROSS PROFIT	2,388,368	1,975,362	1,769,053	2,156,900	1,558,423	1,262,674
PROFITABILITY (Rs. 000)						
PROFIT/(LOSS) BEFORE TAX	1,575,006	1,509,580	1,202,984	1,036,752	551,592	730,138
PROVISION FOR INCOME TAX	1,539	2,200	3,563	94	115	240
PROFIT/(LOSS) AFTER TAX	1,573,467	1,507,380	1,199,421	1,036,658	551,477	729,898
OTHER COMPREHENSIVE INCOME / (LOSS)	-	-	25,273	(25,774)	(8,483)	(18,781)
FINANCIAL POSITION (Rs. 000)						
NON CURRENT ASSETS	2,365,972	2,693,734	2,845,589	3,219,285	3,549,660	3,503,541
CURRENT ASSETS	4,768,597	6,916,673	7,367,352	9,156,796	7,974,127	8,022,395
LESS CURRENT LIABILITIES	1,751,477	4,699,301	4,111,682	5,833,490	5,653,163	5,520,473
NET WORKING CAPITAL	3,017,120	2,217,372	3,255,670	3,323,306	2,320,964	2,501,922
CAPITAL EMPLOYED	5,383,092	4,911,106	6,101,259	6,542,591	5,870,624	6,005,463
LESS LONG TERM LOANS			28,560			
SHARE HOLDERS EQUITY	5,383,092	4,911,106	6,072,699	6,542,591	5,870,624	6,005,463
REPRESENTED BY (Rs. 000)						
SHARE CAPITAL	1,694,586	1,694,586	1,694,586	1,694,586	1,694,586	1,694,586
SHARE PREMIUM						
BONUS SHARES						
UNAPPROPRIATED PROFIT BEFORE APPROPRIATION	4,789,987	5,885,493	6,072,699	5,186,922	4,853,871	5,073,440
APPROPRIATION / DIVIDENDS	1,101,481	2,668,973	1,694,586	338,917	677,833	762,563
EFFECT OF RETROSPECTIVE CHANGE IN ACCOUNTING POLICY						
UNAPPROPRIATED PROFIT BROUGHT FORWARD	3,688,506	3,216,520	4,378,113	4,848,005	4,176,038	4,310,877
	5,383,092	4,911,106	6,072,699	6,542,591	5,870,624	6,005,463
SHARE PRICES AS ON JUNE 30,	30.75	38.30	36.00	34.98	36.00	40.00
EARNING PER SHARE	9.29	8.90	7.08	6.12	3.25	4.31
RATIOS:						
RETURN ON ASSETS	22.05%	15.68%	11.74%	8.38%	4.79%	6.33%
PRICE EARNING RATIO	3.31	4.30	5.08	5.72	11.08	9.28
BREAK UP VALUE PER SHARE OF Rs. 10 EACH	31.77	28.98	35.84	38.61	34.64	35.44
CURRENT RATIO	2.72	1.47	1.79	1.57	1.41	1.45
NET PROFIT/(LOSS) TO SALES (%AGE)	12.50%	10.37%	17.76%	13.73%	7.35%	8.81%
DPS	6.50	15.75	10.00	2.00	4.00	4.50

PERFORMANCE OVERVIEW

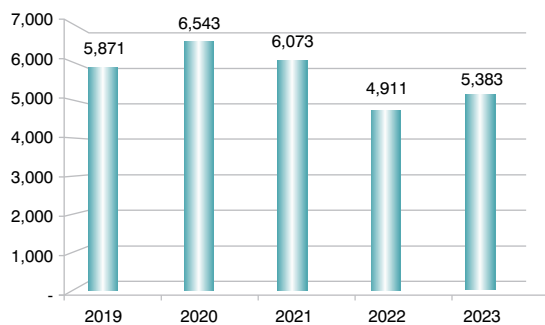
Dispatch Percentage



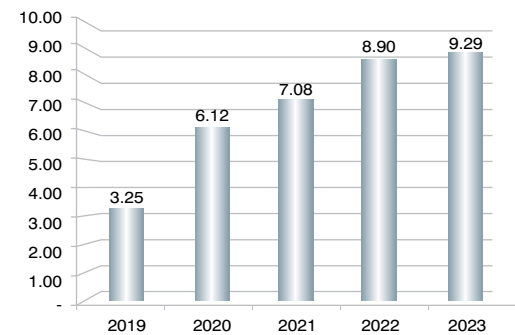
Turnover (Rupees in Million)



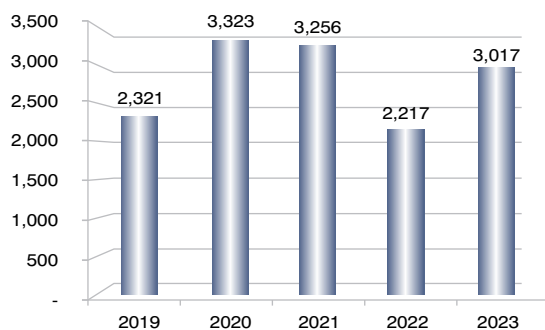
Shareholding Equity (Rupees in Million)



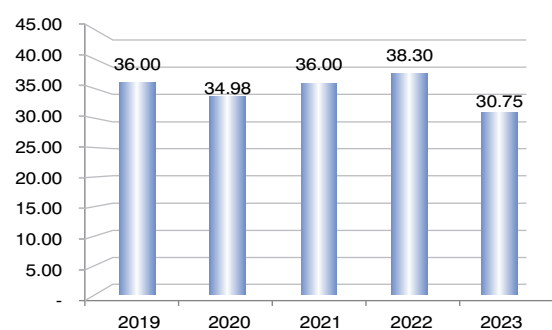
Earning Per Share (Rupees)



Working Capital Analysis (Rupees in Million)



Share Price (Rupees)



STATEMENT OF COMPLIANCE

With Listed Companies (Code of Corporate Governance) Regulations, 2019 (CCG) For the Year Ended June 30, 2023

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 07 as per the following:

a. Male: 06 (Six) **b. Female:** 01 (One)

2. The composition of board is as follows:

Executive Directors	Non-Executive Directors
Mr. Muhammad Zeid Yousaf Saigol Mr. Muhammad Murad Saigol	Mr. M. Naseem Saigol Syed Manzar Hassan
Independent Director	Female Director
Mr. Muhammad Omer Farooq Mr. Faisal Riaz Ms. Sadaf Kashif (Female Director)	Ms. Sadaf Kashif

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with their date of approval or updating is maintained by the Company.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. In terms of the requirement of the clause 19 of the CCG Regulations, we confirm that Six directors have completed the Directors Training Program (DTP) and one director is exempt from the DTP.
10. The board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board;
12. The board has formed committees comprising of members given below:

Audit Committee

1. Mr. Muhammad Omer Farooq
Chairman - Independent Director
2. Syed Manzar Hassan
3. Ms. Sadaf Kashif

HR and Remuneration Committee

1. Mr. Faisal Riaz
Chairman - Independent Director
2. Mr. Muhammad Zeid Yousuf Saigol
3. Syed Manzar Hassan

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:
 - a) Audit Committee : Five meetings during the Financial Year 2022- 2023
 - b) HR and Remuneration Committee : One meeting during the Financial Year 2022- 2023
15. The board has set up an effective Internal Audit function which is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with.

For the behalf of the Board



Syed Manzar Hassan
Director



M. Zeid Yousuf Saigol
Chief Executive/Direcor

Lahore:
September 21, 2023

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF KOHINOOR ENERGY LIMITED

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Kohinoor Energy Limited for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.



A.F. Ferguson & Co.
Chartered Accountants

Place: Lahore

Name of engagement partner: Amer Raza Mir

Date: September 28, 2023

UDIN: CR2023101183kisMq7QK

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KOHINOOR ENERGY LIMITED REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of Kohinoor Energy Limited (the Company), which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

We draw attention to notes 12.1 (i) and (ii) to the financial statements, which describe the uncertainties regarding the outcome of certain claims by CPPA-G (formerly WAPDA) which have been disputed by the Company. Our opinion is not qualified in respect of this matter.

Key Audit Matter

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

We have determined that there are no key audit matters to communicate in our report.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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



A. F. Ferguson & Co
Chartered Accountants

Lahore

Date: September 28, 2023

UDIN: AR202310118z04MQUCwG

STATEMENT OF FINANCIAL POSITION

		June 30, 2023	June 30, 2022
	Note	(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
170,000,000 (June 30, 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 30, 2022: 169,458,614) ordinary shares of Rs. 10 each	5	1,694,586	1,694,586
Un-appropriated profit		3,688,506	3,216,520
		5,383,092	4,911,106
NON-CURRENT LIABILITIES			
Long term finance - secured	6	-	-
Deferred grant	7	-	-
		-	-
CURRENT LIABILITIES			
Current portion of long term finance - secured	6	-	28,070
Current portion of deferred grant	7	-	630
Employee benefits	8	9,473	8,054
Short term finances - secured	9	998,481	4,047,935
Trade and other payables	10	550,831	460,371
Accrued finance cost	11	112,768	86,129
Unclaimed dividend		31,526	14,739
Provision for taxation - net		48,398	53,373
		1,751,477	4,699,301
CONTINGENCIES AND COMMITMENTS			
	12		
		7,134,569	9,610,407

The annexed notes 1 to 39 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer

AS AT JUNE 30, 2023

		June 30, 2023	June 30, 2022
	Note	(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	2,363,748	2,690,796
Intangible assets	14	2,080	2,584
Long term loans and deposits	15	144	354
		2,365,972	2,693,734
CURRENT ASSETS			
Stores, spares and loose tools	16	339,645	270,179
Stock in trade	17	984,130	915,860
Trade debts - net	18	2,320,379	4,185,218
Loans, advances, deposits, prepayments and other receivables	19	903,426	724,908
Cash and bank balances	20	221,017	820,508
		4,768,597	6,916,673
		7,134,569	9,610,407



Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2023

	Note	June 30, 2023 (Rupees in thousand)	June 30, 2022
Revenue	21	12,583,137	14,538,310
Cost of sales	22	(10,194,769)	(12,562,948)
Gross profit		2,388,368	1,975,362
Administrative expenses	23	(331,256)	(234,437)
Other expenses	24	-	(13,810)
Other income	25	6,866	7,586
Operating profit		2,063,978	1,734,701
Finance costs	26	(488,972)	(225,121)
Profit before taxation		1,575,006	1,509,580
Taxation	27	(1,539)	(2,200)
Profit for the year		1,573,467	1,507,380
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 year		1,573,467	1,507,380
Earnings per share - basic and diluted - (In Rupees)	36	9.29	8.90

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Director

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2023

		2023	2022
	Note	(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	28	4,140,195	1,939,634
Employee benefits paid		(18,912)	(7,819)
Finance costs paid		(462,130)	(167,686)
Income tax paid		(6,514)	(7,482)
Net cash generated from operating activities		3,652,639	1,756,647
Cash flows from investing activities			
Purchase of property, plant and equipment		(100,698)	(259,205)
Profit on bank deposits received		5,306	7,586
Purchase of short term investments		-	(1,989,449)
Proceeds from sale of short term investments		-	1,975,716
Receipts against repayment of loans and advances		210	461
Proceeds from disposal of operating fixed assets		6,103	1,710
Net cash used in investing activities		(89,079)	(263,181)
Cash flows from financing activities			
Repayment of long term finances		(28,903)	(58,261)
Dividend paid		(1,084,694)	(2,664,850)
Net cash used in financing activities		(1,113,597)	(2,723,111)
Net increase / (decrease) in cash and cash equivalents		2,449,963	(1,229,645)
Cash and cash equivalents at the beginning of the year		(3,227,427)	(1,997,782)
Cash and cash equivalents at the end of the year	29	(777,464)	(3,227,427)

The annexed notes 1 to 39 form an integral part of these financial statements.



