

# **KOHINOOR POWER COMPANY LIMITED**

**HALF YEAR REPORT (Un-audited)**  
**31-12-2019**

**BOARD OF DIRECTORS**

Mr. M. Naseem Saigol	Non-Executive / Chairman
Mr. Muhammad Zeid Yousuf Saigol	Chief Executive Officer
Mr. Muhammad Murad Saigol	Non-Executive Director
Mr. Muhammad Omer Farooq	Executive Director
Syed Zubair Ahmad Shah	Independent Director
Mr. Muhammad Asif	Independent Director
Mrs. Sadaf Kashif	Non-Executive Director

**AUDIT COMMITTEE**

Mr. Muhammad Asif	Chairman/Member
Mr. Muhammad Omer Farooq	Member
Syed Zubair Ahmad Shah	Member
Mrs. Sadaf Kashif	Member

**HR & REMUNERATION COMMITTEE**

Mr. Muhammad Asif	Chairman
Mr. M. Naseem Saigol	Member
Mr. Muhammad Zeid Yousuf Saigol	Member

**COMPANY SECRETARY**

Mr. Liaquat Ali

**CHIEF FINANCIAL OFFICER**

Mr. Zahoor Ahmed

**AUDITORS**

M/s Rahman Sarfaraz Rahim Iqbal Rafiq & Co.  
Chartered Accountants

**REGISTRATION NUMBER**

0025880

**NTN**

1351003-7

**WEBSITE**

[www.kpcl.com.pk](http://www.kpcl.com.pk)

**BANKERS**

Al Barka Bank (Pakistan) Limited  
Askari Bank Limited  
Bank Alfalah Limited  
Faysal Bank Limited  
Habib Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
Standard Chartered Bank (Pakistan) Limited  
United Bank Limited

**REGISTERED OFFICE**

17-Aziz Avenue, Canal Bank,  
Gulberg-V, Lahore.  
Tel: 042-35715029-31 Fax: 042-35715105  
E-mail: [shares@saigols.com](mailto:shares@saigols.com)

**WORKS**

Kohinoor Nagar, Faisalabad.  
51-KM, Multan Road, Lahore.

**SHARE REGISTRAR**

M/s Corplink (Pvt.) Limited  
Wings Arcade, 1-K, Commercial,  
Model Town, Lahore  
Tel: 35916714-19, 35839182 Fax: 35869037  
E-mail: [shares@corplink.com.pk](mailto:shares@corplink.com.pk)

## **DIRECTORS' REPORT**

The Directors' of the Company presented before the Shareholders their report alongwith Interim Financial Statements for the period ended December 31, 2019.

During the period under review, the Company earned revenue of Rs. 7.83 million as against Rs. 8.30 million in the corresponding period last year. The Company earned a profit of Rs. 0.562 million as compared to profit of Rs. 11.20 million in the corresponding period last year. The reduction in profit due to decrease in the value of its investment in the equity market. We are hopeful that the reduction in investment in equity stocks will be recovered as stock market index improve in future.

The Board of Directors have considered and given in principle approval for merger / amalgamation of Kohinoor Power Company Limited and Saritow Spinning Mills Limited in terms of the provisions of the Companies Act, 2017. The Scheme of Arrangement for merger / amalgamation are under preparation, it will be presented to the Board in due course for approval and shall be subject to obtaining all requisite permissions / approvals and sanction of the Scheme by the honorable Lahore High Court, Lahore and subject to fulfillment of all requisite legal requirements.

These accounts are prepared on going concern basis as Company's resources are sufficient to meet its obligations. Further, the Company is almost debt free and its assets are available to meet its obligation if any.

## **COMPOSITION OF BOARD**

Composition of the Board of Directors is as under.

TOTAL NUMBER OF DIRECTORS	
Male	6
Female	1
COMPOSITION	
Independent Director	Mr. Muhammad Asif
	Syed Zubair Ahmad Shah
Non-Executive Directors	Mr. M. Naseem Saigol
	Mr. Muhammad Murad Saigol
	Mrs. Sadaf Kashif
Executive Directors	Mr. Muhammad Zeid Yousuf Saigol
	Mr. Muhammad Omer Farooq

## **COMMITTEE'S**

Detail of Committee's of Board is as under.

