

KOHINOOR POWER COMPANY LIMITED

ANNUAL REPORT 2021

BOARD OF DIRECTORS

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

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

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

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 30th Annual General Meeting of Shareholders of **KOHINOOR POWER COMPANY LIMITED** will be held on **Thursday, October 28, 2020 at 11:30 A.M.**, at 06-Egerton Road, Opposite LDA Plaza, Lahore to transact the following business: -

1. To confirm the minutes of the last Annual General Meeting held on October 28, 2020.
2. To receive and adopt the Annual Audited Accounts for the year ended June 30, 2021 along with Directors' and Auditors' Reports thereon.
3. To appoint Auditors of the Company to hold office till the conclusion of next Annual General Meeting and to fix their remuneration.
4. Any other business with the permission of the Chair.

By Order of the Board


Company Secretary

Lahore: October 07, 2021

Notes:

1. Share Transfer Books of the Company will remain closed from **October 22, 2021 to October 28, 2021 (both days inclusive)**. Physical transfers/CDS transactions ID's received in order at "Company Registrar office M/s Corplink (Pvt.) Limited", Wings Arcade, 1-K, Commercial Model Town, Lahore on or before **October 21, 2021** will be treated in time.
2. A member entitled to attend and vote at this Meeting may appoint another Member as his/her proxy. Proxies in order to be effective, must be received at 17-Aziz Avenue, Canal Bank, Gulberg-V, Lahore the Registered Office of the Company not later than forty-eight hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
3. Members whose shares are deposited with Central Depository System are requested to bring their original National Identity Cards or original Passports along with their Account Numbers in Central Depository System for attending the meeting.
4. Members are requested to notify the Company change in their addresses, if any.
5. Annual Audited Financial Statements of the Company for the Financial Year ended June 30, 2021 have been placed on the Company's website i.e. www.kpcl.com.pk

6. Submission of Copy of CNIC/NTN Details (Mandatory)

Pursuant to the directives of the Securities and Exchange Commission of Pakistan CNIC number of individuals is mandatorily required to be mentioned on dividend warrants and pursuant to the provisions of Finance Act 2018, the rate of deduction of income tax under section 150 of the Income Tax Ordinance 2001 from dividend payment have been revised as : for filers of Income Tax return 15.00% and Non-filers of Income Tax return 30.00%.

7. Payment of Cash Dividend Electronically

As per provision of Section 242 of Companies Act, 2017 any dividend payable in cash shall only be paid through electronic mode directly in to the bank account designated by the entitled shareholders. The shareholders are requested to provide their folio number, name and details of bank account consisting of bank name, branch name, branch code, Account number, Title of Account and IBAN in which they desire their dividend to be credited, failing which the Company will be unable to pay the dividend through any other mode. Standard request form has also been placed on website of the Company. The members are requested to send the information on the same to our share's registrar (M/s Corplink Private Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore.) at the earliest possible.

In case shares are held in CDC then the form must be submitted directly to shareholder's broker/participant/CDC Investor account services.

8. Transmission of Annual Financial Statements through E-mail

The Securities and Exchange Commission of Pakistan vide SRO 787(I)/2014 dated September 08, 2014 has allowed companies to circulate annual balance sheet, profit & loss account, auditors' and directors' reports along with notice of annual general meeting to its members through e-mail. Members who wish to avail this facility can give their written consent. Standard request form has also been placed on website of the Company. The members are requested to send the information on the same to our share's registrar (M/s Corplink Private Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore.)

9. Transmission of Annual Financial Statements through CD/DVD/USB

SECP through its SRO 470(I)/2016 dated May 31, 2016 have allowed companies to circulate the annual balance sheet, profit and loss account, auditors' report and directors' report etc to its members through CD/DVD/USB at their registered addresses. However, a shareholder may request to the Company Secretary at 17- Aziz Avenue, Canal Bank, Gulberg-V, Lahore to provide printed copy of Annual Financial Statements and the same will be provided at his/her registered address, free of cost, within one week of the demand.

10. Zakat Declarations (CZ-50)

The Zakat will be deducted from the dividends at source at the rate of 2.5% of the paid-up value of the shares (Rs. 10/- each) under Zakat and Ushr Laws and will be deposited within the prescribed period with the relevant authority, Please submit your Zakat Declarations under Zakat and Ushr Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 CZ-50 Form, in case you want to claim exemption, with your brokers or the Central Depository Company Ltd. (in case the shares are held in Investor Account Services on the CDC) or to our Registrars, M/s Corplink Private Limited, 1-K, Commercial Model Town, Lahore (in case the shares are held in paper certificate form). The shareholders while sending the Zakat Declarations, as the case may be must quote company name and respective folio numbers.

اطلاع برائے سالانہ اجلاس عام

بذریعہ نوٹس بلد مطلع کیا جاتا ہے کہ کوئٹہ پاور کمپنی لمیٹڈ کے حصص داران کا تیسواں (30th) سالانہ اجلاس عام 28 اکتوبر 2021 بروز جمعرات 11:30 بجے صبح 06-ایچ ٹی روڈ، ہلقتا مل LDA Plaza، لاہور میں درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔

- 1-28 اکتوبر 2020 کو منعقد ہونے والے سالانہ اجلاس عام کی کارروائی کی تصدیق۔
- 2- مالی سال ختم 30 جون 2021 کی بابت کمپنی کے سالانہ ڈٹ شدہ حسابات بھراہ پڑاؤ کیٹران و آڈیٹران کی رپورٹس کی وصولی اور ان کی قبولیت۔
- 3- اگلے سالانہ اجلاس عام کے اختتام تک عہدہ پر رہنے کیلئے کمپنی کے آڈیٹران کا تقرر اور ان کے صلہ خدمت کا تعین۔
- 4- صاحب صدر کی اجازت سے کسی دیگر امر پر کارروائی۔

بھگم پورڈ
کمپنی سیکرٹری

لاہور: 07 اکتوبر 2021

نوٹس:

- 1- کمپنی کی حصص کی منتقلی کی کتابیں 22 اکتوبر 2021 تا 28 اکتوبر 2021 (بشمول دونوں ایام) بند رہیں گی۔ کمپنی کے شیئرز رجسٹر آف ایس ایم ایس کارپ لنک (پرائیویٹ) لمیٹڈ، بنگلہ آرکیڈ، 1-K، کمرشل، ماڈل ٹاؤن، لاہور میں وصول ہونے والی منتقلیاں (بشمول CDS/Physical) 21 اکتوبر 2021 کو کاروبار بند ہونے تک قابل قبول ہوں گی۔
- 2- اجلاس میں شرکت اور ووٹ دینے کا اہل ممبر پر کسی مقرر کر سکتا ہے۔ پراکسیاں تا آئندہ موثر ہو سکیں، اجلاس کے وقت سے 48 گھنٹے قبل کمپنی کے صدر دفتر (17- عزیز ایونیو، کینال بینک بک، لاہور) میں لازماً وصول ہونی چاہئیں اور باقاعدہ ممبر زدہ، دستخط شدہ اور گواہ شدہ ہونی چاہئیں۔
- 3- وہ ممبران جن کے نام حصص سنٹرل ڈیپازٹری سسٹم میں ہیں انہیں اس سے کہ وہ اپنے اصلی شناختی کارڈ یا پاسپورٹ اور سنٹرل ڈیپازٹری سسٹم میں اپنے اکاؤنٹ نمبر اجلاس میں شرکت کیلئے ہمراہ لائیں۔
- 4- ممبران سے التماس ہے کہ اپنے پتہ میں کسی بھی تبدیلی کی صورت میں کمپنی کو مطلع فرمادیں۔
- 5- 30 جون 2021 کو ختم ہونے والے مالی سال کے کمپنی کے سالانہ آڈیٹڈ اکاؤنٹس کمپنی کی ویب سائٹ www.kpcl.com.pk پر جاری کر دیئے گئے ہیں۔