Chief Financial Officer



Chief Executive Officer



Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2023

	Share Capital	Un-appropriated Profit	Total
	(Rupees in thousand)		
Balance as at July 1, 2021	1,694,586	4,378,113	6,072,699
Transactions with owners in their capacity as owners:			
Interim dividends for the year ended June 30, 2022			
First interim dividend at the rate of Rs. 5.25 per share	-	(889,658)	(889,658)
Second interim dividend at the rate of Rs. 7.75 per share	-	(1,313,304)	(1,313,304)
Third interim dividend at the rate of Rs. 2.75 per share	-	(466,011)	(466,011)
	-	(2,668,973)	(2,668,973)
Profit for the year	-	1,507,380	1,507,380
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1,507,380	1,507,380
Balance as at June 30, 2022	1,694,586	3,216,520	4,911,106
Transactions with owners in their capacity as owners:			
Interim dividends for the year ended June 30, 2023			
First interim dividend at the rate of Rs. 1.50 per share	-	(254,188)	(254,188)
Second interim dividend at the rate of Rs. 3.00 per share	-	(508,376)	(508,376)
Third interim dividend at the rate of Rs. 2.00 per share	-	(338,917)	(338,917)
	-	(1,101,481)	(1,101,481)
Profit for the year	-	1,573,467	1,573,467
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	1,573,467	1,573,467
Balance as at June 30, 2023	1,694,586	3,688,506	5,383,092

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Financial Officer

Chief Executive Officer

Director

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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 there from 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.

1.1 Amendment to the Power Purchase Agreement (PPA)

On June 03, 2020, the Government of Pakistan (GoP) formed a negotiation committee (the Committee) to initiate discussion with Independent Power Producers (IPPs) including Kohinoor Energy Limited (the 'Company') on various matters, which inter alia, included "Tariff Discount" and other terms and conditions of respective PPAs. After several discussions with the Committee, a Memorandum of Understanding (MoU) was signed between the Committee and the Company on August 21, 2020.

Subsequent to the MoU, the GoP through notification dated October 7, 2020, constituted the Implementation Committee to finalize the binding agreement based on the MoU referred above. After several discussions with the Implementation Committee, CPPA-G signed the Amendment to the PPA and the Master Agreement (the Agreements) on February 11, 2021. These Agreements were approved by the Board of Directors of the Company vide a circular resolution dated February 01, 2021. Furthermore, these agreements were approved by the Federal Government through the Cabinet Committee on Energy (CCoE) on February 08, 2021.

Pursuant to the terms of these Agreements, the Company was entitled to receive outstanding receivables amounting to Rs. 4,974 million due from Power Purchaser as on November 30, 2020, in two tranches. Accordingly, the Company received Rs. 1,989 million as the 1st tranche (40%) on June 4, 2021 and Rs. 2,985 million as 2nd tranche (60%) on November 29, 2021.

As part of the Amendment to the PPA, the Company has provided a "Tariff Discount" of 11% in the escalable component of Capacity Purchase Price (CPP) and Variable Operations and Maintenance (O&M) component of Energy Purchase Price (EPP) with effect from the date of receipt of 1st tranche i.e. June 04, 2021. Moreover, there is a restriction on indexation of the 50% of the reduced escalable component of CPP when the exchange rate reaches to Rs. 168.60 / USD.

Pursuant to the clause 2.5 of the Amendment to the PPA signed by the Company and CPPA-G, the parties have also agreed that the requirement for "Company letter of credit" and "CPPA-G (formerly WAPDA) letter of credit" under section 9.4(f) of the original PPA have been deleted in the entirety.

2 Basis of preparation

2.1 Statement of compliance

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

- i) International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- ii) Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Initial application of standards, amendments or an interpretation 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:

2.2.1 Standards, amendments to published standards and interpretations that are effective in the current year

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 1, 2022 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 financial statements.

2.2.2 Exemption from applicability of certain standards

- a) Securities and Exchange Commission of Pakistan ('SECP') through SRO 986(I)/2019 dated September 2, 2019 has granted exemption from the requirements of IFRS 16 'Leases' to all companies to the extent of their power purchase agreements executed before January 1, 2019. Therefore, the standard will not have any impact on the Company's financial statements to the extent of its PPA. For the remaining leases, the Company has assessed that the application of this standard does not have any material impact on these financial statements.

Under IFRS 16, the consideration required to be made by the lessee for the right to use the asset is to be accounted for as a finance lease. The Company's power plant's control due to purchase of total output by CPPA-G appears to fall under the scope of finance lease under IFRS 16. Consequently, if the Company were to follow IFRS 16 with respect to its power purchase agreement, the effect on the financial statements would be as follows:

	2023	2022
	(Rupees in thousand)	
De-recognition of property, plant and equipment	(2,086,076)	(2,432,120)
Recognition of lease debtor	358,228	366,280
Decrease in un-appropriated profit at the beginning of the year	(2,065,840)	(2,196,434)
Increase in profit for the year	337,992	130,594
Decrease in un-appropriated profit at the end of the year	<u>(1,727,848)</u>	<u>(2,065,840)</u>

- b) The Securities and Exchange Commission of Pakistan (SECP) through S.R.O. 229 (I) / 2019 dated February 14, 2019 notified that the standard IFRS 9, 'Financial Instruments' would be effective for reporting period / year ending on or after June 30, 2019. However, SECP through S.R.O. 985 (I) / 2019 dated September 30, 2019 granted exemption from applying expected credit loss based impairment model to financial assets due from the Government till June 30, 2021 which was further extended till June 30, 2022 vide S.R.O. 1177 (I) / 2021 dated September 13, 2021. The extension is further extended till December 31, 2024 vide S.R.O. 67(I) / 2023. Accordingly, the Company has not followed the requirements of IFRS 9 with respect to application of Expected Credit Losses in respect of trade debts and other receivables due from CPPA-G. The Company is in the process of assessing the impact of this amendment on the Company's financial statements.

2.2.3 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 July 1, 2023, but are considered not to be relevant to the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

a) Amendments to IAS 1, 'Classification of liabilities as current or non-current'

The narrow-scope amendments to IAS 1 Presentation of Financial Statements, effective for accounting periods beginning on or after January 01, 2024, clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the settlement of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

These amendments are not expected to have a material impact on the Company's financial statements when they become effective.

b) Amendments to IAS 1 and IFRS 2 Practice Statement 2, 'Disclosure of Accounting Policies'

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.

To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

The above mentioned amendments are effective for accounting periods beginning on or after January 01, 2023.

The Company is in the process of assessing the impact of these amendment on the Company's financial statements.

c) Amendments to IAS 8, 'Definition of Accounting Estimates'

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, effective for accounting periods beginning on or after January 01, 2023, clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.

The Company is in the process of assessing the impact of this amendment on the Company's financial statements.

3 Basis of measurement

3.1 These financial statements have been prepared under the historical cost convention unless specified otherwise.

3.2 Critical accounting estimates and judgements

These financial statements have been prepared under the historical cost convention, modified by capitalization of exchange differences in previous years, except for revaluation of certain financial instruments at fair value and recognition of certain employee retirement benefits at present value.

The Company's significant accounting policies are stated in note 4. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgment of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

a) Useful lives and residual values of property, plant and equipment

The Company reviews the useful lives and residual values of property, plant and equipment on regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

b) Provision for obsolescence of stores and spares

The Company reviews stores and spares inventory items based on the technical evaluation(s) conducted in-house by the technical team. Provision is recognized against items determined to be obsolete and / or not expected to be used up till the expiry of PPA term.

4 Summary of significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

4.1 Taxation

Income tax comprises current and deferred tax. Income tax is recognized in the statement of profit or loss except to the extent that relates to items recognized directly in equity or other comprehensive income, in which case it is recognized directly in equity or other comprehensive income.

Current

The profits and gains of the Company derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. However, full provision is made in the profit and loss account on income from sources not covered under the above clause at current rates of taxation after taking into account, tax credits and rebates available, if any.

Deferred

Deferred tax has not been provided in these financial statements as the Company's management believes that the temporary differences will not reverse in the foreseeable future due to the fact that the profits and gains of the Company derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

4.2 Employee benefits

a) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating annual leaves that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

b) Post employment benefit - Defined contribution plan (Provident Fund)

There is an approved defined contributory provident fund for all employees. Equal monthly contributions are made both by the Company and employees to the fund at the rate of 10 percent of the basic salary subject to completion of minimum qualifying period of service as determined under the rules of the fund.

4.3 Property, plant and equipment

4.3.1 Operating fixed assets

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss. Cost in relation to certain plant and machinery comprises historical cost, exchange differences capitalized in previous years and borrowing cost mentioned in note 4.14.

Depreciation on all operating fixed assets is charged to profit or loss on the straight line method so as to write off the cost of an asset over its estimated useful life at the annual rates mentioned in note 13.1 after taking into account their residual values.

The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted if the impact on depreciation is significant. The Company's estimate of the residual value of its operating fixed assets as at June 30, 2023 has not required any adjustment as its impact is considered insignificant.

Depreciation on additions to operating fixed assets is charged from the month in which the asset is available for use, while no depreciation is charged for the month in which the asset is disposed off.

The net exchange difference relating to an asset which was capitalized in line with the exemption granted by Securities and Exchange Commission of Pakistan, is being amortized in equal installments over its remaining useful life.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4.5).

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

4.3.2 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

4.3.3 Major spare parts and standby equipment

Major spare parts and standby equipment qualify as property, plant and equipment when an entity expects to use them for more than one year. Transfers are made to relevant operating fixed assets category as and when such items are available for use.