### **AUDIT COMMITTEE**

Mr. Muhammad Asif	Chairman/Member
Mr. Muhammad Omer Farooq	Member
Syed Zubair Ahmad Shah	Member
Mrs. Sadaf Kashif	Member

### **HR & REMUNERATION COMMITTEE**

Mr. Muhammad Asif	Chairman
Mr. M. Naseem Saigol	Member
Mr. Muhammad Zeid Yousuf Saigol	Member

We wish to thank to the shareholders for their support. We are pleased to record our appreciation of the services rendered by the employees of the company and hope that the same spirit of devotion will continue in future.

For and on behalf of the Board



**M. ZEID YOUSUF SAIGOL**  
Chief Executive

Lahore  
February 28, 2020

**Kohinoor Power Company  
Limited**

**Interim Financial Statements**

*Six month period ended  
December 31, 2019*

**Reviewed**

## **INDEPENDENT AUDITOR'S REVIEW REPORT**

### **To the members of KOHINOOR POWER COMPANY LIMITED** **Report on review of Interim Financial Statements**

#### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of **KOHINOOR POWER COMPANY LIMITED** [the Company] as at December 31, 2019 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures for the three-month period ended December 31, 2019 of the condensed interim statement of profit or loss, condensed interim statement of comprehensive income have not been reviewed as we are required to review only cumulative figures for the six-month period ended on that date.

#### **Scope of Review**

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

#### **Conclusion**

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

#### **Emphasis of Matter**

We draw attention to note 2.2 and 2.3 to the interim financial statements which describes the proposed amalgamation of the Company into Saritow Spinning Mills Limited and the use of going concern assumption in preparation and presentation of these interim financial statements. Our conclusion is not modified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's review report is **ZUBAIR IRFAN MALIK**

**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants

Date: **FEBRUARY 28, 2020**  
Place: **LAHORE**



# KOHINOOR POWER COMPANY LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2019

	Note	December 31, 2019 Rupees (Un-audited)	June 30, 2019 Rupees (Audited)
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<i>Authorized capital</i>			
20,000,000 (June 30, 2019: 20,000,000) ordinary shares of Rs. 10 each		200,000,000	200,000,000
Issued, subscribed and paid-up capital		126,000,000	126,000,000
Share premium		34,000,000	34,000,000
General reserve		235,500,000	235,500,000
Accumulated losses		(251,674,150)	(249,091,712)
<b>TOTAL EQUITY</b>		<b>143,825,850</b>	<b>146,408,288</b>
<b>NON-CURRENT LIABILITIES</b>			
Employees retirement benefits		1,461,225	1,443,904
		1,461,225	1,443,904
<b>CURRENT LIABILITIES</b>			
Trade and other payables		1,664,974	1,106,600
Unclaimed dividend		527,881	527,881
		2,192,855	1,634,481
<b>TOTAL LIABILITIES</b>		<b>3,654,080</b>	<b>3,078,385</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>147,479,930</b>	<b>149,486,673</b>

The annexed notes from 1 to 15 form an integral part of these interim financial statements.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

rsr/r  
for identification only

# KOHINOOR POWER COMPANY LIMITED


## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2019

	Note	December 31, 2019 Rupees (Un-audited)	June 30, 2019 Rupees (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	98,564,283	101,208,427
Investment property	8	4,250,184	4,473,878
		<b>102,814,467</b>	<b>105,682,305</b>
<b>CURRENT ASSETS</b>			
Stores and spares		1,522,100	1,522,100
Trade debts		3,490,710	2,047,855
Advances and other receivables		22,893,543	24,366,288
Short term investments		8,625,265	8,725,915
Current taxation		5,249,263	5,178,835
Cash and bank balances		2,884,582	1,963,375
		<b>44,665,463</b>	<b>43,804,368</b>
<b>TOTAL ASSETS</b>		<b>147,479,930</b>	<b>149,486,673</b>

The annexed notes from 1 to 15 form an integral part of these interim financial statements.

CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

*rsr/r*  
for identification only

# KOHINOOR POWER COMPANY LIMITED

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019

	Note	Six month ended		Three month ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
		Rupees	Rupees	Rupees	Rupees
Revenue		7,830,791	8,305,359	3,915,395	4,473,180
Cost of sales		(7,268,022)	(7,185,031)	(3,640,795)	(3,530,536)
Gross profit		562,769	1,120,328	274,600	942,644
Administrative expenses		(1,919,668)	(1,495,318)	(918,627)	(366,948)
Other expenses		(2,073,413)	(4,193,823)	(426,156)	(3,663,651)
		(3,993,081)	(5,689,141)	(1,344,783)	(4,030,599)
Other income		701,496	-	587,905	-
Operating loss		(2,728,816)	(4,568,813)	(482,278)	(3,087,955)
Finance cost		(21,010)	(1,862)	(13,788)	(580)
Loss before taxation		(2,749,826)	(4,570,675)	(496,066)	(3,088,535)
Taxation	9	51,281	(116,519)	100,223	(68,617)
Loss after taxation		(2,698,545)	(4,687,194)	(395,843)	(3,157,152)
Loss per share - basic and diluted		(0.21)	(0.37)	(0.03)	(0.25)

The annexed notes from 1 to 15 form an integral part of these interim financial statements.