6- کمپیوٹرائزڈ قومی شناختی کارڈ/ میٹلکس نمبر کی نقول کی حوالگی (لازمی)

سیکچرٹری اینڈ ایگزیکٹو کمیشن آف پاکستان کی ہدایت کے تحت ڈیوئیڈ اینڈ وارنٹ پر شیئرز ہولڈرز کے کمپیوٹرائزڈ قومی شناختی کارڈ ہونا لازمی ہے۔ فنانس ایکٹ 2019 کے تحت کی جانے والی ترمیم کے مطابق ڈیوئیڈ اینڈ پراکسیاں پر آگسٹ 2001 کے سیکشن 150 کے تحت دوہولڈنگ ٹیکس کی کوئی فائلر کیلئے 15 فیصد اور نان فائلر کیلئے 30 فیصد ہوگی۔

7- منافع کی الیکٹرونک ادائیگی

نمبر 2017 ایکٹ کے سیکشن 242 کے تحت کوئی بھی قابل ادائیگی منافع شیئرز ہولڈرز کے بتائے گئے اکاؤنٹ میں الیکٹرانکلی جمع کروایا جائے گا۔ تمام حصہ داران سے استدعا کی جاتی ہے کہ وہ اپنے فوئیو نمبر اور نام کے ساتھ بینک اکاؤنٹ کی تفصیلات جیسے بینک کا نام، برانچ کا نام، اکاؤنٹ نمبر، اکاؤنٹ نمبر اور IBAN جس میں وہ منافع لینا چاہتے ہیں فراہم کریں کیونکہ اس کے بغیر کمپنی کسی اور طریقے سے ادائیگی کرنے سے قاصر ہے۔ تجویز کردہ درخواست فارم کمپنی کی ویب سائٹ پر موجود ہے۔ تمام ممبرز سے التماس ہے کہ درج بالا معلومات کمپنی کے شیئرز رجسٹر (میسرز کارپ لنک پرائیویٹ لمیٹڈ، بنگلہ آرکیڈ، 1-K، کمرشل، ماڈل ٹاؤن، لاہور) کو فوری ارسال کریں۔

شیئرز CDC میں ہونے کی صورت میں تمام حصہ داران کے بروکرز / شرکت دار اور CDC حصہ دار کو ارسال کر دیا جائے گا۔

8- سالانہ مالی رپورٹ کی ترسیل بذریعہ E-mail

سیکچرٹری اینڈ ایگزیکٹو کمیشن آف پاکستان کے سرکلر نمبر 787(1) 2014 مورخہ 8 ستمبر 2014 کے تحت کمپنیوں کو اپنے سالانہ تیلنس شیٹ، منافع اور نقصان کے کھاتے، آڈیٹرز اور ڈائریکٹرز رپورٹ کے ساتھ سالانہ اجلاس عام کے نوٹس کو بذریعہ ای میل فراہم کرنے کی اجازت دی ہے۔ وہ ممبران جو اس سہولت سے فائدہ اٹھانا چاہتے ہیں وہ تحریری طور پر مطلع کریں۔ تجویز کردہ درخواست فارم ہماری ویب سائٹ پر موجود ہے۔ ممبرز سے گزارش ہے کہ درکار تفصیلات ہمارے شیئرز رجسٹر (کارپ لنک پرائیویٹ لمیٹڈ، بنگلہ آرکیڈ، 1-K، کمرشل، ماڈل ٹاؤن، لاہور) کو ارسال کریں۔

9- سالانہ مالی رپورٹ کی ترسیل بذریعہ CD/DVD/USB

سیکچرٹری اینڈ ایگزیکٹو کمیشن آف پاکستان کے سرکلر نمبر 787(1) 2014 مورخہ 31 مئی 2016 کے تحت کمپنی کے سالانہ اکاؤنٹس، نفع اور نقصان کے کھاتے، آڈیٹرز رپورٹ اپنے ممبرز کو CD/DVD/USB پر ممبرز کے رجسٹرڈ پتہ پر فراہم کرنے کی اجازت دی ہے۔ تاہم کوئی بھی حصہ دار چھپے ہوئے سالانہ مالیاتی گوشوارے حاصل کرنے کیلئے کمپنی سیکرٹری کو (17- عزیز ایونیو، کینال بینک بک، لاہور) پر درخواست بھیج سکتا ہے، جو کہ اس کو بغیر کسی معاوضہ کے طلب کے 7 دن کے اندر اندر فراہم کئے جائیں گے۔

10- زکوٰۃ ڈیکلیریشن (CZ-50)

زکوٰۃ اور عشوائی من کے تحت ڈیوئیڈ اینڈ سے زکوٰۃ کی کوئی شیئرز کی ادائیگہ رقم (10 روپے فی حصص) پر 2.5 فیصد کے حساب سے کی جائے گی اور متعلقہ اتھارٹیز کو ترمیم میں جمع کروادی جائے گی۔ برائے مہربانی استغنی کے خواہشمند افراد زکوٰۃ اور عشوائی منس 1980 CZ-50 فارم زکوٰۃ کے قوانین (کنوٹی اور واپسی) کے قانون نمبر 4 کے تحت اپنے زکوٰۃ ڈیکلیریشن فارم اپنے بروکر یا سنٹرل ڈیپازٹری کمپنی لمیٹڈ (شیئرز کے انوئیٹرا کا ڈٹس سرورسز میں CDC میں ہونے کی صورت میں) یا ہمارے شیئرز رجسٹر آف کارپ لنک (پرائیویٹ) لمیٹڈ، بنگلہ آرکیڈ، 1-K، کمرشل، ماڈل ٹاؤن، لاہور کو ارسال کریں (شیئرز کے پیپر شپلیٹ کی صورت میں ہونے پر)۔ شیئرز ہولڈرز زکوٰۃ ڈیکلیریشن ارسال کرتے ہوئے اپنی کمپنی کا نام اور ان کے متعلقہ فوئیو نمبر ضرور فراہم کریں۔

CHAIRMAN'S REVIEW

For the year ended June 30, 2021

It gives me great pleasure to present the Annual Report for the year ended June 30, 2021, to our valued members and stakeholders and to apprise them of the overall performance and effectiveness of the Board.