4.4 Intangible assets

Expenditure incurred to acquire intangible assets is stated at cost less accumulated amortisation and any identified impairment loss. Intangible assets are amortized using the straight line method over its estimated useful life at the annual rates mentioned in note 14. Intangibles assets which are fully amortized till June 30, 2023 are mentioned in note 14.2.

Amortization on additions to intangible assets is charged from the month in which an asset is available for use while no amortization is charged for the month in which the asset is disposed off.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4.5).

4.5 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4.6 Stores, spares and loose tools

Stores, spares and loose tools are valued principally at weighted average cost except for items in transit which are stated at invoice value plus other charges paid thereon till the statement of financial position date while items considered obsolete are carried at nil value.

Provision for obsolescence of stores and spare parts wherever required, is made on the basis of management's best estimate of usability of items and considering the ageing analysis prepared on an item by item basis.

4.7 Stock in trade

Inventories, except for that in transit, is valued principally at lower of cost and net realizable value. Cost is determined using First in First Out method for Furnace oil while weighted average method is used for the remaining items. Inventories in transit are stated at cost comprising invoice value plus other charges paid thereon.

Net realizable value is determined on the basis of estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale. If the expected net realizable value is lower than the carrying amount, a write-down is recognized for the amount by which the carrying amount exceeds its net realizable value.

4.8 Financial assets

4.8.1 Classification

The Company classifies its financial assets other than investments in equity instruments of subsidiary and associate in the following measurement categories:

- those to be measured subsequently at fair value [either through other comprehensive income ('OCI') or through profit or loss], and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

4.8.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

4.8.3 Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

i) Amortized cost

Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss. Impairment losses are presented as separate line item in the statement of profit or loss.

ii) FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method. Impairment expenses are presented as separate line item in the statement of profit or loss.

iii) FVPL

Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss in the period in which it arises.

Equity instruments

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

Changes in the fair value of financial assets at FVPL are recognized in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

4.8.4 Impairment of financial assets other than those due from the Government of Pakistan and investment in equity instruments

The Company assesses on a forward-looking basis, the expected credit losses ('ECL') associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies general 3-stage approach for loans, deposits and other receivables and bank balances i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

Following are the financial assets that are subject to the ECL model:

- Long term loans;
- Loans, deposits and other receivables;
- Short term investment; and
- Bank balances.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses.

Expected credit losses are a probability weighted estimate of credit losses. The probability is determined by the risk of default which is applied to the cash flow estimates. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. In the absence of a change in credit rating, allowances are recognized when there is reduction in the net present value of expected cash flows. On a significant increase in credit risk, allowances are recognized without a change in the expected cash flows, although typically expected cash flows do also change; and expected credit losses are rebased from 12 month to lifetime expectations.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the instrument as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are considered while assessing credit risk:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparty;
- significant increase in credit risk on other financial instruments of the same counterparty; and
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees, if applicable.

The Company considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Company, in full (without taking into account any collaterals held by the Company).

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments;
- Past-due status;
- Nature, size and industry of borrowers; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

The Company recognizes an impairment gain or loss in the statement of profit or loss for financial assets with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of counterparty's sources of income or assets to generate sufficient future cash flows to repay the amount. The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

4.9 Financial liabilities

Financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed on profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender or substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in profit or loss.

4.10 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.11 Financial assets due from the Government of Pakistan

Financial assets due from the Government of Pakistan includes trade debts and other receivables due from CPPA-G under the PPA that also includes accrued amounts. The Company follows relevant requirements of IAS 39 in respect of impairment of these financial assets due to the exemption available in respect of IFRS 9 till December 31, 2024 as stated in note 2.2.2 (b).

A provision for impairment is established when there is objective evidence that the Company will not be able to collect all the amount due according to the original terms of the receivable.

The Company assesses at the end of each reporting period whether there is objective evidence that the financial asset is impaired. The financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of profit or loss. When the financial asset is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the statement of profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of profit or loss.

4.12 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and finances under mark-up arrangements. In the statement of financial position, finances under mark-up arrangements are included in current liabilities.

4.13 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit or loss over the period of the borrowings using the effective interest method. Finance costs are accounted for on an accrual basis and are reported under accrued finance costs to the extent of the amount remaining unpaid.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

4.14 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred.

4.15 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.16 Contingent liabilities and assets

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.17 Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and recognized in profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

In subsequent periods, the grant shall be deducted from the related expense in the statement of profit or loss.

4.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reports issued to the chief operating decision-maker. The Chief Executive Officer has been identified as the 'chief operating decision-maker', who is responsible for allocating resources and assessing performance of the operating segments. Currently the Company is functioning as a single operating segment.

4.19 Trade debts

Trade debts are amounts due from CPPA-G in the ordinary course of business. They are generally due for settlement as referred to in note 4.20 and therefore are all classified as current. Trade debts are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade debts with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method, less provision for impairment.

4.20 Revenue recognition

Revenue shall be recognized when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset and thus has the ability to direct the use and obtain the benefits from the good or service.

Revenue from the sale of electricity to CPPA-G, the sole customer of the Company, is recorded on the following basis:

- Capacity Purchase Price revenue is recognized over time, based on the capacity made available to CPPA-G, at rates as specified under the PPA with CPPA-G, as amended from time to time; and
- Energy Purchase Price revenue is recognized at a 'point in time', as and when the Net Electrical Output (NEO) are delivered to CPPA-G.

Capacity and Energy revenue is recognized based on the rates determined under the mechanism laid down in the PPA.

Delayed payment mark-up on amounts due under the PPA is accrued on a time proportion basis by reference to the amount outstanding and the applicable rate of return under the PPA.

Invoices are generally raised on a monthly basis and are due after 25 days from the date of submission by the Company to CPPA-G.

4.21 Finance income

Finance income comprises interest income on funds invested (financial assets), dividend income, gain on disposal of financial assets and changes in fair value of investments. Interest income is recognized as it accrues in profit or loss, using effective interest method. Dividend income is recognized in profit or loss on the date that the Company's right to receive payment is established.

4.22 Foreign currency transactions and translation

a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, are generally recognized in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss, and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognized in other comprehensive income.

4.23 Dividend and appropriation to reserves

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

4.24 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

4.25 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

4.26 Rounding off amounts

All amounts presented in these financial statements and notes have been rounded off to the nearest thousand Rupees unless otherwise stated.

5 Issued, subscribed and paid up capital

5.1 This represents 169,458,614 (2022: 169,458,614) ordinary shares of Rs. 10 each fully paid in cash.

5.2 All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

6 Long term finance-secured

This represented long term financing facility (running musharaka facility) availed from Faysal Bank Limited (through its Islamic Banking Division) as a Participating Financial Institution under State Bank of Pakistan's (SBP) Refinance Scheme for Payment of Wages and Salaries to the Workers and Employees of Business Concerns ('Refinance Scheme'). The total facility available amounted to Rs. 145 million. The financing was secured against pari passu charge over all the present and future current asset. It carried mark-up at the rate of SBP Profit Rate under the Refinance Scheme plus 1.50% per annum, payable on quarterly basis. The remaining installments were fully paid off during the current period. The reconciliation of carrying amount is as follows:

	2023	2022
	(Rupees in thousand)	
Long term loan	-	28,070
Less: Current portion shown under current liabilities	-	(28,070)
- note 6.1	-	-
6.1 The reconciliation of carrying amount is as follows		
Opening balance	28,070	81,688
Loan repaid	(28,903)	(58,261)
Unwinding of interest expense	833	4,643
	-	28,070
less: Current portion shown under current liabilities	-	(28,070)
	-	-
7 Deferred grant		
As at July, 01	630	4,304
Unwinding of grant	(630)	(3,674)
As at June, 30	-	630
Represented by:		
Non-current portion	-	-
Current portion	-	630
	-	630

7.1 Government grant had been recognized against loan obtained under the SBP refinance scheme of salaries and wages in lieu of below market-interest rate payable on this loan. There are no unfulfilled conditions or contingencies attached to this grant effecting its recognition at the reporting date.

		2023 (Rupees in thousand)	2022 (Rupees in thousand)
8	Employee benefits		
	Accumulating compensated absences - note 8.1	9,473	8,054

8.1 Movement in accumulating compensated absences is as follows:

	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Opening balance	8,054	-
Provision for the year	20,331	15,873
	28,385	15,873
Less: Payments made during the year	(18,912)	(7,819)
Closing balance	9,473	8,054

9 Short term finances - secured

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

		2023 (Rupees in thousand)	2022 (Rupees in thousand)
Under mark up arrangements - secured	- note 9.1	498,481	2,547,935
Under arrangements permissible under Shariah - secured	- note 9.2	500,000	1,500,000
		998,481	4,047,935

9.1 Markup Arrangements

Short term finances available from commercial banks under mark up arrangements amount to Rs. 4,000 million (2022: Rs. 4,610 million). The rates of mark up for finances under mark up arrangement ranged from 12.64% to 21.98% per annum (2022: 7.62% to 15.36% per annum). Various sub facilities comprising money market loans and letters of guarantee have also been utilized during the year. 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. 3,450 million are secured by joint pari passu charge on current assets and Rs. 550 million are secured by ranking charge on current assets.

9.2 Arrangements permissible under shariah

Short term finances available from Islamic banks under Islamic arrangements amount to Rs. 3,150 million (2022: Rs. 2,900 million). The rates of mark up for finances under arrangements permissible under shariah ranged from 14.4 % to 21.98% per annum (2022: 7.8% to 14.71% per annum) on the balances outstanding. Out of the aggregate running finances availed by the Company, Rs. 2,900 Million are secured by joint pari passu charge on current assets & Rs. 550 million are secured by ranking charge on current assets.

- 9.3** Of the aggregate facility of Rs. 975 million (2022: Rs. 700 million) for opening letters of credit and Rs. 10 million (2022: Rs. 5 million) for guarantees, the amount utilized as at June 30, 2023 was Rs. 158.68 million (2022: Rs. 134.66 million) and Rs. 6.46 million (2022: Rs. 3.33 million) respectively.