  
CHIEF EXECUTIVE

  
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# KOHINOOR POWER COMPANY LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019

	Six month ended		Three month ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Rupees	Rupees	Rupees	Rupees
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-	-	-
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurements of defined benefit obligation	116,107	-	116,107	-
Other comprehensive income	116,107	-	116,107	-
Loss for the period/year	(2,698,545)	(4,687,194)	(395,843)	(3,157,152)
Total comprehensive loss	(2,582,438)	(4,687,194)	(279,736)	(3,157,152)

The annexed notes from 1 to 15 form an integral part of these interim financial statements.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

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# KOHINOOR POWER COMPANY LIMITED

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019

	Six month ended	
	December 31, 2019	December 31, 2018
	Rupees	Rupees
<b>CASH GENERATED FROM OPERATIONS</b>		
Loss before taxation	(2,749,826)	(4,570,675)
Adjustments for non-cash and other items		
Provision for employees retirement benefits	133,428	95,706
Changes in fair value of short term investments FVTPL	501,401	4,282,532
Loss on disposal of short term investments	2,069,796	-
Depreciation	2,867,838	3,065,298
Dividend income	(82,500)	-
	5,489,963	7,443,536
Operating profit before changes in working capital	2,740,137	2,872,861
Changes in working capital		
Stores and spares	-	(9,975)
Trade debts	(1,442,855)	(1,757,370)
Advances and other receivables	1,472,745	5,000
Trade and other payables	558,374	(289,120)
	588,264	(2,051,465)
Cash generated from operations	3,328,401	821,396
Payments for:		
Income tax	(19,147)	(106,820)
Net cash generated from operating activities	3,309,254	714,576
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of short term investments	(157,969,579)	-
Disposal of short term investments	155,499,032	-
Dividend received	82,500	-
Net cash used in investing activities	(2,388,047)	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	921,207	714,576
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD/YEAR	1,963,375	2,810,985
CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD/YEAR	2,884,582	3,525,561

The annexed notes from 1 to 15 form an integral part of these interim financial statements.

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

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# KOHINOOR POWER COMPANY LIMITED

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019

	Share capital	Capital reserves	Revenue reserves		
	Issued subscribed and paid-up capital	Share premium	General reserve	Accumulated losses	Total equity
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at June 30, 2018 - Audited	126,000,000	34,000,000	235,500,000	(234,840,407)	160,659,593
Comprehensive income					
Loss after taxation	-	-	-	(4,687,194)	(4,687,194)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss	-	-	-	(4,687,194)	(4,687,194)
Transaction with owners	-	-	-	-	-
Balance as at December 31, 2018 - Un-audited	126,000,000	34,000,000	235,500,000	(239,527,601)	155,972,399
Balance as at January 01, 2019 - Un-audited	126,000,000	34,000,000	235,500,000	(239,527,601)	155,972,399
Comprehensive income					
Loss after taxation	-	-	-	(9,474,264)	(9,474,264)
Other comprehensive loss	-	-	-	(89,847)	(89,847)
Total comprehensive loss	-	-	-	(9,564,111)	(9,564,111)
Transaction with owners	-	-	-	-	-
Balance as at June 30, 2019 - Audited	126,000,000	34,000,000	235,500,000	(249,091,712)	146,408,288
Balance as at July 01, 2019	126,000,000	34,000,000	235,500,000	(249,091,712)	146,408,288
Comprehensive income					
Loss after taxation	-	-	-	(2,698,545)	(2,698,545)
Other comprehensive income	-	-	-	116,107	116,107
Total comprehensive loss	-	-	-	(2,582,438)	(2,582,438)
Transaction with owners	-	-	-	-	-
Balance as at December 31, 2019 - Un-audited	126,000,000	34,000,000	235,500,000	(251,674,150)	143,825,850

The annexed notes from 1 to 15 form an integral part of these interim financial statements.