The Board of Directors of Kohinoor Power Company Limited is performing its duties in accordance with law and in the best interest of the Company and its shareholders as required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of the Company is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company.

For the financial year ended June 30, 2021, the Board's overall performance and effectiveness has been assessed as satisfactory. This is based on an evaluation of integral components, including vision, mission and values; engagement in strategic planning; formulation of policies; monitoring the organization's business activities; monitor financial resource management.

I am grateful to our shareholders who show their trust by investing in us and our customers who recognize us as their business partner. I am also appreciative of the many contributions of my fellow Board members and their dedication to the success of the Company. We remain committed to maintaining this trust in years to come with stellar financial performance.

CHAIRMAN OF THE BOARD

A handwritten signature in dark ink, appearing to read 'M. Naseem Saigol', with a stylized, flowing script.

M. NASEEM SAIGOL

چیرمین جائزہ رپورٹ:

برائے سال 30 جون، 2021

میں 30 جون، 2021 کو ختم ہونے والے سال کی سالانہ رپورٹ اپنے قابل قدر ممبران اور اسٹیک ہولڈرز کے سامنے پیش کرنے اور بورڈ کی مجموعی کارکردگی اور تاثیر سے آگاہ کرنے میں بڑی خوشی محسوس کر رہا ہوں۔

کوہنورپاور کمپنی لمیٹڈ کے بورڈ آف ڈائریکٹرز اپنے فرائض قانون کے مطابق انجام دے رہے ہیں اور کوڈ آف کارپوریٹ گورننس کے تحت کمپنی اور اس کے شیئر ہولڈرز کے بہترین مفاد میں کمپنی کے بورڈ آف ڈائریکٹرز کا سالانہ جائزہ لیا جاتا ہے۔ اس تشخیص کا مقصد یہ یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور تاثیر کو کمپنی کے لیے طے شدہ مقاصد کے تناظر میں توقعات کے خلاف پینالز اور پیچ مارک کیا جائے۔

30 جون، 2021 کو ختم ہونے والے مالی سال کے لیے، بورڈ کی مجموعی کارکردگی اور تاثیر کا اندازہ اطمینان بخش رہا ہے۔ یہ لازمی اجزاء کی تشخیص پر مبنی ہے بشمول وزن، مشن اور اقدار، اسٹریٹجک منصوبہ بندی میں مشغولیت، پالیسیوں کی تشکیل، کمپنی کی کاروباری سرگرمیوں کی نگرانی، مالی وسائل کے انتظام کی نگرانی۔

میں، ہمارے شیئر ہولڈرز کا شکر گزار ہوں جو ہم میں سرمایہ کاری کر کے اور اپنے صارفین کو جو ہمیں اپنے بزنس پارٹنر کے طور پر، اپنے اعتماد کا اظہار کرتے ہیں۔ میں اپنے ساتھی بورڈ ممبرز کی خدمات اور کمپنی کی کامیابی کے لیے ان کی لگن کا بھی شکر گزار ہوں۔ ہم شاندار مالی کارکردگی کے ساتھ آنے والے سالوں میں اس اعتماد کو برقرار رکھنے کے لیے پرعزم ہیں۔

ایم نسیم سہگل

چیرمین

DIRECTORS' REPORT

The Directors of the Company presented before the shareholders the 30th Annual Report along with audited Financial Statements of the Company for the year ended June 30, 2021.

During the period under review the company continued to lease its engine to Saritow Spinning Mills Limited. In addition to this, the Company also invested in the equity market and rented its building. As a result, Company earned revenue of Rs. 17.114 million as compared to 16.605 million in the corresponding period last year. The Company suffered loss after taxation of Rs. 2.156 million as compared to loss of Rs. 12.289 million with an EPS of Rs. (0.17) in comparison to Rs. (0.98) in the corresponding period last year. Reduction in loss due to increase in value of its investment in the equity market and reduction in administrative expenses of the Company.

The management is confident that recovery of stock market would have more positive impact in future on the viability of the Company.

The Board of Directors has given in-principle approval for merger / amalgamation of Kohinoor Power Company Limited with and into Saritow Spinning Mills Limited in terms of the provisions of the Companies Act, 2017. In this regard, the Scheme of Arrangement will be presented to the Board in near future which shall be subject to requisite approvals and regulatory permission and sanction by the honorable Lahore High Court, Lahore.

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 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 Boards



M. ZEID YOUSUF SAIGOL
Chief Executive



M. OMER FAROOQ
Director

Lahore
October 06, 2021

DIRECTORS' REPORT

FORM 34

THE COMPANIES ACT, 2017
(Section 227(2)(f))
PATTERN OF SHAREHOLDING

1.1 Name of the Company

KOHINOOR POWER COMPANY LIMITED

2.1. Pattern of holding of the shares held by the shareholders as at

30-06-2021

-----Shareholdings-----			
2.2 No. of Shareholder	From	To	Total Shares Held
305	1	100	7,848
245	101	500	73,706
227	501	1,000	184,543
270	1,001	5,000	679,586
76	5,001	10,000	585,400
29	10,001	15,000	383,203
21	15,001	20,000	400,350
14	20,001	25,000	328,025
8	25,001	30,000	222,528
6	30,001	35,000	197,570
5	35,001	40,000	196,500
5	40,001	45,000	219,000
6	45,001	50,000	299,000
3	50,001	55,000	161,500
1	60,001	65,000	62,500
2	65,001	70,000	137,750
2	80,001	85,000	164,500
3	85,001	90,000	268,163
1	90,001	95,000	91,500
4	95,001	100,000	400,000
1	100,001	105,000	105,000
1	120,001	125,000	125,000
1	215,001	220,000	217,000
1	325,001	330,000	327,500
1	420,001	425,000	424,717
1	590,001	595,000	592,011
1	2,830,001	2,835,000	2,835,000
1	2,910,001	2,915,000	2,910,600
1241			12,600,000

DIRECTORS' REPORT

KOHINOOR POWER COMPANY LIMITED

Catagories of Shareholding required under Listed Companies (Code of Coprorate Governance) Regulations, 2019
As on June 30, 2021

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties:			
1	KOHINOOR INDUSTRIES LIMITED (CDC)	2,835,000	22.5000
2	PAK ELEKTRON LIMITD (CDC)	2,910,600	23.1000
Mutual Funds:			
1	SAFEWAY MUTUAL FUND LIMITED	945	0.0075
Directors and their Spouse and Minor Chidren:			
1	MR. M. NASEEM SAIGOL	1,312	0.0104
2	MR. MUHAMMAD ZEID YOUSUF SAIGOL	500	0.0040
3	MR. MUHAMMAD MURAD SAIGOL	500	0.0040
4	MR. MUHAMMAD OMER FAROOQ	525	0.0042
5	MR. MUHAMMAD ASIF	500	0.0040
6	MRS. SADAF KASHIF	500	0.0040
7	SYED ZUBAIR AHMAD SHAH	500	0.0040
Executives:		-	-
Public Sector Companies & Corporations:		-	-
Banks, Development Finance Institutions, Non Banking Finance Institutions, Insurance Companies, Modarabas and Pension Funds:		632,265	5.0180
Shareholders holding five percent or more voting interest in the listed company			
1	KOHINOOR INDUSTRIES LIMITED (CDC)	2,835,000	22.5000
2	PAK ELEKTRON LIMITD (CDC)	2,910,600	23.1000
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
	NIL		

