

# **KOHINOOR POWER COMPANY LIMITED**

**HALF YEAR REPORT (Un-audited)**

**31-12-2020**

**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**

Askari Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
United Bank Limited  
Sindh 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, 2020.

<b><u>Financial High Lights</u></b>	<b><u>Quarter Ending Dec 31, 2020</u></b>	<b><u>Quarter Ending Dec 31, 2019</u></b>
Net Sales	8.418	7.830
Gross Profit	1.064	0.562
Profit before Tax	0.142	(2.749)
Profit after Tax	0.276	(2.698)
Earing per Share	0.02	(0.21)

**OPERATING FINANCIAL RESULTS**

During the period under review, the Company earned revenue of Rs. 8.418 million as against Rs. 7.830 million in the corresponding period last year. The Company earned a profit of Rs. 1.064 million as compared to profit of Rs. 0.562 million in the corresponding period last year. The increase in profit due to increase in the value of its investment in the equity market.

**FUTURE OUTLOOK**

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.

## **COMPOSITION OF BOARD**

Composition of the Board of Directors is as under.

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

## **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/Member
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 26, 2021

## ڈائریکٹرز رپورٹ

کمپنی کے ڈائریکٹران نے کمپنی شیئرز ہولڈرز کے سامنے ان کی رپورٹ ہمراہ عبوری مالی سٹیٹمنٹ برائے دورانیہ 31 دسمبر 2020 پیش کی۔

### آپریٹنگ نتائج

زیر غور دورانیہ میں کمپنی نے 8,418 ملین روپے کار یونیٹوں کا بجہ گزشتہ سال اسی عرصے میں 7,830 ملین روپے کار یونیٹوں کا بجہ کمپنی نے زیر جائزہ دورانیہ میں 1,064 ملین روپے کا نفع کمایا۔ جبکہ گزشتہ سال اسی عرصے میں 0.562 ملین کا نفع کمایا تھا۔ منافع میں اضافہ ایکویٹ مارکیٹ میں سرمایہ کاری کی قیمت میں اضافہ کی وجہ سے ہے۔

### مستقبل کا نقطہ نظر

بورڈ آف ڈائریکٹرز نے غور و فکر کیا ہے اور کمپنیز ایکٹ 2017 کی دفعات کی شرائط کے مطابق کوو نوڈ پاور کمپنی لمیٹڈ اور ساریٹو سپنگ ملز لمیٹڈ کے انضمام / Amalgamation کی اصولاً منظوری دی ہے۔ انضمام / Amalgamation کی اسکیم تیاری کے مراحل میں ہے اور مناسب وقت پر بورڈ سے منظوری کے لئے پیش کی جائے گی اور یہ اسکیم معزز عدالت لاہور ہائی کورٹ، لاہور سے تمام درکار اجازت / اسکیم کی منظوری اور تمام درکار قانونی ضروریات کی تکمیل سے مشروط ہوگی۔

### بورڈ کی ساخت

بورڈ آف ڈائریکٹرز کی ساخت درج ذیل ہے۔

کل ڈائریکٹرز کی تعداد	
مرد	6
عورت	1
ساخت	
آزاد ڈائریکٹرز	جناب محمد آصف سید زبیر احمد شاہ
نان ایگزیکٹو ڈائریکٹرز	جناب محمد نسیم سہگل جناب محمد مراد سہگل
ایگزیکٹو ڈائریکٹرز	جناب محمد زید یوسف سہگل جناب محمد عمر فاروق
فیمیل ڈائریکٹر	محترمہ مہصف کاشف

### کمیشن

بورڈ کی کمیشن کی تفصیل درج ذیل ہے۔

### آڈٹ کمیٹی

جناب محمد آصف	چیئر مین / ممبر
جناب محمد عمر فاروق	ممبر
سید زبیر احمد شاہ	ممبر
محترمہ مہصف کاشف	ممبر

### ایچ آر اینڈ مینجمنٹ کمیٹی

جناب محمد آصف	چیئر مین / ممبر
جناب محمد نسیم سہگل	ممبر
جناب محمد زید یوسف سہگل	ممبر