		2023	2022
		(Rupees in thousand)	
10	Trade and other payables		
	Trade creditors	291,446	267,516
	Accrued liabilities	60,015	33,092
	Withholding tax payable	6,017	2,911
	Workers' Profit Participation Fund - note 10.1	78,750	75,479
	Workers' Welfare Fund - note 10.2 & 10.3	106,861	75,361
	Security deposit payable - note 10.4	188	177
	Payable to employees' provident fund - note 10.5	2,237	2,056
	Other payables	5,317	3,779
		<u>550,831</u>	<u>460,371</u>

		2023	2022
		(Rupees in thousand)	
10.1	Movement in Workers' Profit Participation Fund		
	Opening balance	75,479	60,149
	Provision for the year - note 19.2	78,750	75,479
		<u>154,229</u>	<u>135,628</u>
	Less: Payments made during the year	(75,479)	(60,149)
	Closing balance	<u>78,750</u>	<u>75,479</u>

10.2	Movement in Workers' Welfare Fund		
	Opening balance	75,361	45,170
	Provision for the year - note 19.3	31,500	30,191
	Closing balance	<u>106,861</u>	<u>75,361</u>

- 10.3** This represents provision recognized as per 'The Punjab Workers' Welfare Fund Act 2019'. Under the Act, the Company is liable to pay to Workers' Welfare Fund, a sum equal to two percent of its total income, which is higher of, profit before taxation or provision for taxation as per accounts or the declared income as per the return of income.

- 10.4** This represents advances and security deposits which are repayable on demand or on the cancellation of agreement. These are utilized for the purpose of the business in accordance with the terms of section 217 of the Act.

- 10.5** The investments by the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

	2023 (Rupees in thousand)	2022
11 Accrued finance cost		
Mark up on short term finances under mark up arrangements - secured	63,111	39,771
Profit on short term arrangements permissible under Shariah - secured	49,657	46,358
	<u>112,768</u>	<u>86,129</u>
12 Contingencies and commitments		
12.1 Contingencies		
(i) CPPA-G (formerly WAPDA) imposed Liquidated Damages (LDs) on the Company amounting to Rs. 353.85 million (2022: Rs. 353.85 million) during the period from 2011 to 2013 because of failure to dispatch electricity due to CPPA-G's non-payment of dues on timely basis and consequential inability of the Company to make advance payments to its fuel supplier - Pakistan State Oil Company Limited (PSO), that resulted in inadequate level of electricity production owing to shortage of fuel.		
The Company disputed and rejected the claim on account of LDs because under the terms of PPA, no LDs can be charged to the Company due to the reasons caused solely by the Power Purchaser i.e. CPPA-G.		
According to legal advisors of the Company, there are adequate grounds to defend the claim for such LDs, therefore no provision has been made in these financial statements.		
(ii) CPPA-G (formerly WAPDA) imposed LDs on the Company amounting to Rs 179.32 million (2022: Rs 179.32 million) due to incorrect calculation from 2011 till April 2018. The Company has disputed these LDs because CPPA-G has ignored certain factors applicable for the calculation of LDs under the terms of the PPA.		
For settlement of the dispute, several discussions were held between the officials of CPPA-G and the Company. Consequent to the mutual discussion, CPPA-G has agreed to calculate the LDs using a model consistent with the terms of the PPA. However, the said model has not yet been applied to recalculate the LDs imposed prior to April 2018. Resultantly, there have been no disputed LDs since May 2018.		
Management is confident that the LDs imposed prior to April 2018 will also be revised by CPPA-G. The impact of LDs calculated under the agreed model for the period preceding April 2018 has been assessed to be insignificant and therefore, no provision has been made in these financial statements.		
(iii) A sales tax demand of Rs. 505.41 million was raised against the Company through order dated August 29, 2014 by the Assistant Commissioner Inland Revenue ('ACIR') by disallowing input sales tax for the tax periods from August, 2009 to June, 2013. Such amount was disallowed on the grounds that the revenue derived by the Company on account of 'capacity purchase price' was against a non-taxable supply and thus, the entire amount of input sales tax claimed by the Company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy purchase price' admissible to the Company. Against the aforesaid order, the Company preferred an appeal before the Commissioner Inland Revenue (Appeals) ('CIR(A)') who vide its order dated November 6, 2014, upheld the ACIR's order on the issue regarding apportionment of input sales tax with the caveat that tax demand pertaining to period of show cause notice beyond the limitation of five years cannot be sustained and reduced from the tax demand. Subsequently, the Company preferred an appeal before the Appellate Tribunal Inland Revenue ('ATIR'). Additionally, the Company had filed an application with the Lahore High Court seeking a stay in recovery of tax arrears, default surcharge and penalty.		

The Lahore High Court, in its order dated December 31, 2014, stayed the recovery of the tax demand along with default surcharge and penalty till adjudication by the ATIR, subject to deposit of Rs. 10 million with the Tax Department which the Company duly submitted on January 7, 2015. The ATIR vide its order dated May 4, 2015, upheld the CIR(A)'s order on the issue regarding apportionment of input sales tax. Thereafter, the Company filed an appeal against the decision of ATIR in the Lahore High Court.

The Lahore High Court vide its judgment dated October 31, 2016 has decided the case in favor of the Company. Subsequently, the tax department being aggrieved, filed a leave for appeal before the Supreme Court of Pakistan. The management is of the view that there are meritorious grounds available to defend the foregoing demands in the Supreme Court of Pakistan. Consequently, no provision for such demand has been made in these financial statements.

- (iv) A sales tax demand of Rs. 184.13 million was raised against the Company through order dated August 27, 2019 by the Deputy Commissioner Inland Revenue ('DCIR') on account of inadmissible input tax related to 'capacity purchase price', sales tax default on account of suppression of sales related to tax periods from July, 2015 to June, 2016 and inadmissible input tax claimed by the Company. Against the aforesaid order, the Company preferred an appeal before Commissioner Inland Revenue (Appeals) ('CIR(A)') on September 16, 2019. Out of Rs. 184.13 million, CIR(A) through order dated July 08, 2021 has deleted the demand of Rs. 152.95 million raised on account of inadmissible input tax related to 'capacity purchase price', whereas the remaining demand of Rs. 31.18 million raised related to sales tax default on account of suppression of sales for the tax periods from July, 2015 to June, 2016 and inadmissible input tax claimed by the Company have been remanded back to the DCIR. The management is of the view that there are meritorious grounds available to defend the foregoing demand. Consequently no provision for such demand has been made in these financial statements.

- (v) The Company has issued the following guarantees in favor of:

Sui Northern Gas Pipelines Limited on account of payment of dues against gas sales etc., amounting to Rs. 6.46 million (2022: Rs. 3.33 million).

12.2 Commitments

- (i) Letters of credit / bank contracts other than capital expenditure as at end of current year are Rs. 40.34 million (2022: 35.51 million)
- (ii) Letters of credit / bank contracts for capital expenditure as at end of current year are Rs. 118.34 million (2022: Rs. 96.35 million).

2023 **2022**
(Rupees in thousand)

13 Property, plant and equipment

Operating fixed assets	- note 13.1	2,290,383	2,624,932
Major spare parts and standby equipment	- note 13.2	73,365	65,864
Capital work in progress	- note 13.3	-	-
		<u>2,363,748</u>	<u>2,690,796</u>

13.1 Property, plant and equipment

Net carrying value basis (NBV)

Year ended June 30, 2023

	Freehold land	Buildings on freehold land	Plant and machinery	Office appliances and equipment	Laboratory equipment	Electric appliances and equipment	Computers and fixtures	Furniture and fixtures	Vehicles	Total
Opening balance	93,209	105,833	2,383,809	383	885	4,580	787	19	35,427	2,624,932
Additions (at cost)	-	-	63,116	-	-	545	2,663	-	26,873	93,197
Disposals	-	-	-	-	-	-	-	-	(4,742)	(4,742)
Depreciation charge	-	(21,310)	(387,850)	(140)	(477)	(1,263)	(1,059)	(2)	(10,903)	(423,004)
Closing balance	93,209	84,523	2,059,075	243	408	3,862	2,391	17	46,655	2,290,383

Gross carrying value basis

As at June 30, 2023

Cost	93,209	625,458	9,125,840	5,411	5,561	32,133	52,840	7,884	87,967	10,036,303
Accumulated depreciation	-	(540,935)	(7,066,765)	(5,168)	(5,153)	(28,271)	(50,449)	(7,867)	(41,312)	(7,745,920)
Net book value (NBV)	93,209	84,523	2,059,075	243	408	3,862	2,391	17	46,655	2,290,383
Depreciation rate per annum	-	4% - 9%	4.5% - 33%	10%	10%	10%	33%	10%	20%	

Net carrying value basis (NBV)

Year ended June 30, 2022

Opening balance	93,209	127,143	2,500,770	413	1,373	5,083	1,039	29	35,347	2,764,406
Additions (at cost)	-	-	259,511	217	-	951	533	-	9,411	270,623
Disposals	-	-	-	(88)	-	(59)	-	-	(1,640)	(1,787)
Write-offs	-	-	(7,901)	-	-	-	-	-	-	(7,901)
Depreciation charge	-	(21,310)	(368,571)	(159)	(488)	(1,395)	(785)	(10)	(7,691)	(400,409)
Closing balance	93,209	105,833	2,383,809	383	885	4,580	787	19	35,427	2,624,932

As at June 30, 2022

Cost	93,209	625,458	9,062,723	5,411	5,561	31,588	51,482	7,884	73,103	9,956,419
Accumulated depreciation	-	(519,625)	(6,678,914)	(5,028)	(4,676)	(27,008)	(50,695)	(7,865)	(37,676)	(7,331,487)
Net book value (NBV)	93,209	105,833	2,383,809	383	885	4,580	787	19	35,427	2,624,932
Depreciation rate per annum	-	4% - 9%	4.5% - 33%	10%	10%	10%	33%	10%	20%	

13.1.1 The cost of fully depreciated assets which are still in use as at June 30, 2023 is Rs. 801.5 million (2022: Rs. 587.23 million).

13.1.2 Immovable fixed assets of the Company are situated at Head Office, Post Office Raja Jang, near Tablighi Ijima, Raiwind Bypass, Lahore, Pakistan. Freehold land represents 256 kanal of land situated at Post Office Raja Jang, near Tablighi Ijima, Raiwind Bypass, Lahore out of which approximately 16 kanal represent covered area.