DIRECTORS' REPORT

Categories of Shareholders	No. of Shareholders	Share held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	7	4,337	0.0344
Associated Companies, undertakings and related party	2	5,745,600	45.6000
NIT and ICP	1	200	0.0016
Banks Development Financial Institutions Non Banking Financial Institution	5	13,726	0.1089
Insurance Companies	1	592,011	4.6985
Modarabas and Mutual Funds	1	945	0.0075
General Public	1,204	5,878,653	46.6560
Others (to be specified)			
Pension Funds	1	26,528	0.2105
Other Companies	1	931	0.0074
Joint Stock Companies	14	329,017	2.6112
Foreign Companies	4	8,052	0.0639
	<u>1,241</u>	<u>12,600,000</u>	<u>100.0000</u>

پیٹرن آف شیئر ہولڈنگ

30 جون 2021

نمبر شمار	کمپنی آف شیئر ہولڈرز	تعداد حصص داران	تعداد حصص	فیصد
1	ڈائریکٹرز، چیف ایگزیکٹو آفیسر، ان کی بیویاں اور چھوٹے بچے۔	7	4,337	0.0344
2	ایسوسی ایٹڈ کمپنیز، انڈر ٹیکنز اور متعلقہ پارٹی۔	2	5,745,600	45.6000
3	این آئی ٹی اور آئی سی پی	1	200	0.0016
4	بینک، ڈیولپمنٹ فنانس انسٹی ٹیوشنز، نان بینکنگ فنانس انسٹی ٹیوشنز	5	13,726	0.1089
5	انسورنس کمپنیز	1	592,011	4.6985
6	مدار بہ اور میوچل فنڈز	1	495	0.0075
7	عام عوام	1,204	5,878,653	46.6560
8	دوسرے (مخصوص کیا جائے گا)			
	پینشن فنڈز	1	26,528	0.2105
	دوسری کمپنیز	1	931	0.0074
	جوائنٹ سٹاک کمپنیز	14	329,017	2.6112
	غیر ملکی کمپنیز	4	8,052	0.0639
	کل تعداد	1,241	12,600,000	100.0000

تعداد حصص

5,745,600

945

4,337

-

-

632,265

5,745,600

ایسوسی ایٹڈ کمپنیز، انڈر ٹیکنز اور متعلقہ پارٹی۔

میوچل فنڈز

ڈائریکٹرز، چیف ایگزیکٹو آفیسر، ان کی بیویاں اور چھوٹے بچے۔

ایگزیکٹوز

پبلک سیکورٹیز اور کارپوریشنز

بینک، ڈیولپمنٹ فنانس انسٹی ٹیوشنز، نان بینکنگ فنانس انسٹی ٹیوشنز، انسورنس کمپنیز، مدار بہ اور پینشن فنڈز

پانچ فیصد یا اس سے زیادہ کے حصص داران

لسٹڈ کمپنیز میں ڈائریکٹرز، ای ای او، ای ایف او، کمپنی سیکرٹری، ان کی بیویاں اور چھوٹے بچوں کے حصص کی خرید و فروخت

نمبر شمار	نام	فروخت	خرید
			کوئی نہیں

STATEMENT IN COMPLIANCE OF THE CODE OF CORPORATE GOVERNANCE

The Directors state that: -

- a) The Financial Statements, prepared by the management, present a true and fair state of affairs of the company, the results of its operations, cash flows and changes in equity.
- b) Proper books of accounts have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of Financial Statements.
- e) The system of internal control is sound in design and has been effectively implemented and maintained at all levels within the Company.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
- h) Significant deviation from last year in operating results of the Company and reasons thereof have been explained.
- i) The Key Operating and Financial Data of last six years are annexed.
- j) There are no outstanding statutory payments on account of taxes, duties, levies and charges except as shown in notes to the accounts.
- k) There are no significant plans for corporate restructuring, business expansion and discontinuation of operations except for improvement in the normal business activities to increase the business.
- l) The Company is operating an unfunded Gratuity Fund which was not invested and was retained for business of the Company.
- m) Directors' Meetings of the Board of Directors of the Company during the year under review were Four held on October 07, 2020, October 28, 2020, February 26, 2021 and April 30, 2021.

Following was the attendance of the Directors: -

<u>NAME OF DIRECTORS</u>	<u>NO. OF MEETINGS ATTENDED</u>
Mr. M. Naseem Saigol	3
Mr. Muhammad Zeid Yousuf Saigol	3
Mr. Muhammad Murad Saigol	3
Mr. Muhammad Omer Farooq	4
Mr. Muhammad Asif	4
Mrs. Sadaf Kashif	4
Syed Zubair Ahmad Shah	3

- n) During the period under review no Director, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouses and minor children sell, buy or take any position in the shares of the Company except as mentioned in Categories of Shareholding required under Code of Corporate Governance.

Pattern of Shareholding

A statement showing pattern of shareholding as on June 30, 2021 is annexed.

Acknowledgment

The Directors of your company take this opportunity to thank the entire stakeholders for their continued support. Your directors also placed on record their appreciation for the contribution made by the employees at all levels.

For and on behalf of the Board



M. ZEID YOUSUF SAIGOL
Chief Executive Officer

Lahore: October 06, 2021

**STATEMENT OF COMPLIANCE WITH LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

Name of company: **KOHINOOR POWER COMPANY LIMITED**
Year ending: **JUNE 30, 2021**

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

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

- a) Male: **Six**
- b) Female: **One**

2. The composition of board is as follows:

Category	Names
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

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 the 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 the 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 have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Board has arranged Directors' Training program for the following:
- 1. Mr. M. Naseem Saigol (Exempted)
 - 2. Mr. Muhammad Zeid Yousuf Saigol (DTP)
 - 3. Mr. Muhammad Murad Saigol (DTP)
 - 4. Mr. Muhammad Omer Farooq (DTP)
 - 5. Mrs. Sadaf Kashif -
 - 6. Syed Zubair Ahmad Shah (Exempted)
 - 7. Mr. Muhammad Asif (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. -

a) Audit Committee:

1. Mr. Muhammad Asif
2. Mr. Muhammad Omer Farooq
3. Syed Zubair Ahmad Shah
4. Mrs. Sadaf Kashif

b) HR and Remuneration Committee:

1. Mr. Muhammad Asif
2. Mr. M. Naseem Saigol
3. Mr. Muhammad Zeid Yousuf Saigol

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:

1. October 07, 2020
2. October 28, 2020
3. February 26, 2021
4. April 30, 2021

b) HR and Remuneration Committee:

1. October 07, 2020

15. The Board has set up an effective internal audit function/ or has outsourced the internal audit function to who are 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 requirements of the Regulations 3, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with. Explanation as required under the Regulation 6(1) is mentioned below;

“The Company currently has two elected independent directors out of total seven directors on the Board. Both the independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; therefore, not warrant the appointment of a third independent director.”