ہم تمام حصہ داران کے ہمراہ تعاون کے لئے دل سے مشکور ہیں۔ ہم یہ اعلان کرتے ہوئے خوشی محسوس کرتے ہیں کہ کمپنی اپنے ملازمین کو سراہتے ہوئے یہ امید کرتی ہے کہ وہ اسی انداز میں آئندہ بھی اپنے فرائض سرانجام دیتے رہیں گے۔

لاہور

26 فروری، 2021

منجانب و برائے بورڈ:

محمد زید یوسف سہگل

چیف ایگزیکٹو





## 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, 2020 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, 2020 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 27, 2021**

Place: **LAHORE**



# KOHINOOR POWER COMPANY LIMITED

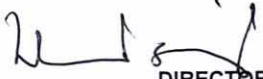
## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

	Note	December 31, 2020 Rupees (Un-audited)	June 30, 2020 Rupees (Audited)
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<i>Authorized capital</i>			
20,000,000 (June 30, 2020: 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		(261,210,514)	(261,486,564)
<b>TOTAL EQUITY</b>		<b>134,289,486</b>	<b>134,013,436</b>
<b>NON-CURRENT LIABILITIES</b>			
Employees retirement benefits		1,819,945	1,714,915
		1,819,945	1,714,915
<b>CURRENT LIABILITIES</b>			
Trade and other payables		744,045	735,820
Unclaimed dividend		527,881	527,881
		1,271,926	1,263,701
<b>TOTAL LIABILITIES</b>		<b>3,091,871</b>	<b>2,978,616</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>137,381,357</b>	<b>136,992,052</b>

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

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

rsr  
for identification only

# KOHINOOR POWER COMPANY LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2020

	Note	December 31, 2020 Rupees (Un-audited)	June 30, 2020 Rupees (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	91,851,154	94,300,139
Investment property	8	3,825,166	4,026,490
		95,676,319	98,326,629
<b>CURRENT ASSETS</b>			
Stores and spares		1,343,323	1,450,000
Trade debts		6,601,147	5,202,869
Advances and other receivables		22,036,133	25,096,888
Short term investments		5,833,125	3,932,150
Current taxation		2,308,047	1,764,883
Cash and bank balances		3,583,263	1,218,633
		41,705,038	38,665,423
<b>TOTAL ASSETS</b>		<b>137,381,357</b>	<b>136,992,052</b>

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

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

rsr  
for identification only



# KOHINOOR POWER COMPANY LIMITED

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

	Note	Six month ended		Three month ended	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
		Rupees	Rupees	Rupees	Rupees
Revenue		8,418,278	7,830,791	4,233,649	3,915,395
Cost of sales		(7,353,940)	(7,268,022)	(3,750,345)	(3,640,795)
Gross profit		1,064,339	562,769	483,305	274,600
Administrative expenses		(1,800,348)	(1,919,668)	(1,014,751)	(918,627)
Other expenses		(41,236)	(2,073,413)	102,708	(426,156)
		(1,841,584)	(3,993,081)	(912,043)	(1,344,783)
Other income		920,455	701,496	261,923	587,905
Operating profit/(loss)		143,209	(2,728,816)	(166,816)	(482,278)
Finance cost		(290)	(21,010)	(290)	(13,788)
Profit/(loss) before taxation		142,919	(2,749,826)	(167,106)	(496,066)
Taxation	9	133,131	51,281	196,615	100,223
Profit/(loss) after taxation		276,050	(2,698,545)	29,509	(395,843)
Earnings/(loss) per share - basic and diluted		0.02	(0.21)	0.00	(0.03)

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 COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

	Six month ended		Three month ended	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	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
Profit/(loss) after taxation	276,050	(2,698,545)	29,509	(395,843)
Total comprehensive income/(loss)	276,050	(2,582,438)	29,509	(279,736)

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 CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