  
CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

  
DIRECTOR

*rsr/r*  
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# KOHINOOR POWER COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019

### 1 LEGAL STATUS AND OPERATIONS

Kohinoor Power Company Limited Limited ['the Company'] was incorporated in Pakistan on December 08, 1991 as a Private Limited Company under repealed Companies Ordinance, 1984 (now Companies Act, 2017) and subsequently converted into Public Limited Company on May 10, 1992. Its shares are listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at 17-Aziz Avenue, Canal Bank, Gulberg-V, Lahore, Pakistan. The Company was initially engaged in generation and sale of electric power.

Subsequently, the Company amended its memorandum of association to include in its objects, leasing out of its machinery and buildings under operating lease arrangements, as and when considered fit.

#### 1.1 Placement on defaulters segment

The Company has been placed on defaulters segment by Pakistan Stock Exchange Limited ['PSX'] under PSX regulations 5.11.1(b) 5.11.1(i).

### 2 BASIS OF PREPARATION

The interim financial statements are un-audited and has been presented in condensed form and do not include all the information as is required to be provided in a full set of annual financial statements. These interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended June 30, 2019.

This interim financial statements have been subjected to limited scope review by the auditors of the company, as required by the Companies Act, 2017 under section 237. The comparative condensed interim statement of financial position as at June 30, 2019 and the related notes to the interim financial statements are based on audited financial statements. The comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and related notes to the condensed interim financial statements for the six month period ended December 31, 2018 are based on unaudited, reviewed interim financial statements. The condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended December 31, 2019 and December 31, 2018 are neither audited nor reviewed.

#### 2.1 Statement of compliance

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

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

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

#### 2.2 Amalgamation with Saritow Spinning Mills Limited

The Board of Directors of the Company and Saritow Spinning Mills Limited in that respective meeting held on October 06, 2018 considered and, in principle, approved amalgamation of the Company into Saritow Spinning Mills Limited ['SSML'] in terms of provisions of the Companies Act, 2017.

The scheme of arrangement will be prepared and presented to the Boards of both Companies in the ensuing year and shall be subject to various legal/regulatory permissions, approvals and sanctions.

The proposed amalgamation, once affected, will result in amalgamation of the Company into SSML and is expected to benefit shareholders of both companies.

#### 2.3 Appropriateness of the Going Concern Assumption

These interim financial statements have been prepared on going concern basis as the proposed amalgamation referred to in note 2.2 will not result in liquidation of the Company or cessation of its operations, but instead the operations of the Company will be continued by SSML for the foreseeable future.

#### 2.4 Basis of measurement

These interim financial statements have been prepared under the historical cost convention except for certain financial instruments at fair value, certain financial liabilities at amortized cost and employees retirement benefits at present value. In these financial statements, except for the amounts reflected in the statement of cash flows, all transactions have been accounted for on accrual basis.

*rsr*  
*for identification only*

# KOHINOOR POWER COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019

### 2.5 Judgments, estimates and assumptions

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

### 2.6 Functional currency

These interim financial statements are prepared in Pak Rupees which is the Company's functional currency.

### 2.7 Date of authorisation for issue

These interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on February 26, 2020.

## 3 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS EFFECTIVE DURING THE PERIOD.

The following new and revised standards, interpretations and amendments are effective in the current period but are either not relevant to the Company or their application does not have any material impact on the interim financial statements of the Company other than presentation and disclosures.

### 3.1 IFRS 16 - Leases (2016)

IFRS 16 - Leases (2016) specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

### 3.2 IFRIC 23 - Uncertainty over Income Tax Treatments

The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

- Whether tax treatments should be considered collectively
- Assumptions for taxation authorities' examinations
- The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- The effect of changes in facts and circumstances

### 3.3 Applying IFRS 9 - Financial Instruments with IFRS 4 - Insurance Contracts (Amendments to IFRS 4 - Insurance Contracts)

IFRS 4 Insurance Contracts have been amended to provide two options for entities that issue insurance contracts within the scope of IFRS 4:

- an option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach;
- an optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach

The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

### 3.4 Prepayment Features with Negative Compensation (Amendments to IFRS 9 - Financial Instruments)

IFRS 9 - Financial Instruments have been amended regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

### 3.5 Long-term Interests in Associates and Joint Ventures (Amendments to IAS 28 - Investments in Associates and Joint Ventures)

IAS 28 - Investments in Associates and Joint Ventures have been amended to clarify that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

*rsr*  
for identification only

# KOHINOOR POWER COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019

### 3.6 Annual Improvements to IFRS Standards 2015 – 2017 Cycle

The annual improvements have made amendments to the following standards:

- **IFRS 3 - Business Combinations and IFRS 11 - Joint Arrangements** - The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
- **IAS 12 - Income Taxes** - The amendments clarify that the requirements in the former paragraph 52B (to recognize the income tax consequences of dividends where the transactions or events that generated distributable profits are recognized) apply to all income tax consequences of dividends by moving the paragraph away from paragraph 52A that only deals with situations where there are different tax rates for distributed and undistributed profits.
- **IAS 23 - Borrowing Costs** - The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings.