(M. NASEEM SAIGOL)
Chairman

KOHINOOR POWER COMPANY LIMITED

SIX YEARS AT A GLANCE

(Rupees in '000)

PARTICULARS	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16
<u>Financial Position</u>						
Paid up capital	126,000	126,000	126,000	126,000	126,000	126,000
Reserves	269,500	269,500	269,500	269,500	269,500	269,500
Fixed asset at cost	324,326	324,326	324,326	321,796	316,842	316,842
Accumulated Depericiation	234,923	230,025	223,117	214,804	203,864	197,453
Investment Property	3,624	4,026	4,474	4,971	5,523	6,137
Current Assets	40,221	38,665	43,804	52,109	65,725	65,455
Current Liabilities	1,391	1,264	1,634	2,216	3,442	4,442
<u>Income</u>						
Sales / Revenue	17,114	16,605	15,430	15,118	16,075	4,605
Other Income	1,229	286	862	963	1,841	202
Otther Operating Expenses	4,472	4,836	8,121	9,130	-	1,246
Gross Profit	2,275	709	(1,485)	(7,295)	1,944	1,751
Pre tax profit / (Loss)	(1,988)	(12,289)	(13,908)	(18,796)	(6,850)	(8,875)
Taxation	(168)	(80)	(253)	(255)	808	(1,228)
Profit / Loss after taxation	(2,157)	(12,369)	(14,161)	(19,051)	(6,042)	(10,103)
Unappropriated profit / (Loss)	(263,643)	(261,487)	(249,092)	(234,840)	(215,721)	(210,010)
<u>STATISTICS AND RATIOS</u>						
Gross profit to sales %	13.29%	4.27%	(9.62)%	(48.25)%	12.09%	38.02%
Pre tax profit / (Loss) to capital %	(1.58)%	(9.75)%	(11.04)%	(14.92)%	(5.05)%	(7.58)%
Current ratio	28.92	30.59	26.81	23.51	19.09	14.74
Paid up value per share (Rs.)	10	10	10	10	10	10
Earning after tax per share (Rs.)	(0.17)	(0.98)	(1.12)	(1.51)	(0.48)	(0.82)
Cash dividen %	-	-	-	-	-	-

INDEPENDENT AUDITOR'S REPORT

To the members of KOHINOOR POWER COMPANY LIMITED Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **KOHINOOR POWER COMPANY LIMITED** ['the Company'], which comprise the statement of financial position as at **30 June 2021**, the statement of profit or loss, the statement of 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, the statement of 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 30 June 2021 and of the profit, 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.

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 auditor's 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.

RSRIR

Board of directors is 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 user 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, the statement of 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;

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- 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 **ZUBAIR IRFAN MALIK**.


RAHMAN SARFARAZ RAHIM IQBAL RAFIQ
Chartered Accountants
Lahore: 06 October 2021



KOHINOOR POWER COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
<i>Authorized share capital</i>	6	126,000,000	126,000,000
Issued share capital	7	126,000,000	126,000,000
Share premium	8	34,000,000	34,000,000
General reserve	9	235,500,000	235,500,000
Retained earnings		(263,643,162)	(261,486,564)
TOTAL EQUITY		131,856,838	134,013,436
NON-CURRENT LIABILITIES			
Employees retirement benefits	10	-	1,714,915
CURRENT LIABILITIES			
Trade and other payables	11	862,747	735,820
Unclaimed dividend	12	527,881	527,881
		1,390,628	1,263,701
TOTAL LIABILITIES		1,390,628	2,978,616
CONTINGENCIES AND COMMITMENTS			
	13		
TOTAL EQUITY AND LIABILITIES		133,247,466	136,992,052

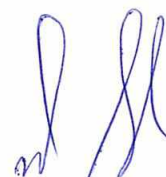
The annexed notes from 1 to 44 form an integral part of these financial statements.



Director



Chief Financial Officer



Chief Executive

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for identification only

KOHINOOR POWER COMPANY LIMITED

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
ASSETS			
NON-CURRENT ASSETS			
Machinery and equipment	14	89,402,168	94,300,139
Investment property	15	3,623,841	4,026,490
		93,026,009	98,326,629
CURRENT ASSETS			
Stores and spares	16	1,249,661	1,450,000
Lease rentals receivable	17	7,566,750	5,202,869
Advances and other receivables	18	21,132,669	25,096,888
Short term investments	19	5,570,740	3,932,150
Current taxation	20	2,599,434	1,764,883
Cash and bank balances	21	2,102,203	1,218,633
		40,221,457	38,665,423
TOTAL ASSETS		133,247,466	136,992,052

The annexed notes from 1 to 44 form an integral part of these financial statements.



Director



Chief Financial Officer



Chief Executive

RSRIR
for identification only

KOHINOOR POWER COMPANY LIMITED

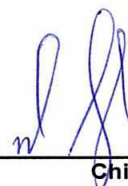
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
Rental income	22	17,114,327	16,605,362
Cost of sales	23	(14,839,351)	(15,896,603)
Gross profit		2,274,976	708,759
Administrative expenses	24	(4,471,863)	(4,836,211)
Other expenses	25	(1,016,587)	(8,426,828)
		(5,488,450)	(13,263,039)
Other income	26	(3,213,474)	(12,554,280)
		1,228,525	286,143
Operating loss		(1,984,949)	(12,268,137)
Finance cost	27	(3,308)	(21,342)
Loss before taxation		(1,988,257)	(12,289,479)
Provision for taxation	28	(168,341)	(79,541)
Loss after taxation		(2,156,598)	(12,369,020)
Loss per share - basic and diluted	29	(0.17)	(0.98)

The annexed notes from 1 to 44 form an integral part of these financial statements.


 Director


 Chief Financial Officer


 Chief Executive

RSRIR
for identification only

KOHINOOR POWER COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 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	10.3	-	(25,832)
Taxation relating to remeasurements of defined benefit obligations		-	-
		-	(25,832)
Other comprehensive loss		-	(25,832)
Loss after taxation		(2,156,598)	(12,369,020)
Total comprehensive loss		(2,156,598)	(12,394,852)

The annexed notes from 1 to 44 form an integral part of these financial statements.



Director



Chief Financial Officer



Chief Executive

RSRIR
for identification only

KOHINOOR POWER COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Share capital	Capital reserves	Revenue reserves		
	Issued share capital	Share premium	General reserve	Retained earnings	Total equity
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2019	126,000,000	34,000,000	235,500,000	(249,091,712)	146,408,288
Comprehensive income					
Loss after taxation	-	-	-	(12,369,020)	(12,369,020)
Other comprehensive loss	-	-	-	(25,832)	(25,832)
Total comprehensive loss	-	-	-	(12,394,852)	(12,394,852)
Transaction with owners	-	-	-	-	-
Balance as at 30 June 2020	126,000,000	34,000,000	235,500,000	(261,486,564)	134,013,436
Balance as at 01 July 2020	126,000,000	34,000,000	235,500,000	(261,486,564)	134,013,436
Comprehensive income					
Loss after taxation	-	-	-	(2,156,598)	(2,156,598)
Other comprehensive loss	-	-	-	-	-
Total comprehensive loss	-	-	-	(2,156,598)	(2,156,598)
Transaction with owners	-	-	-	-	-
Balance as at 30 June 2021	126,000,000	34,000,000	235,500,000	(263,643,162)	131,856,838

The annexed notes from 1 to 44 form an integral part of these financial statements.