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

	Note	2023 (Rupees in thousand)	2022
Cost of sales	22	413,531	394,050
Administrative expenses	23	9,473	6,357
		<u>423,004</u>	<u>400,407</u>

13.1.4 Disposal of operating fixed assets

The details of property, plant and equipment disposed of during the year having individual book value exceeding Rs. 500,000 or more are as follows:

2023 (Rupees in thousand)							
Particulars of assets	Sold to / Transferred to	Cost	Accumulated depreciation	Book value	Sale proceeds	Gain / (loss)	Mode of disposal
Assets with book value greater than Rs. 0.5 Million							
Vehicle	Mr. Waqas Ahmed Bhatti	1,856	223	1,634	1,634	-	Company Policy
Vehicle	Mr. Syed Ghazanfar Ali Zaidi	7,054	4,608	2,445	2,445	-	Company Policy
Other assets with book value less than Rs. 0.5 Million							
Various	-	4,407	3,743	663	2,024	1,361	-do-
		13,317	8,574	4,742	6,103	1,361	
2022 (Rupees in thousand)							
Particulars of assets	Sold to / Transferred to	Cost	depreciation	value	Sale proceeds	Gain / (loss)	disposal
Assets with book value greater than Rs. 0.5 Million							
Vehicles	Mr. Waqas Ahmed Bhatti	1,396	893	503	503	-	Company Policy
		1,396	893	503	503	-	
Other assets with book value less than Rs. 0.5 Million							
Various	-	4,660	3,376	1,284	1,207	(77)	-do-
		6,056	4,269	1,787	1,710	(77)	

	2023	2022
	(Rupees in thousand)	
13.3 Capital work in progress		
Plant and machinery	-	-
13.3.1 Movement in capital work in progress		
Opening balance	-	24,034
Additions during the year	591	111,246
Capitalized during the year	(591)	(135,280)
	-	-

14 Intangible assets

	Computer software's	Others	Total
	(Rupees in thousand)		
Net carrying value basis			
Year ended June 30, 2023			
Opening net book value (NBV)	2,306	278	2,584
Amortization charge	(449)	(55)	(504)
Closing net book value (NBV)	<u>1,857</u>	<u>223</u>	<u>2,080</u>
Gross carrying value basis			
As at June 30, 2023			
Cost	22,117	1,000	23,117
Accumulated amortization	<u>(20,260)</u>	<u>(777)</u>	<u>(21,037)</u>
Net book value (NBV)	<u>1,857</u>	<u>223</u>	<u>2,080</u>
Amortization rate per annum	6.25% - 8.82%	5.56%	

	Computer software's	Others	Total
	(Rupees in thousand)		
Net carrying value basis			
Year ended June 30, 2022			
Opening net book value (NBV)	2,755	333	3,088
Amortization charge	(449)	(55)	(504)
Closing net book value (NBV)	2,306	278	2,584
Gross carrying value basis			
As at June 30, 2022			
Cost	22,117	1,000	23,117
Accumulated amortization	(19,811)	(722)	(20,533)
Net book value (NBV)	2,306	278	2,584
Amortization rate per annum	6.25% - 8.82%	5.56%	

2023 **2022**
(Rupees in thousand)

14.1 The amortization charge for the year has been allocated as follows:

Administrative expenses	- note 23	504	504
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14.2 The cost of fully amortized assets which are still in use as at June 30, 2023 is Rs. 16.50 million (2022: Rs. 16.50 million).

2023 **2022**
(Rupees in thousand)

15 Long term loans and deposits

Loans to employees - considered good

- Executives	6,057	570
	6,057	570
Current portion included in current assets		
- Executives	(6,057)	(360)
	(6,057)	(360)
Security Deposits	-	210
	144	144
	144	354

- 15.1** These represent interest free loans to executives and other employees for purchase of residential plot, construction of house, purchase of motor cars etc. and are repayable in monthly instalments over a period of 24 to 60 months. Loans for purchase of residential plots and construction of house are secured against staff retirement benefits of employees. Loans for purchase of motor cars and motorcycles are secured by registration of motor cars in the name of the Company. Security deposits include the amount paid to Central Depository Company. These loans have not been carried at amortized cost as the effect of discounting is not considered material.
- 15.2** The maximum amount outstanding at the end of any month from executives aggregated Rs. 6.68 million (2022: Rs. 0.9 million).

2023 2022
(Rupees in thousand)

16 Stores, spares and loose tools

Stores	9,178	7,023
Spares	358,400	276,567
Loose tools	709	727
	<u>368,287</u>	<u>284,317</u>
Provision for obsolete stores and spares - note 16.1	(28,642)	(14,138)
	<u>339,645</u>	<u>270,179</u>

16.1 Provision for obsolete stores and spares

Opening balance	14,138	14,138
Provision made during the year	14,504	-
Closing balance	<u>28,642</u>	<u>14,138</u>

- 16.2** Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

2023 2022
(Rupees in thousand)

17 Stock in trade

Furnace oil	944,604	900,507
Diesel	2,149	2,521
Lubricating oil	37,377	12,832
	<u>984,130</u>	<u>915,860</u>

		2023	2022
		(Rupees in thousand)	
18	Trade debts - net		
	Trade receivables from CPPA-G - secured		
	- Considered good	2,320,379	4,185,218
	- Considered doubtful	-	430,517
	- note 18.1	2,320,379	4,615,735
	Provision for doubtful debts	-	(430,517)
	- note 18.2	-	(430,517)
		<u>2,320,379</u>	<u>4,185,218</u>

- 18.1** This includes an overdue amount of Rs. 517.65 million (2022: Rs. 2,110.21 million) receivable from CPPA-G (formerly WAPDA). The trade debts are secured by a guarantee from the Government of Pakistan (GoP) under the Implementation Agreement. These are in the normal course of business and are interest free, however, a penal mark up at the rate of base rate plus 2% per annum is charged in case the amounts are not paid within due dates, the base rate being the State Bank of Pakistan's reverse repo rate. The penal mark up rate charged during the year was 16.75% to 25.00% (2022: 10% to 16.75%) per annum. These include unbilled receivables aggregating to Rs. 1,439.15 million (2022: Rs. 1,914.05 million).

Aging analysis of trade debts is given in note 33.1(b)(i).

		2023	2022
		(Rupees in thousand)	
18.2	Provision for doubtful debts		
	Opening balance	430,517	430,517
	- note 18.3	430,517	430,517
	Provision written off during the year	(430,517)	-
	Closing balance	<u>-</u>	<u>430,517</u>

- 18.3** This represented a receivable amount pertaining to eligibility of indexation of non-escalable component (NEC) of the capacity purchase price relating to the period subsequent to the repayment of foreign currency loan. This was disputed by CPPA-G (formerly WAPDA) in year ended June 30, 2010 taking the stance that under the Power Purchase Agreement (PPA) indexation is allowed until the repayment of foreign currency loan, and since the loan was fully repaid in September, 2008, therefore no indexation was to be allowed from September, 2008 onwards. CPPA-G had earlier paid this amount relating to the period from September, 2008 to September, 2009 but subsequently withheld this amount in June, 2010 against the invoices of April, 2010.

The matter was referred to an expert by the management of the Company who decided in favor of the Company stating that adjustment of the amount is unlawful since the underlying invoices were not disputed within the prescribed period of 180 days. However, CPPA-G did not accept the decision of the expert.

During the year 2019, the management of the Company decided not to pursue the recoverability of this amount and a provision against the same was recorded. Subsequently, the provision was written off during the current year.

		2023	2022
		(Rupees in thousand)	
19	Loans, advances, deposits, prepayments and other receivables		
	Current portion of long term loans to employees - note 15	6,057	360
	Advances - considered good		
	- To employees - note 19.1	2,332	3,177
	- To suppliers	629,880	475,754
	Prepayments	11,433	3,776
	Claims recoverable from CPPA-G for pass through items:		
	- Workers' Profit Participation Fund - note 19.2	78,750	75,479
	- Workers' Welfare Fund - note 19.3	106,861	75,361
	Sales tax receivable	65,292	90,491
	Margin against letter of guarantee	2,804	-
	Other receivables - considered good	17	510
		903,426	724,908

19.1 Included in advances to employees are amounts due from executives of Rs. 0.75 million (2022: Rs. 0.9 million).

		2023	2022
		(Rupees in thousand)	
19.2	Movement in Workers' Profit Participation Fund is as follows:		
	Opening balance	75,479	111,985
	Provision for the year - note 10.1	78,750	75,479
		154,229	187,464
	Receipts during the year	(75,479)	(111,985)
	Closing balance - note 19.4	78,750	75,479
19.3	Movement in Workers' Welfare Fund is as follows:		
	Opening balance	75,361	45,170
	Provision for the year - note 10.2	31,500	30,191
	Closing balance - note 19.4	106,861	75,361

- 19.4** Under section 14.2(a) of Part III of Schedule 6 to the Power Purchase Agreement (PPA) with CPPA-G, payments to Workers' Profit Participation Fund and Workers' Welfare Fund are recoverable from CPPA-G as pass through items.

	2023	2022
	(Rupees in thousand)	
20 Cash and bank balances		
Cash at banks		
Current accounts	1,173	717
Saving accounts		
- Under interest / mark up arrangements - note 20.1	201,395	802,513
- Retention account - Onshore	17,089	14,742
- Under arrangements permissible under Shariah - note 20.1	22	52
	218,506	817,307
	219,679	818,024
Cash in hand	1,338	2,484
	221,017	820,508

- 20.1** The balance in savings bank accounts bear mark up at rates ranging from 12.25% to 19.50% per annum (2022: 5.50% to 11.50% per annum) and balance in accounts under arrangements permissible under Shariah bear profit at the rates ranging from 3.25% to 20.5% per annum (2022: 2.50% to 11.00%).

	2023	2022
	(Rupees in thousand)	
21 Revenue		
Energy Purchase Price revenue	11,882,148	14,895,475
Less: Sales tax	(1,751,032)	(2,164,300)
	10,131,116	12,731,175
Capacity Purchase Price revenue	1,966,432	1,631,827
Delayed payment mark-up	485,589	175,308
	12,583,137	14,538,310

- 21.1** This represents revenue from sole customer of the Company i.e. CPPA-G.

2023 **2022**
(Rupees in thousand)

22 Cost of sales

Raw material consumed		9,139,913	11,515,574
Salaries, wages and benefits	- note 22.1	260,525	221,821
Stores and spares consumed		131,380	256,887
Depreciation on operating fixed assets	- note 13.1.3	413,531	394,050
Fee and subscription		3,935	3,633
Insurance		104,702	86,588
Travelling, conveyance and entertainment		33,045	24,577
Repairs and maintenance		17,113	13,428
Communication charges		3,495	1,946
Electricity consumed in-house		44,095	21,874
Environmental expenses		857	529
Fixed asset written off		-	7,901
Liquidated damages		18	3
Contracted services		24,732	12,625
Provision for obsolete stores and spares	- note 16.1	14,504	-
Miscellaneous		2,924	1,512
		<u>10,194,769</u>	<u>12,562,948</u>

- 22.1** Salaries, wages and other benefits include Rs. 10.65 million (2022: Rs. 10.58 million) in respect of provision for accumulating compensated absences and Rs. 10.01 million (2022: Rs. 8.83 million) in respect of provision for defined contribution provident fund.