### 3.7 Plan Amendment, Curtailment or Settlement (Amendments to IAS 19 - Employee Benefits)

The amendments in Plan Amendment, Curtailment or Settlement (Amendments to IAS 19) are:

- If a plan amendment, curtailment or settlement occurs, it is now mandatory that the current service cost and the net interest for the period after the remeasurement are determined using the assumptions used for the remeasurement.
- In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling.

### 4 NEW AND REVISED STANDARDS, INTERPRETATIONS AND AMENDMENTS NOT YET EFFECTIVE.

	Effective date (annual periods beginning on or after)
IFRS 17 - Insurance contracts (2017)	January 01, 2021
Sale or contribution of assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 - Consolidated Financial Statements and IAS 28 - Investments in Associates and Joint Ventures).	Deferred Indefinitely
Amendments to References to the Conceptual Framework in IFRS Standards	January 01, 2020
Definition of a Business (Amendments to IFRS 3 - Business Combinations)	January 01, 2020
Definition of Material (Amendments to IAS 1 - First-time Adoption of International Financial Reporting Standards and IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)	January 01, 2020
Interest Rate Benchmark Reform (Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurements, and IFRS 7 - Financial Instruments: Disclosures)	January 01, 2020

Other than afore-mentioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan ['SECP']:

IFRS 1 - First Time Adoption of International Financial Reporting Standards  
IFRS 14 - Regulatory Deferral Accounts  
IFRS 17 - Insurance contracts (2017)

The Company intends to adopt these new and revised standards, interpretations and amendments on their effective dates, subject to, where required, notification by Securities and Exchange Commission of Pakistan under section 225 of the Companies Act, 2017 regarding their adoption. The management anticipates that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the Company's financial statements other than in presentation/disclosures.

### 5 ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The accounting policies and methods of computation adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended June 30, 2019.

### 6 CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies since June 30, 2019

*rvs/r*  
for identification only

# KOHINOOR POWER COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019

	December 31, 2019	June 30, 2019
	Rupees	Rupees
	(Un-Audited)	(Audited)
<b>7 PROPERTY AND EQUIPMENT</b>		
Net book value at the beginning of the period/year	98,678,427	106,991,926
Depreciation for the period/year	(2,644,144)	(5,656,062)
Impairment for the period/year	-	(2,657,437)
Net book value at end of the period/year	96,034,283	98,678,427
<b>8 INVESTMENT PROPERTY</b>		
Net book value at the beginning of the period/year	4,473,878	4,970,977
Depreciation for the period/year	(223,694)	(497,099)
	4,250,184	4,473,878

### 9 PROVISION FOR TAXATION

9.1 Provision for current tax has been made in accordance with section 113, 150 and 151 (June 30, 2019: section 150 and 151) of the Income Tax Ordinance 2001 [the Ordinance].

9.2 No provision for deferred tax has been made as the impact of the same is considered immaterial.

### 10 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

Related parties from the Company's perspective comprise associated companies, sponsors and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, and includes the Chief Executive and Directors of the Company. Key management personnel do not draw any compensation from the Company. The Company in the normal course of business carries out various transactions with associated companies and continues to have a policy whereby all such transactions are carried out on commercial terms and conditions which are equivalent to those prevailing in an arm's length transaction. The details of Company's related parties, with whom the Company had transactions during the period/year or has balances outstanding as at the reporting date are as follows:

Name of related party	Nature of relationship	Basis of relationship	Aggregate %age of shareholding in the Company
Pak Elektron Limited	Associated company	Common directorship	23.10%
Saritow Spinning Mills Limited	Associated company	Common directorship	0.00%
Red Communication Arts (Private) Limited	Associated company	Common directorship	0.00%

Details of transactions and balances with related parties is as follows:

		Six months ended	
		December 31, 2019	December 31, 2018
		Rupees	Rupees
		(Un-Audited)	(Un-Audited)
<b>10.1 Transactions with related parties</b>			
	<b>Nature of relationship</b>		
	<b>Nature of transactions</b>		
	Associated companies		
	Advertising expenses	72,000	49,300
	Rental income	7,830,791	7,664,358
		December 31, 2019	June 30, 2019
		Rupees	Rupees
		(Un-Audited)	(Audited)
<b>10.2 Balances with related parties</b>			
	<b>Nature of relationship</b>		
	<b>Nature of balances</b>		
	Associated companies		
	Trade creditors	72,000	-
	Trade debts	3,499,459	2,052,987

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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019

### 11 FINANCIAL INSTRUMENTS

The carrying amounts of the Company's financial instruments by class and category are as follows:

	December 31, 2019	June 30, 2019
	Rupees	Rupees
	(Un-Audited)	(Audited)
<b>Financial assets</b>		
<b>Cash in hand</b>	128,338	94,188
<b>Financial assets at amortized cost</b>		
Trade debts	3,499,459	2,052,987
Advances to employees	480,000	485,000
Advance to stock broker	4,737,671	6,205,416
Cash at bank	2,756,244	1,869,187
	11,473,374	10,612,590
<b>Financial assets mandatorily measured at fair value through profit or loss</b>		
Short term investments <sup>1</sup>	8,625,265	8,725,915
	20,226,977	19,432,693
<b>Financial liabilities</b>		
<b>Financial liabilities at amortized cost</b>		
Trade creditors	712,204	447,141
Accrued liabilities	855,719	555,719
	1,567,923	1,002,860

### 12 FAIR VALUE MEASUREMENTS

#### 12.1 Financial Instruments

##### 12.1.1 Financial instruments measured at fair value

The Company measures some of its financial assets at fair value at the end of each reporting period. Fair value measurements are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements and has the following levels.

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (i.e. derived from prices).

Level 3 Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The fair value hierarchy of assets measured at fair value and the information about how the fair values of these financial instruments are determined are as follows:

#### a) Recurring fair value measurements

Nature of asset	Hierarchy	Valuation techniques/Key inputs	December 31, 2019	June 30, 2019
			Rupees	Rupees
<b>Investments</b>				
Investments in equity securities	Level 1	Quoted prices in an active market	8,625,265	8,725,915

#### b) Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

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# KOHINOOR POWER COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2019

### 12.2 Financial instruments not measured at fair value

The management considers the carrying amount of all financial instruments not measured at fair value to approximate their carrying values.

### 12.3 Assets and liabilities other than financial instruments.

#### 12.3.1 Recurring fair value measurements

For recurring fair value measurements, the fair value hierarchy and information about how the fair values are determined is as follows:

	Level 1	Level 2	Level 3	December 31, 2019	June 30, 2019
				Rupees	Rupees
Plant and machinery	-	97,110,000	-	97,110,000	99,600,000
Investment property					
- Building	-	4,250,184	-	4,250,184	4,473,878

For fair value measurements categorised into Level 2 and Level 3 the following information is relevant:

	Valuation technique	Significant inputs	Sensitivity
<b>Plant and machinery</b>	Cost approach that reflects the cost to the market participants to acquire assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique during the period/year.	Estimated purchase price, including import duties and non-refundable purchase taxes and other costs directly attributable to the acquisition or construction, erection and installation.	A 5% increase in estimated purchase price, including import duties and non-refundable purchase taxes and other directly attributable costs would results in a significant increase in fair value of plant and machinery by Rs. 4.86 million (June 30, 2019: Rs. 4.98 million).
<b>Buildings</b>	Cost approach that reflects the cost to the market participants to construct assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique during the period/year.	Estimated construction costs and other ancillary expenditure.	A 5% increase in estimated construction and other ancillary expenditure would results in a significant increase in fair value of buildings by Rs. 212,509 (June 30, 2019: Rs. 223,694).

There were no transfers between fair value hierarchies during the period/year.

#### 12.3.2 Non-recurring fair value measurements

There are no non-recurring fair value measurements as at the reporting date.

### 13 EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the reporting period that may require adjustment of and/or disclosure in these interim financial statements.

### 14 RECOVERABLE AMOUNTS AND IMPAIRMENT

As at the reporting date, recoverable amounts of all assets/cash generating units are equal to or exceed their carrying amounts, unless stated otherwise in these interim financial statements.

### 15 GENERAL

15.1 There are no other significant activities since June 30, 2019 affecting the interim financial statements.

15.2 Corresponding figures have been re-arranged where necessary to facilitate comparison. However, there are no significant reclassifications during the period.

15.3 Figures have been rounded off to the nearest Rupee.

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

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