Director



Chief Financial Officer



Chief Executive

RSRIR
for identification only

KOHINOOR POWER COMPANY LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from/(used in) operations	30	5,114,941	(1,379,391)
Payments for:			
Income tax		(1,002,892)	(868,191)
Employees retirement benefits		(1,738,260)	-
Net cash generated from/(used in) operating activities		2,373,789	(2,247,582)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of short term investments		(383,988,578)	(237,386,498)
Disposal of short term investments		382,498,359	238,866,098
Dividend received		-	75,112
Net cash (used in)/generated from investing activities		(1,490,219)	1,554,712
CASH FLOW FROM FINANCING ACTIVITIES			
		-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		883,570	(692,870)
CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE YEAR		1,218,633	1,963,375
CASH AT BANKS WRITTEN OFF	21	-	(51,872)
CASH AND CASH EQUIVALENTS AS AT END OF THE YEAR	31	2,102,203	1,218,633

The annexed notes from 1 to 44 form an integral part of these financial statements.



Director



Chief Financial Officer



Chief Executive

RSRIR
for identification only

KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1 LEGAL STATUS AND OPERATIONS

Kohinoor Power Company 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.

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:

- International Financial Reporting Standards ['IFRS'] issued by the International Accounting Standards Board ['IASB'] as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards ['IFAS'] issued by Institute of Chartered Accountants of Pakistan as notified under the Companies Act, 2017; and
- 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 and IFAS, 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 06 October 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 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 financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis as at the reporting date.

Items	Measurement basis
Financial liabilities	Amortized cost
Financial assets	Fair value/amortized cost
Land, building, plant and machinery	Revalued amounts
Investment property	Fair value
Employee retirement benefits	Present value

2.5 Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, 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 judgments 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 judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Subsequently, 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2.5.1 Critical accounting judgements

Judgments made by management in the application of accounting and reporting standards that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent years are as follows:

(a) Business model assessment (see note 5.4.2)

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The Company determines the business model at a level that reflects how financial assets are managed to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed. The Company monitors financial assets measured at amortized cost or fair value that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the year.

(b) Significant increase in credit risk (see note 36.1.1)

As explained in note 36.1.1, expected credit losses ['ECL'] are measured, based on the Company's risk grading framework, as an allowance equal to 12-month/lifetime ECL for 'performing' assets, or lifetime ECL for assets categorized as 'doubtful' or 'in default'. An asset is categorized as 'doubtful' when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

2.5.2 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

(a) Calculation of impairment allowance for expected credit losses on financial assets (see note 5.20.1)

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset. Estimating expected credit losses and changes there in requires taking into account qualitative and quantitative forward looking information. When measuring expected credit losses on financial assets the Company uses reasonable and supportable forward looking information as well as historical data to calculate the difference between the contractual cash flows due and those that the Company would expect to receive, taking into account cash flows from collateral and integral credit enhancements, if any. Probability of default constitutes a key input in measuring expected credit losses. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. If the ECL rates on financial assets carried at amortized cost were higher (lower) by 10%, the loss allowance on those assets would have been higher (lower) by Rs. 756,675 (2020: Rs. 521,591).

(b) Obligation under defined benefit plan (see note 5.3.2)

The Company's obligation under the defined benefit plan is based on assumptions of future outcomes, the principal ones being in respect of increases in remuneration, remaining working lives of employees and discount rates to be used to determine present value of defined benefit obligation. These assumptions are determined periodically by independent actuaries.

(c) Taxation (see note 5.15)

The Company takes into account the current income tax law and decisions taken by appellate and other relevant legal forums while estimating its provision for current tax and tax contingencies. Provision for deferred tax is estimated after taking into account historical and expected future turnover and profit trends and their taxability under the current tax law.

(d) Revaluation of machinery and equipment (see note 5.1)

Revaluation of machinery and equipment is carried out by independent professional valuers. Revalued amounts of non-depreciable items are determined by reference to local market values and that of depreciable items are determined by reference to present depreciated replacement values.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

(e) Fair value of investment property (see note 5.11).

Fair value of investment property has been determined by reference to local market values taking into account prevailing fair market prices under the position and circumstances present on the date of valuation and current market scenario for properties of similar nature in the immediate neighbourhood and adjoining areas.

(f) Valuation of stores and spares (see note 5.2).

Valuation of stores and spares is carried out by independent professional valuer by reference to replacement costs.

2.6 Functional currency

These financial statements have been prepared in Pak Rupees which is the Company's functional currency. The amounts reported in these financial statements have been rounded to the nearest Rupees unless specified otherwise.

2.7 Date of authorization for issue

These financial statements were authorized for issue on 06 October 2021 by the Board of Directors of the Company.

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 interim 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 - Presentation of Financial Statements 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.

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.

KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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)	01 January 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 - Presentation of Financial Statements).	01 January 2023
Reference to the Conceptual Framework (Amendments to IFRS 3 - Business Combinations).	01 January 2022
Property, Plant and Equipment - Proceeds before Intended Use (Amendments to IAS 16 - Property, Plant and Equipment).	01 January 2022
Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37 - Impairment of Assets).	01 January 2022
Annual Improvements to IFRS Standards 2018–2020.	01 January 2022
Amendments to IFRS 17	01 January 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 - Leases).	01 January 2021
Disclosure of Accounting Policies (Amendments to IAS 1 - First-time Adoption of International Financial Reporting Standards and IFRS Practice Statement 2 - Making Materiality Judgements	01 January 2023
Definition of Accounting Estimates (Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors)	01 January 2023
Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16 - Leases)	01 April 2021
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 - Income Taxes)	01 January 2023
Other than afore mentioned standards, interpretations and amendments, IABS 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	

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 not have material impact on the Company's financial statements other than in presentation/disclosures.

5 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

5.1 Machinery and equipment

Machinery held for use in the production or supply of goods or services or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair values at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Any revaluation increase arising on the revaluation of such machinery is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognized as an expense in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in carrying amount arising on the revaluation of such land, buildings and plant and machinery is recognized as an expense in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

All other items of property, plant and equipment (furniture and fixtures, office equipment and vehicles) are stated in the statement of financial position at cost less accumulated depreciation and accumulated impairment losses.

Assets in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognized impairment loss. Cost includes the cost of material, labour and appropriate overheads directly relating to the construction, erection and installation of the asset and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation of these assets, determined on the same basis as other assets of the same class, commences when the assets are ready for their intended use.