	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, 2019 - Audited	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
Balance as at January 01, 2020 - Un-audited	126,000,000	34,000,000	235,500,000	(251,674,150)	143,825,850
Comprehensive income					
Loss after taxation	-	-	-	(9,670,475)	(9,670,475)
Other comprehensive loss	-	-	-	(141,939)	(141,939)
Total comprehensive loss	-	-	-	(9,812,414)	(9,812,414)
Transaction with owners	-	-	-	-	-
Balance as at June 30, 2020 - Audited	126,000,000	34,000,000	235,500,000	(261,486,564)	134,013,436
Balance as at July 01, 2020	126,000,000	34,000,000	235,500,000	(261,486,564)	134,013,436
Comprehensive income					
Profit after taxation	-	-	-	276,050	276,050
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	276,050	276,050
Transaction with owners	-	-	-	-	-
Balance as at December 31, 2020 - Un-audited	126,000,000	34,000,000	235,500,000	(261,210,514)	134,289,486

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 CASH FLOWS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

	Six month ended	
	December 31, 2020	December 31, 2019
	Rupees	Rupees
<b>CASH GENERATED FROM OPERATIONS</b>		
Profit/(loss) before taxation	142,919	(2,749,826)
Adjustments for non-cash and other items		
Provision for employees retirement benefits	105,030	133,428
Changes in fair value of short term investments FVTPL	37,732	501,401
(Profit)/loss on disposal of short term investments	(882,952)	2,069,796
Depreciation	2,650,310	2,867,838
Dividend income	-	(82,500)
	1,910,120	5,489,963
<b>Operating profit before changes in working capital</b>	<b>2,053,039</b>	<b>2,740,137</b>
<b>Changes in working capital</b>		
Stores and spares	106,677	-
Trade debts	(1,398,278)	(1,442,855)
Advances and other receivables	3,060,755	1,472,745
Trade and other payables	8,225	558,374
	1,777,379	588,264
<b>Cash generated from operations</b>	<b>3,830,418</b>	<b>3,328,401</b>
Payments for:		
Income tax	(410,033)	(19,147)
<b>Net cash generated from operating activities</b>	<b>3,420,385</b>	<b>3,309,254</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of short term investments	(254,643,959)	(157,969,579)
Disposal of short term investments	253,588,204	155,499,032
Dividend received	-	82,500
<b>Net cash used in investing activities</b>	<b>(1,055,755)</b>	<b>(2,388,047)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>2,364,630</b>	<b>921,207</b>
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD/YEAR</b>	<b>1,218,633</b>	<b>1,963,375</b>
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD/YEAR</b>	<b>3,583,263</b>	<b>2,884,582</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

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

### 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, 2020.

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, 2020 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, 2019 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, 2020 and December 31, 2019 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.



# KOHINOOR POWER COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

### 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.

### 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 27, 2021.

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

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

### 3.1 Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework published in March 2018, the IASB also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32. Not all amendments, however update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the framework they are referencing to (the IASC framework adopted by the IASB in 2001, the IASB framework of 2010, or the new revised framework of 2018) or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework.

### 3.2 Definition of a Business (Amendments to IFRS 3 - Business Combinations)

The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They:

- clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs;
- narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs;
- add guidance and illustrative examples to help entities assess whether a substantive process has been acquired;
- remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs; and
- add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

### 3.3 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)

The amendments in Definition of Material (Amendments to IAS 1 and IAS 8) clarify the definition of 'material' and align the definition used in the Conceptual Framework and the standards.

# KOHINOOR POWER COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

### 3.4 Interest Rate Benchmark Reform (Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurements, and IFRS 7 - Financial Instruments: Disclosures)

The amendments in Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7) clarify that entities would continue to apply certain hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform.

### 3.5 Covid-19 - Related Rent Concessions (Amendment to IFRS 16 - Leases)

The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.

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

The following standards, interpretations and amendments are in issue which are not effective as at the reporting date and have not been early adopted by the Company.