		2023	2022
		(Rupees in thousand)	
23	Administrative expenses		
	Salaries, wages and benefits - note 23.1	175,944	115,842
	Communication charges	2,553	1,962
	Depreciation on operating fixed assets - note 13.1.3	9,473	6,357
	Amortization on intangible assets - note 14.1	504	504
	Insurance	3,122	3,892
	Travelling, conveyance and entertainment	49,193	34,366
	Repairs and maintenance	3,703	4,867
	Legal and professional charges - note 23.2	5,994	3,616
	Community welfare expenses	9,223	8,683
	Rents, rates and taxes	752	172
	Fee and subscription	25,796	11,564
	Security expenses	10,245	10,416
	Environmental expenses	12,538	10,404
	Contracted services	12,025	7,276
	Miscellaneous	10,191	14,516
		<u>331,256</u>	<u>234,437</u>
23.1	Salaries, wages and other benefits include Rs. 9.68 million (2022: Rs. 5.29 million) in respect of provision for accumulating compensated absences and Rs. 3.87 million (2022: Rs. 3.48 million) in respect of provision for defined contribution provident fund.		
		2023	2022
		(Rupees in thousand)	
23.2	Legal and professional charges include the following:		
	In respect of auditors' services for:		
	- Statutory audit	2,023	1,759
	- Half yearly review and certifications	748	679
	- Out of pocket expenses	366	285
		<u>3,137</u>	<u>2,723</u>
23.3	Employees of the Company		
	Total number of employees as at June 30	<u>139</u>	<u>143</u>
	Average number of employees	<u>141</u>	<u>144</u>

2023 **2022**
(Rupees in thousand)

24 Other expenses

Loss on sale of fixed assets		-	77
Loss on disposal of GoP Ijarah Sukuks - measured at FVPL	- note 24.1	-	5,454
Loss on disposal of Pakistan Investment Bonds (PIBs) - measured at FVPL	- note 24.1	-	8,279
		<u>-</u>	<u>13,810</u>

- 24.1** This represented the loss arising on the sale of debt securities received as 2nd tranche of 60% of the outstanding receivables - Rs. 4,974 million (i.e. Rs. 2,985 million as the 2nd tranche on November 29, 2021) due from Power Purchaser as on November 30, 2020 equally in the form of cash, PIBs and Ijara Sukuks.

2023 **2022**
(Rupees in thousand)

25 Other income

Income on bank deposits	- note 25.1	5,306	7,586
Gain on sale of fixed assets		1,361	-
Exchange gain		199	-
		<u>6,866</u>	<u>7,586</u>

25.1 Income on bank deposits

Income on bank deposits under mark up arrangements	844	6,238
Income on bank deposits under arrangements permissible under Shariah	4,462	1,348
	<u>5,306</u>	<u>7,586</u>

26 Finance costs

Mark up on short term finances - secured	487,728	223,691
Long term finances - secured	152	969
Bank guarantee and commission	55	35
Others	1,037	426
	<u>488,972</u>	<u>225,121</u>

		2023	2022
		(Rupees in thousand)	
27	Taxation		
	Current		
	- For the year	1,539	2,200
	- Prior years	-	-
		<u>1,539</u>	<u>2,200</u>
27.1	Tax charge reconciliation		
	Profit before tax	<u>1,575,006</u>	<u>1,509,580</u>
	Tax at applicable rate of 29% (2022: 29%)	456,752	437,778
	Tax effect of exempt income referred to in note 4.1	(455,213)	(435,578)
	Tax charge	<u>1,539</u>	<u>2,200</u>

2023 **2022**
(Rupees in thousand)

28 Cash generated from operations

Profit before taxation	1,575,006	1,509,580
Adjustment for non-cash charges and other items:		
- Depreciation on property, plant and equipment	423,004	400,407
- Amortization on intangible assets	504	504
- (Gain) / Loss on disposal of property, plant and equipment	(1,361)	77
- Loss on sale of short term investments	-	13,733
- Income on bank deposits	(5,306)	(7,586)
- Charge for employee retirement and other benefits	20,331	15,873
- Property, plant and equipment written off	-	7,901
- Exchange gain	(199)	-
- Provision for obsolete store and spares	(14,504)	-
- Finance costs on borrowings	488,972	225,121
Profit before working capital changes	2,486,447	2,165,610
Decrease / (increase) in current assets		
- Stock in trade	(68,270)	(159,407)
- Stores, spares and loose tools	(54,962)	30,415
- Trade debts	1,864,839	(204,113)
- Loans, advances, deposits, prepayments and other receivables	(178,518)	(188,078)
	1,563,089	(521,183)
Increase in current liabilities		
- Trade and other payables	90,659	295,207
	1,653,748	(225,976)
	<u>4,140,195</u>	<u>1,939,634</u>

29 Cash and cash equivalents

Cash and bank balances	- note 20	221,017	820,508
Finances under mark up arrangements	- note 9	(998,481)	(4,047,935)
		<u>(777,464)</u>	<u>(3,227,427)</u>

30 Remuneration of Chief Executive, Directors and Executives

30.1 The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the chief executive, directors and executives of the Company is as follows:

	Chief Executive		Non-Executive Director		Executives	
	2023	2022	2023	2022	2023	2022
(Rupees in thousand)						
Short term employee benefits						
Managerial remuneration	12,387	9,290	21,368	18,581	56,110	39,044
Housing	5,574	4,181	9,615	8,361	25,250	17,570
Utilities	1,239	929	2,137	1,858	5,611	3,904
Medical allowance and reimbursement	-	-	-	-	1,409	849
Bonus	7,200	4,644	-	-	31,683	20,748
Club expenses	-	154	-	-	637	574
Others	4,412	980	-	-	13,931	2,641
	30,812	20,178	33,120	28,800	134,631	85,330
Post employment benefits						
Contribution to provident fund/gratuity	516	929	-	-	5,611	3,904
	31,328	21,107	33,120	28,800	140,242	89,234
Number of persons						
	1	1	1	1	22	13

30.2 Certain executives are provided with company maintained vehicle.

31 Transactions with related parties

The related parties comprise associated undertakings, other related companies, key management personnel and post retirement benefit plan. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables, if any, and remuneration of key management personnel is disclosed in note 30. Other significant transactions with related parties are as follows:

		2023	2022
		(Rupees in thousand)	
Relation with undertaking	Nature of transaction		
Associated companies	Purchase of services	202	250
	Purchase of goods	14,911	30,830
	Dividend paid	642,927	1,557,820
Key management personnel	Dividend paid	41,060	99,901
Kohinoor Energy Limited Employee Provident Fund	Contributions paid	28,382	24,607

- 31.1** The names of related parties with whom the Company has entered into transactions or had agreements / arrangements in place during the year and whose names have not been disclosed elsewhere in these financial statements are as follows:

Name of the related party	Basis of relationship	Percentage of shareholding
Red Communication Arts (Private) Limited	Common directorship	-
Pak Elektron Limited	Common directorship	-
Haroon Oils Limited	Common directorship	-

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

- 31.2** There was no related party incorporated outside the Pakistan with whom the company had entered into transactions.

	2023 MWh	2022 MWh
32 Capacity and production		
Installed capacity (Based on 8,760 hours)	1,086,240	1,086,240
Actual energy delivered	329,160	515,812

Under utilization of available capacity is due to less demand by CPPA-G.

33 Financial risk management

33.1 Financial risk factors

The Company is exposed to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors ('BOD'). The Company's finance department evaluates and hedges financial risks based on principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity, provided by the BOD. All treasury related transactions are carried out within the parameters of these policies.

The Company's overall risk management procedures to minimize the potential adverse effects of financial market on the Company's performance are as follows:

a) Market risk

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD) and the Euro (EUR). Currently, the Company's foreign exchange risk exposure is restricted to amounts payable to foreign entities. However, the impact is not material, hence, it is not being detailed in these financial statements.

	2023 (Dollar)	2022 (Dollar)
Trade and other payables	-	39,300

The following significant exchange rates were applied during the year:

	Average rate		Year-end spot rate	
	2023 (Rupees)	2022 (Rupees)	2023 (Rupees)	2022 (Rupees)
EUR 1	264.00	200.49	314.27	213.70
USD 1	250.14	182.65	287.10	206.65

If the functional currency, at reporting date, had fluctuated by 5% against the Dollar / Euro with all other variables held constant, the impact on profit after taxation for the year would have Rs. Nil (2022: Rs. 0.41 million). Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to equity price risk since there are no investments in equity instruments traded in the market at the reporting date. The Company is also not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices.

iii) Interest rate risk

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has no significant long-term interest-bearing assets. The Company's interest rate risk arises from trade debts and short term borrowings. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk. Similarly, trade debts on which the rate of interest on delayed payments is linked with State Bank of Pakistan reverse repo rate exposes the Company to cashflow interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

		2023	2022
		(Rupees in thousand)	
Fixed rate instruments			
Financial liabilities			
Finances - secured	- note 6	-	(28,070)
Net exposure		-	(28,070)
Floating rate instruments			
Financial assets			
Bank balances - savings accounts	- note 20.1	218,506	817,307
Trade debts - overdue		517,652	2,110,209
Financial liabilities			
Finances under mark up arrangements - secured	- note 9	(998,481)	(4,047,935)
Net exposure		(262,323)	(1,120,419)
Fair value sensitivity analysis for fixed rate instruments			

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the statement of financial position date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates on finances under mark up arrangements, at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit before tax would have been Rs. 9.98 million (2022: Rs. 40.48 million) higher / lower, mainly as a result of higher / lower interest expense on floating rate finances.

If interest rates on bank balances - savings accounts, at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit before tax would have been Rs. 2.19 million (2022: Rs. 8.17 million) higher / lower, mainly as a result of higher / lower interest rate expense on floating rate.

If interest rates on delayed payments on trade debts, at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit before tax would have been Rs. 5.18 million (2022: Rs. 21.10 million) higher / lower, mainly as a result of higher / lower interest rate expense on floating rate.

b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk mainly arises from deposits with banks, trade and other receivables.