Depreciation is recognized in profit or loss, using rates specified in note 14, so as to write off the cost of assets (other than freehold land and assets under construction) over their useful lives, using the reducing balance method. Depreciation commences from the month in which the item is ready for intended use and is discontinued from the month in which the asset is disposed or classified as held for disposal.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Incremental depreciation being the difference between depreciation based on the revalued amounts recognized in profit or loss and depreciation based on the historical cost, net of tax, is reclassified from the revaluation reserve to retained earnings. On the subsequent disposal or retirement of a revalued asset, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained earnings.

An item of machinery and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from its continued use. The gain or loss arising on the disposal or retirement of such items is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

5.2 Stores and spares

These are generally held for internal use and are valued at cost. Cost is determined on the basis of moving average except for items in transit, which are valued at invoice price plus related cost incurred up to the reporting date. For items which are considered obsolete, the carrying amount is written down to nil. Spare parts held exclusively for capitalization are classified as machinery and equipment.

5.3 Employee benefits

5.3.1 Short-term employee benefits

The Company recognizes the undiscounted amount of short term employee benefits to be paid in exchange for services rendered by employees as a liability after deducting amount already paid and as an expense in profit or loss unless it is included in the cost of inventories or property, plant and equipment as permitted or required by the accounting and reporting standards as applicable in Pakistan. If the amount paid exceeds the undiscounted amount of benefits, the excess is recognized as an asset to the extent that the prepayment would lead to a reduction in future payments or cash refund.

5.3.2 Post-employment benefits

The Company operates an unfunded gratuity scheme (defined benefit plan) for all its employees who have completed the minimum qualifying service period. Liability is adjusted on each reporting date to cover the obligation and the adjustment is charged to income statement with the exception of remeasurements which are recognized in other comprehensive income. The amount recognized on statement of financial position represents the present value of defined benefit obligation.

5.4 Financial instruments

5.4.1 Recognition

A financial instrument is recognized when the Company becomes a party to the contractual provisions of the instrument.

5.4.2 Classification

The Company classifies its financial assets on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial liabilities are classified in accordance with the substance of contractual provisions. The Company determines the classification of its financial instruments at initial recognition as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

(a) Financial assets at amortized cost

These are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Financial assets at fair value through profit or loss

These are financial assets which have not been classified as 'financial assets at amortized cost' or as 'financial assets at fair value through other comprehensive income', are mandatorily measured at fair value through profit or loss or for which the Company makes an irrevocable election at initial recognition to designate as 'financial asset at fair value through profit or loss' if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

(c) Financial liabilities at amortized cost

These are financial liabilities which are not derivatives, financial guarantee contracts, commitments to provide loans at below-market interest rate, contingent consideration payable to an acquirer in a business combination or financial liabilities that arise when transfer of a financial asset does not qualify for derecognition.

5.4.3 Measurement

The particular measurement methods adopted are disclosed in individual policy statements associated with each financial instrument.

5.4.4 Derecognition

A financial asset is derecognized when the Company's contractual rights to the cash flows from the financial assets expire or when the Company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the financial asset. A financial liability is derecognized when the Company's obligations specified in the contract expire or a discharged or cancelled.

5.4.5 Off-setting

A financial asset and financial liability is offset and the net amount reported in the statement of financial position if the Company has legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

5.4.6 Regular way purchases or sales of financial assets

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place. Regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

5.5 Ordinary share capital

Ordinary share capital is recognized as equity. Transaction costs directly attributable to the issue of ordinary shares are recognized as deduction from equity.

5.6 Loans and borrowings

Loans and borrowings are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at cost, being fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost with any difference between cost and value at maturity recognized in the profit or loss over the period of the borrowings on an effective interest basis.

5.7 Investments in listed equity securities

Investments in listed equity securities held for trading are classified as 'financial assets at fair value through profit or loss'. On initial recognition, these are measured at fair value on the date of acquisition. Subsequent to initial recognition, these are measured at fair value. Changes in fair value are recognized in profit or loss. Gains and losses on de-recognition are recognized in profit or loss. Dividend income is recognized in profit or loss when right to receive payment is established.

5.8 Trade and other payables

5.8.1 Financial liabilities

These are classified as 'financial liabilities at amortized cost'. On initial recognition, these are measured at fair value at the date the liability is incurred, less attributable transaction costs. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5.8.2 Non-financial liabilities

These, both on initial recognition and subsequently, are measured at cost.

5.9 Provisions and contingencies

Provisions are recognized when the Company has a legal and constructive obligation as a result of past events and it is probable that outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. The amount recognized as provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risk and uncertainties surrounding the obligation. Where a provision is measured using cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. Where outflow of resources embodying economic benefits is not probable, or where a reliable estimate of the amount of obligation cannot be made, a contingent liability is disclosed, unless the possibility of outflow is remote.

5.10 Receivables

5.10.1 Financial assets

These are classified as 'financial assets at amortized cost'. On initial recognition, these are measured at fair value at the date of transaction, plus attributable transaction costs, except for lease rentals receivable that do not have a significant financing component, which are measured at undiscounted invoice price. Subsequent to initial recognition, these are measured at amortized cost using the effective interest method, with interest recognized in profit or loss.

5.10.2 Non-financial assets

These, both on initial recognition and subsequently, are measured at cost.

5.11 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, except for freehold land, which is not depreciated.

Properties in the course of construction to earn rentals and/or for capital appreciation are carried at cost, less any recognized impairment loss. Cost includes the cost of material, labour and appropriate overheads directly relating to the construction of the property and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Depreciation of these properties, determined on the same basis as other properties of the same class, commences when the properties are ready for their intended use.

Depreciation is recognized in profit or loss, using rates specified in note 15, so as to write off the cost of properties (other than freehold land and properties under construction) over their useful lives, using the reducing balance method. Depreciation commences from the month in which the property is ready for intended use and is discontinued from the month in which the property is disposed or classified as held for disposal.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in profit or loss in the period in which the property is derecognised.

5.12 Leases as 'lessor'

The Company enters into lease agreements as a lessor with respect to its investment property. The Company also leases out its machinery.

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Subsequent to initial recognition, the Company regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9 - Financial Instruments, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes both lease and non-lease components, the Company applies IFRS 15 – Revenue from Contracts with Customers to allocate the consideration under the contract to each component.

5.13 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income ['OCI']. OCI comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by accounting and reporting standards as applicable in Pakistan, and is presented in 'statement of comprehensive income'.

5.14 Borrowing costs

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 asset is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in profit or loss as incurred.

5.15 Income tax

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

5.15.1 Current taxation

Current tax is the amount of tax payable on taxable income for the year and any adjustment to the tax payable in respect of previous years. Provision for current tax is based on current rates of taxation in Pakistan after taking into account tax credits, rebates and exemptions available, if any. The amount of unpaid income tax in respect of the current or prior periods is recognized as a liability. Any excess paid over what is due in respect of the current or prior periods is recognized as an asset.

5.15.2 Deferred taxation

Deferred tax is accounted for using the 'balance sheet approach' providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. In this regard, the effects on deferred taxation of the portion of income that is subject to final tax regime is also considered in accordance with the treatment prescribed by The Institute of Chartered Accountants of Pakistan. Deferred tax is measured at rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for deductible temporary differences to the extent that future taxable profits will be available against which temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

5.16 Earnings per share ['EPS']

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit or loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

5.17 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand and cash at banks.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

5.18 Segment reporting

Segment reporting is based on the operating segments that are reported in the manner consistent with internal reporting of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The Company is a single operating segment based on internal reporting to the Chief Executive Officer of the Company.