	Effective date (annual periods beginning on or after)
IFRS 17 - Insurance contracts (2017)	January 01, 2023
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
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 - First-time Adoption of International Financial Reporting Standards).	January 01, 2023
Reference to the Conceptual Framework (Amendments to IFRS 3 - Business Combinations).	January 01, 2022
Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16 - Property, Plant and Equipment).	January 01, 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37 - Impairment of Assets).	January 01, 2022
Annual Improvements to IFRS Standards 2018-2020.	January 01, 2022
Amendments to IFRS 17	January 01, 2023
Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9 - Financial Instruments, IAS 39 - Financial Instruments: Recognition and Measurements, and IFRS 7 - Financial Instruments: Disclosures, IFRS 4 - Insurance Contracts, IFRS 16 -	January 01, 2021
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, 2020.

## 6 CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies since June 30, 2020

*for identification*



# KOHINOOR POWER COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

	December 31, 2020	June 30, 2020
	Rupees	Rupees
	(Un-Audited)	(Audited)
<b>7 PROPERTY AND EQUIPMENT</b>		
Net book value at the beginning of the period/year	94,300,139	101,208,427
Depreciation for the period/year	(2,448,985)	(5,288,288)
Impairment for the period/year	-	(1,620,000)
Net book value at end of the period/year	91,851,154	94,300,139
<b>8 INVESTMENT PROPERTY</b>		
Net book value at the beginning of the period/year	4,026,490	4,473,878
Depreciation for the period/year	(201,325)	(447,388)
Net book value at end of the period/year	3,825,166	4,026,490

### 9 PROVISION FOR TAXATION

- 9.1 Provision for current tax has been made in accordance with section 113 and 151 (June 30, 2020: 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, 2020	June 30, 2020
		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	-	92,300
	Rental income	8,418,278	16,605,362
		December 31, 2020	June 30, 2020
		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	-	20,300
	Trade debts	6,617,691	5,215,909

for identification only



# KOHINOOR POWER COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2020

### 11 FINANCIAL INSTRUMENTS

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

	December 31, 2020	June 30, 2020
	Rupees	Rupees
	(Un-Audited)	(Audited)
<b>Financial assets</b>		
<i>Cash in hand</i>	57,371	102,344
<i>Financial assets at amortized cost</i>		
Trade debts	6,617,691	5,215,909
Advances to employees	469,000	474,000
Advance to stock broker	4,629,261	7,685,016
Cash at bank	3,525,892	1,168,161
	15,241,844	14,543,086
<i>Financial assets mandatorily measured at fair value through profit or loss</i>		
Short term investments'	5,833,125	3,932,150
	21,132,340	18,577,580
<b>Financial liabilities</b>		
<i>Financial liabilities at amortized cost</i>		
Trade creditors	587,727	33,802
Accrued liabilities	65,030	614,030
	652,757	647,832

### 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. 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, 2020	June 30, 2020
			Rupees	Rupees
<b>Investments</b>				
Investments in equity securities	Level 1	Quoted prices in an active	5,833,125	3,932,150

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

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

rsr/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, 2020

### 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, 2020	June 30, 2020
				Rupees	Rupees
Plant and machinery	-	90,675,000	-	90,675,000	93,000,000
Investment property - Building	-	3,825,166	-	3,825,166	4,026,490
Stores and spares	-	1,343,323	-	1,343,323	1,450,000

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

	Valuation technique	Significant inputs	Sensitivity
Plant and machinery	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. 4.53 million (June 30, 2020: Rs. 4.65 million).
Buildings	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. 191,258 (June 30, 2020: Rs. 201,325).
Stores and spares	Cost approach that reflects the cost to the market participants to acquire assets of comparable utility and age, adjusted for obsolescence and impairment. There was no change in valuation technique during the year.	Estimated purchase price, including import duties and non-refundable purchase taxes and other costs directly attributable to the acquisition.	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 stores and spares by Rs. 67,166 (June 30, 2020: Rs. 72,500).

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.

*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, 2020

### 15 GENERAL

- 15.1 There are no other significant activities since June 30, 2020 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

rsfr  
- Certification only