The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilization of these credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2023 (Rupees in thousand)	2022 (Rupees in thousand)
Long term loans and deposits	144	354
Trade debts	2,320,379	4,185,218
Loans, deposits and other receivables	194,489	151,710
Bank balances	219,679	818,024
	<u>2,734,691</u>	<u>5,155,306</u>

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The Company believes that it is not exposed to major concentration of credit risk and the risk attributable to trade debts and Workers' Welfare Fund and Worker's Profit Participation Fund receivable from Power Purchaser is mitigated by guarantee from the Government of Pakistan under the Implementation Agreement. Age analysis of trade receivable balances is as follows:

As of June 30, age analysis of trade debts was as follows:

	2023 (Rupees in thousand)	2022 (Rupees in thousand)
- Neither past due nor impaired	1,802,727	2,075,009
- Past due 0 - 180 days	517,307	2,109,661
- Past due 181 - 365 days	-	203
- 1 - 2 years	-	-
- More than 2 years	345	345
	<u>517,652</u>	<u>2,110,209</u>
	<u>2,320,379</u>	<u>4,185,218</u>

ii) Credit quality of major financial assets

The credit quality of major financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Short Term	Long Term	Rating Agency	2023 (Rupees in thousand)	2022
Trade debts					
CPPA-G	Not available			2,320,379	4,185,218
Other receivables					
CPPA-G	Not available			185,611	150,840
Cash at bank					
Bank Alfalah Limited	A1+	AA+	PACRA	-	-
Standard Chartered Bank (Pakistan) Limited	A1+	AAA	PACRA	2	1
Askari Bank Limited	A1+	AA+	PACRA	215,177	261,551
Habib Bank Limited	A-1+	AAA	VIS	8	8
AlBaraka Bank (Pakistan) Limited	A-1	A+	VIS	15	45
United Bank Limited	A-1+	AAA	VIS	1	1
National Bank of Pakistan	A1+	AAA	PACRA	167	3
Faysal Bank Limited	A1+	AA	PACRA	3,989	403,751
BankIslami Pakistan Limited	A1	AA-	PACRA	5	152,372
Dubai Islamic Bank Pakistan Limited	A-1+	AA	VIS	236	241
MCB Bank Limited	A1+	AAA	PACRA	28	-
Meezan Bank Limited	A-1+	AAA	VIS	51	51
				2,725,669	5,154,082

After giving due consideration to the strong financial standing of the banks and Government guarantee in case of CPPA-G, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the Company's businesses, the Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Management monitors the forecasts of the Company's cash and cash equivalents (note 29) on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the Company. The Company's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities, monitoring reporting date liquidity ratios against internal and external regulatory requirements, and maintaining debt financing plans.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

	Contractual Cashflows				
	Less than one year	One to five years	More than five years	Total contractual cashflows	Carrying amount
	(Rupees in thousand)				
Long term finance - secured	-	-	-	-	-
Finances under mark up arrangements	998,481	-	-	998,481	998,481
Unclaimed dividend	31,526	-	-	31,526	31,526
Trade and other payables	550,831	-	-	550,831	550,831
Accrued finance cost	112,768	-	-	112,768	112,768
	1,693,606	-	-	1,693,606	1,693,606

The following are the contractual maturities of financial liabilities as at June 30, 2022:

	Contractual Cashflows				Carrying Amount
	Less than one year	One to five years	More than five years	Total contractual cashflows	
	(Rupees in thousand)				
Long term finance - secured	28,070	-	-	28,070	28,070
Finances under mark up arrangements	4,047,935	-	-	4,047,935	4,047,935
Unclaimed dividend	14,739	-	-	14,739	14,739
Trade and other payables	309,531	-	-	309,531	309,531
Accrued finance cost	86,129	-	-	86,129	86,129
	4,486,404	-	-	4,486,404	4,486,404

33.2 Fair value estimation

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

33.3 Financial instruments by categories

	Amortized cost	
	2023	2022
	(Rupees in thousand)	
Financial assets as per statement of financial position		
Long term loans and deposits	144	354
Trade debts	2,320,379	4,185,218
Loans, deposits and other receivables	194,489	151,710
Cash and bank balances	219,679	818,024
	2,734,691	5,155,306

	Amortized cost	
	2023	2022
	(Rupees in thousand)	
Financial liabilities as per statement of financial position		
Long term finance - secured	-	-
Short term finances	998,481	4,047,935
Current portion of long term finance- secured	-	28,070
Trade and other payables	550,831	309,531
Accrued finance cost	112,768	86,129
Unclaimed dividend	31,526	14,739
	1,693,606	4,486,404

33.4 Financial assets and financial liabilities subject to offsetting

There are no significant financial assets and financial liabilities that are subject to offsetting, enforceable master netting arrangements and similar agreements.

33.5 Capital risk management

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

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total equity (as shown in statement of financial position). Net debt is calculated as non-current borrowings these financial statements less cash and cash equivalents.

The gearing ratio as at June 30, 2023 and June 30, 2022 is as follows:

		2023 (Rupees in thousand)	2022 (Rupees in thousand)
Long term finance- secured	- note 6	-	28,070
Short term finances - secured	- note 9	998,481	4,047,935
Cash and bank balances	- note 20	(221,017)	(820,508)
Net debt		777,464	3,255,497
Total equity		5,383,092	4,911,106
Total capital		6,160,556	8,166,603
Gearing ratio %		12.6%	39.9%

In accordance with the terms of agreement with the lenders of long term finances (as discussed in note 6 to these financial statements), the Company is required to comply with certain financial covenants in respect of capital requirements which the Company has complied with throughout the reporting period.

34 Reconciliation of liabilities arising from financing activities

	July 1, 2022	Accruals / Dividend Declared	Payments	June 30, 2023
Long term finance - secured:				
- Non-current portion of Long term finance - secured	-	-	-	-
- Current portion of long term finance - secured	28,070	833	(28,903)	-
Unclaimed dividend	14,739	1,101,481	(1,084,694)	31,526

35 Disclosure relating to Provident Fund

The investments by the provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

36 Earnings per share

36.1 Basic earnings per share

		2023	2022
Net profit for the year	Rupees in thousand	1,573,467	1,507,380
Weighted average number of ordinary shares	Number in thousand	169,459	169,459
Earnings per share	Rupees	9.29	8.90

36.2 Diluted earnings per share

A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2023 and June 30, 2022 which would have any effect on the earnings per share if the option to convert is exercised.

37 Date of authorization for issue

These financial statements were authorized for issue on September 21, 2023 by the Board of Directors of the Company.

38 Events after the reporting date

The Board of Directors have proposed an interim dividend for the subsequent period of Rs. 4 per share amounting to Rs. 677.83 million at their meeting held on August 31, 2023. These financial statements do not include the effect of the above dividend which will be accounted for in the period in which it is approved.

39 Corresponding figures

Corresponding figures where necessary, have been rearranged for the purposes of comparison. No significant rearrangement or reclassification has been made during the year ended June 30, 2023.



Chief Financial Officer

Chief Executive Officer

Director

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PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2023

No. of Shareholding	Shareholding		Total Shares Held
	From	To	
296	1	100	8,731
511	101	500	218,878
423	501	1,000	397,720
779	1,001	5,000	2,246,081
250	5,001	10,000	2,010,864
84	10,001	15,000	1,065,020
62	15,001	20,000	1,150,812
34	20,001	25,000	788,832
32	25,001	30,000	900,550
15	30,001	35,000	484,752
12	35,001	40,000	453,594
11	40,001	45,000	473,200
17	45,001	50,000	841,500
5	50,001	55,000	262,900
3	55,001	60,000	177,500
4	60,001	65,000	250,500
3	65,001	70,000	205,500
4	70,001	75,000	293,000
3	75,001	80,000	232,000
5	80,001	85,000	419,625
1	90,001	95,000	91,000
14	95,001	100,000	1,392,500
2	100,001	105,000	207,382
2	105,001	110,000	214,500
1	115,001	120,000	115,500
1	125,001	130,000	127,000
1	135,001	140,000	136,000
3	145,001	150,000	446,500
1	155,001	160,000	160,000
1	160,001	165,000	161,000
1	185,001	190,000	190,000
3	195,001	200,000	600,000
1	205,001	210,000	205,500
1	210,001	215,000	214,000
1	230,001	235,000	231,500
2	275,001	280,000	556,269
1	290,001	295,000	295,000
1	295,001	300,000	300,000
1	320,001	325,000	325,000
1	325,001	330,000	327,500
1	355,001	360,000	356,000
1	405,001	410,000	409,750
1	465,001	470,000	466,631
1	470,001	475,000	470,500
2	495,001	500,000	1,000,000
2	650,001	655,000	1,306,757
1	665,001	670,000	665,600
1	780,001	785,000	784,500
1	1,095,001	1,100,000	1,100,000
1	1,175,001	1,180,000	1,175,895
2	1,495,001	1,500,000	3,000,000

No. of Shareholding	Shareholding		Total Shares Held
	From	To	
1	1,800,001	1,805,000	1,800,392
1	3,385,001	3,390,000	3,389,171
1	5,695,001	5,700,000	5,700,000
1	5,795,001	5,800,000	5,800,000
1	6,255,001	6,260,000	6,258,433
1	6,685,001	6,690,000	6,688,500
1	7,820,001	7,825,000	7,821,166
1	7,900,001	7,905,000	7,902,999
1	11,565,001	11,570,000	11,568,000
1	15,660,001	15,665,000	15,660,086
1	20,855,001	20,860,000	20,856,445
1	22,995,001	23,000,000	22,998,631
1	23,100,001	23,105,000	23,101,448
2620			169,458,614

Categories of Shareholders	Shares Held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	58,600,950	34.5813
Associated Companies, undertakings and related parties. (Parent Company)	46,566,710	27.4797
NIT and ICP	651,757	0.3846
Banks Development Financial Institutions, Non Banking Financial Institutions.	6,701,907	3.9549
Insurance Companies	306,769	0.1810
Modarabas and Mutual Funds	49,000	0.0289
Shareholders holding 10% or more	90,437,776	53.3687
General Public		
a. Local	48,432,702	28.5808
b. Foreign	9,000	0.0053
Others (to be specified)		
1- Investment Companies	1,100,187	0.6492
2- Pension Funds	24,282	0.0143
3- Others Companies	1,352,502	0.7981
4- Joint Stock Companies	2,263,297	1.3356
5- Foreign Companies	3,399,551	2.0061

CATEGORIES OF SHAREHOLDING REQUIRED UNDER CODE OF CORPORATE GOVERNANCE (CCG)

AS AT JUNE 30, 2023

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise):			
1	MRS. AMBER HAROON SAIGOL W/O M. AZAM SAIGOL	46,100,079	27.2043
2	MR. M. AZAM SAIGOL (CDC)	466,631	0.2754
Mutual Funds (Name Wise Detail)			
Directors, CEO and their Spouse and Minor Children (Name Wise):			
1	MR. M. NASEEM SAIGOL (CDC)	23,481,252	13.8566
2	MRS. SEHYR SAIGOL W/O MR. M. NASEEM SAIGOL (CDC)	7,902,999	4.6637
3	MR. MUHAMMAD MURAD SAIGOL	20,856,445	12.3077
4	MR. FAISAL RIAZ	500	0.0003
5	MR. MUHAMMAD ZEID YOUSUF SAIGOL	6,258,433	3.6932
6	MRS. SADAF KASHIF	500	0.0003
7	MR. MUHAMMAD OMER FAROOQ (CDC)	100,321	0.0592
8	SYED MANZAR HASSAN (CDC)	500	0.0003
Executives:		106,575	0.0629
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		7,081,958	4.1792
Shareholders holding five percent or more voting interest in the listed company (Name Wise)			
S. No.	Name	Holding	% AGE
1	MRS. AMBER HAROON SAIGOL W/O M. AZAM SAIGOL	46,100,079	27.2043
2	MR. M. NASEEM SAIGOL (CDC)	23,481,252	13.8566
3	MR. MUHAMMAD MURAD SAIGOL	20,856,445	12.3077
4	MR. NISAR AHMED (CDC)	11,568,000	6.8264
All trades in the shares of the listed company, carried out by its Directors, CEO, CFO, Company Secretary and their spouses and minor children:			
S. No.	NAME	SALE	PURCHASE
		-	-

PROXY FORM

Ledger Folio/CDC A/C No.

Shares Held

I/We _____
 of _____ being member(s) of Kohinoor Energy Limited
 hereby appoint _____
 of _____ or failing him _____
 of _____ as my/our Proxy in my/our absence to attend and vote for me/us
 and on my/our behalf at the 30th Annual General Meeting of the Company to be held on October 25, 2023
 (Wednesday) at 13:00 at Islamabad Club, Main Murree Road, Islamabad. and/or at any adjournment thereof.
 As witness my/our hand(s) this _____ day of _____ 2023
 signed by _____
 in the presence of _____

Signed by the Said

Witness: _____

Name _____

CNIC No. _____

Address _____

Witness: _____

Name _____

CNIC No. _____

Address _____

**Revenue
Stamps
Rs. 5/-**

Notes:

A member entitled to attend and vote at this meeting may appoint a proxy. Proxies, in order to be effective, must be received at Head Office/Shares Department of the Company situated at plant site Near Tablighi Ijtima, Raiwind Bypass, Lahore not less than forty-eight hours before the time for holding the meeting and must be duly stamped, signed and witnessed.

For CDC Account Holders/Corporate Entities

In addition to the above, the following requirements be met:

- (i) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
- (ii) In case of a corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company.
- (iii) The proxy shall produce his original CNIC or original passport at the time of attending the meeting.

کوه نور انرجی لمیٹڈ

سی ڈی سی کا شراکتی آئی ڈی نمبر

--

پراکسی فارم

عام حصص بمطابق شیر رجسٹرڈ فولیو نمبر

--

میں / ہم
ساکن
بطور کوہ نور انرجی لمیٹڈ کے رکن و حامل
ساکن
یا بصورت دیگر
ساکن
(13:00) پر اسلام آباد کلب، مین مری روڈ، اسلام آباد میں منعقد یا ملتوی ہونے والے سالانہ اجلاس عام میں رائے دہندگی کے لیے اپنا ناما ہندہ مقرر کرتا / کرتی ہوں۔

استخفا

گواہی:

5/- روپے کا
محصول ٹکٹ

..... 2- دستخط

1- دستخط.

نام

نام۔

..... قومی شناختی کارڈ نمبر

قومی شناختی کارڈ نمبر.....

..... دستخط

(دستخط کمپنی کے پاس دستخط کے نمونہ کے مطابق ہوں)

قومی شناختی کارڈ نمبر / ایسا سپورٹ نمبر

ضروری:

(i) پراسیکوز کے موثر ہونے کے لیے لازم ہے کہ وہ اجلاس سے 48 گھنٹے قبل کمپنی کو موصول ہوں۔ پراسیکیوٹر کمپنی کا رکن ہونا ضروری نہیں ہے۔ سی ڈی سی کے حصص یافتگان اور ان کے نمائندوں سے التماس ہے کہ وہ اسپیکٹریٹور از نو قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی پراسیکیوٹر کے ساتھ کمپنی میں جمع کرائیں۔

(ii) میرا کسی کو اجلاس کے وقت اپنا اصل قومی شناختی کارڈ یا اصل یا ریسپورٹ پیش کرنا ہوگا۔

(iii) کارپوریٹ اسٹیٹس کی صورت میں ڈائریکٹرز کی قرارداد اور آف انٹرنی معاہدہ ذمہ دے دستخط کا نمونہ (اگر پہلے فراہم نہ کئے گئے ہوں) پیرا کسی فارم کے ہمراہ کمپنی کو پیش کرنے ہوں گے۔

“ SAY NO TO CORRUPTION”

Contribution to Social Welfare

www.kel.com.pk





A.F. FERGUSON & CO.

September 28, 2023

1128

The Chief Executive Officer
Kohinoor Energy Limited
Lahore

Dear Sir

**INDEPENDENT REASONABLE ASSURANCE REPORT ON STATEMENT OF
FREE FLOAT OF SHARES AS AT SEPTEMBER 30, 2022, DECEMBER 31,
2022, MARCH 31, 2023, AND JUNE 30, 2023**

We enclose our independent reasonable assurance report on statement of free float of shares of Kohinoor Energy Limited ('the Company') as at September 30, 2022, December 31, 2022, March 31, 2023 and June 30, 2023.

We wish to place on record, our appreciation for the courtesy and co-operation extended to us by the Company's personnel during the course of our engagement.

Yours truly

encls

A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
308-Upper Mall, Shahrah-e-Quaid-e-Azam, P.O. Box 39, Lahore-54000, Pakistan.
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■ KARACHI ■ LAHORE ■ ISLAMABAD

INDEPENDENT REASONABLE ASSURANCE REPORT ON STATEMENT OF FREE FLOAT OF SHARES

To the Chief Executive of Kohinoor Energy Limited

1. Introduction

We have been engaged to perform a reasonable assurance engagement on the annexed Statement of Free Float of Shares (the 'Statement') of Kohinoor Energy Limited ('the Company') as of September 30, 2022, December 31, 2022, March 31, 2023 and June 30, 2023.

2. Applicable Criteria

The criteria against which the Statement is assessed is Regulation No. 5.7.2(b)(ii) of Pakistan Stock Exchange Limited Regulations ('PSX Regulations') which requires every listed Company/modaraba/mutual fund to submit directly to Pakistan Stock Exchange Limited ('PSX') an annual Free-Float Certificate duly verified by the auditor along with the annual audited accounts as prescribed under regulation 5.6.9(a) of the PSX Regulations.

3. Management's Responsibility for the Statement

Management is responsible for the preparation of the Statement as of September 30, 2022, December 31, 2022, March 31, 2023 and June 30, 2023 in accordance with the applicable criteria. This responsibility includes maintaining adequate records and internal controls as determined necessary to enable the preparation of the Statement such that it is free from material misstatement, whether due to fraud or error.


4. Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Chartered Accountants issued by the Institute of Chartered Accountants of Pakistan, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 "Quality Control for firms that perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

5. Our responsibility and summary of the work performed

Our responsibility is to carry out an independent reasonable assurance engagement and to express an opinion as to whether the Statement is prepared in accordance with the applicable criteria, based on the procedures we have performed and the evidence we have obtained.



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We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised), 'Assurance Engagements other than audits or reviews of historical financial statements' (ISAE 3000) (Revised) issued by the International Auditing and Assurance Standards Board. That standard requires that we plan and perform this engagement to obtain reasonable level of assurance about whether the Statement is free from material misstatement.

A reasonable assurance engagement in accordance with ISAE 3000 (Revised) involves performing procedures to obtain evidence about the free float of shares and related information in the Statement. The nature, timing and extent of procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error, in the Statement. In making those risk assessments, we considered internal control relevant to the Company's preparation of the Statement. A reasonable assurance engagement also includes assessing the applicable criteria used and significant estimates made by management, as well as, evaluating the overall presentation of the Statement.

We have carried out the procedures considered necessary for the purpose of providing reasonable assurance on the Statement. Our assurance procedures performed included verification of information in the Statement with the underlying data and record comprising of Central Depository Company statements, forms submitted by the Company with Securities & Exchange Commission of Pakistan relating to its pattern of shareholding and other related information. Verification that the computation of free float of shares is in accordance with the PSX regulation also forms part of our assurance procedures.

With respect to identification of associates of an individual as defined in section 2 (ii) (a) of the Securities Act, 2015, we have obtained and relied on management's representations that are based on written declarations from individuals (i.e. directors, sponsors and senior management officers of the company) about their associates.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

6. Opinion

In our opinion, the Statement as of September 30, 2022, December 31, 2022, March 31, 2023 and June 30, 2023 is prepared, in all material respects, in accordance with the PSX Regulations.

7. Restriction on use and distribution

This report is issued in relation to the requirements as stipulated under Regulation No 5.7.2(b)(ii) of the PSX Regulations and is not to be used or distributed for any other purpose. This report is restricted to the facts stated herein and the attachments.

A.F. Ferguson & Co.
Chartered Accountants

Lahore
Date: September 28, 2023




KOHINOOR
ENERGY LIMITED

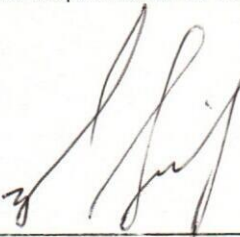
Statement of Free Float of Shares

Descriptions	30-Sep-22	31-Dec-22	31-Mar-23	30-Jun-23
	Quarter-1	Quarter-2	Quarter-3	Quarter-4
Total Outstanding Shares	169,458,614	169,458,614	169,458,614	169,458,614
Less: Government Holdings	-	-	-	-
Less: Shares held by Directors/Sponsors/ Senior Management officers and their associates.	(44,240,560)	(47,312,485)	(47,312,485)	(47,312,485)
Less: Shares in physical form	(64,791,480)	(61,719,555)	(61,719,555)	(61,719,555)
Less: Shares held by Associate Companies / Group companies (Cross Holdings)	-	-	-	-
Less: Shares issued under Employees stock option schemes that cannot be sold in the open market in the normal course	-	-	-	-
Less: Treasury Shares	-	-	-	-
Less: Any other category that are barred from selling at review date	-	-	-	-
Free Float	60,426,574	60,426,574	60,426,574	60,426,574

Basis of Preparation : This Statement is prepared in accordance with the requirements of Regulation No. 5.7.2(b)(ii) of Pakistan Stock Exchange Regulations (PSX Regulations)


Company Secretary




Chief Executive Officer

SAY NO TO CORRUPTION

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

Head Office & Plant: Near Tablighi Ijtama, Raiwind Bypass, Postcode: 55140 Lahore, Pakistan Tel: +92-42-353-92317- 8 Fax: +92-42-353-91285

Registered Office: 301, 3rd Floor, Green Trust Tower, Blue Area, Islamabad, Pakistan Tel: +92-51-281-3021-2 Fax: +92-51-281-3023 E-mail: info@kel.com.pk Web: www.kel.com.pk