5.19 Foreign currency transactions and balances

Transactions in foreign currency are translated to the functional currency of the Company using exchange rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at exchange rate prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currency that are measured at fair value are translated to the functional currency at exchange rate prevailing at the date the fair value is determined. Non-monetary assets and liabilities denominated in foreign currency that are measured at historical cost are translated to functional currency at exchange rate prevailing at the date of initial recognition. Any gain or loss arising on translation of foreign currency transactions and balances is recognized in profit or loss.

5.20 Impairment

5.20.1 Financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets carried at amortized cost on date of initial recognition. The amount of expected credit losses is updated on each reporting date to reflect the changes in credit risk since initial recognition of the respective financial asset.

Impairment is recognized at an amount equal to lifetime expected credit losses for financial assets for which credit risk has increased significantly since initial recognition. For financial assets for which credit risk is low, impairment is recognized at an amount equal to twelve months' expected credit losses, with the exception of lease rentals receivable, for which the Company recognizes lifetime expected credit losses estimated using internal credit risk grading based on the Company's historical credit loss experience, adjusted for factors that are specific to receivables, general economic conditions, and an assessment for both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

The Company writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and there is no realistic prospect of recovery. Any recoveries made post write-off are recognized in profit or loss.

5.20.2 Non-financial assets

The carrying amount of the Company's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present values using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

An impairment loss is recognized if the carrying amount of the asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash generating units are allocated to reduce the carrying amounts of the assets in a unit on a pro rata basis. Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used in determining the recoverable amount. An impairment loss is reversed only to that extent that the asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been recognized.

5.21 Dividend distribution to ordinary shareholders

Dividend to ordinary shareholders is recognized as a deduction from accumulated profit in statement of changes in equity and as a liability, to the extent it is unclaimed/unpaid, in the Company's financial statements in the year in which the dividends are approved by the Company's shareholders.

KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

6 AUTHORIZED SHARE CAPITAL

30-Jun-21 No. of shares	30-Jun-20 No. of shares		30-Jun-21 Rupees	30-Jun-20 Rupees
12,600,000	12,600,000	Ordinary shares of Rs. 10 each	126,000,000	126,000,000
12,600,000	12,600,000		126,000,000	126,000,000

7 ISSUED SHARE CAPITAL

30-Jun-21 No. of shares	30-Jun-20 No. of shares		30-Jun-21 Rupees	30-Jun-20 Rupees
		Ordinary shares of Rs. 10 each		
8,000,000	8,000,000	shares issued for cash	80,000,000	80,000,000
4,600,000	4,600,000	shares issued as bonus shares	46,000,000	46,000,000
12,600,000	12,600,000		126,000,000	126,000,000

8 SHARE PREMIUM

This represents premium on issue of right ordinary shares recognized under section 83(1) of the repealed Companies Ordinance, 1984.

9 GENERAL RESERVE

General reserve is primarily being maintained to have adequate resources for future requirements and business operations.

10 EMPLOYEES RETIREMENT BENEFITS

The Company operates an unfunded gratuity scheme, a defined benefit plan, for all its employees who have completed the minimum qualifying service period. Under the scheme, the Company pays a lump-sum benefit equal to last drawn monthly gross salary for each year of service to scheme members whereas the members of the scheme are not required to make any contributions to the scheme. The scheme is administered by the management of the Company under the supervision and directions of the Board of Directors of the Company. The amount recognized on statement of financial position represents present value of defined benefit obligation.

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
10.1 Movement in present value of defined benefit obligation			
As at beginning of the year		1,714,915	1,443,904
Charged to profit or loss for the year	10.2	23,345	245,179
Remeasurements recognized in other comprehensive income	10.3	-	25,832
Paid during the year		(1,738,260)	-
As at end of the year		-	1,714,915
10.2 Charge to profit or loss			
Current service cost		23,345	60,107
Interest cost		-	185,072
		23,345	245,179
10.3 Remeasurements recognized in other comprehensive income			
Actuarial loss arising from changes in:			
Financial assumptions		-	(12,267)
Experience adjustments		-	38,099
		-	25,832

KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

10.4 Principal actuarial assumptions

Present value of defined benefit obligation has been determined using projected unit credit method. The liability as at the reporting date is based on actuarial valuation carried out by independent actuaries. The principal assumptions used in determining present value of defined benefit obligation are:

	30-Jun-21	30-Jun-20
Discount rate	0.00%	8.50%
Expected rates of increase in salary	0.00%	7.50%

10.5 Average duration of the defined benefit obligation

The average duration of the defined benefit obligation is nil.

10.6 Expected charge to profit or loss for the next financial year

The expected charge to profit or loss for the year ending 30 June 2022 amounts to Rs. nil.

10.5 Sensitivity analysis

An analysis of sensitivity for each actuarial assumption used to determine the present value of defined benefit obligation as at the reporting date showing how the defined benefit obligation would have been affected by changes in relevant actuarial assumption that were reasonably possible at that date is as follows:

	30-Jun-21		30-Jun-20	
	Change in actuarial assumption	Defined benefit obligation	Change in actuarial assumption	Defined benefit obligation
		Rupees		Rupees
Discount rate	+ 1%	-	+ 1%	1,618,086
	- 1%	-	- 1%	1,818,927
		-		-
Expected rates of increase in salary	+ 1%	-	+ 1%	1,820,419
	- 1%	-	- 1%	1,614,926

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation as at the reporting date has been calculated using projected unit credit method, which is the same as that applied in calculating the defined benefit obligation to be recognized in these financial statements.

10.6 Risk factors

The defined benefit plan exposes the Company to the following actuarial risks:

Interest risk: The discount rate used in determination of present value of defined benefit obligation has been determined by reference to market yield at the reporting date on government bonds since there is no deep market in long term private sector bonds in Pakistan. An increase in market yield resulting in a higher discount rate will decrease the defined benefit liability.

Longevity risk: The present value of defined benefit obligation is calculated by reference to the best estimate of the expected remaining working lives of employees. An increase in the expected remaining working lives will increase the defined benefit obligation. However, the increase is not expected to be material.

Salary risk: The present value of defined benefit obligation is calculated by reference to future salaries of employees. An increase in salary of employees will increase the defined benefit obligation.

KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	<i>Note</i>	30-Jun-21	30-Jun-20
		<i>Rupees</i>	<i>Rupees</i>
11 TRADE AND OTHER PAYABLES			
Trade creditors	11.1	238,639	33,802
Accrued liabilities		532,500	614,030
Tax deducted at source		91,608	87,988
		862,747	735,820

11.1 This includes amounts due to a related party amounting to Rs. nil (2020: Rs. 20,300). Maximum balance due to the related party at any time during the year amounted to Rs. 40,500 (2020: Rs. 72,000).

12 UNCLAIMED DIVIDEND

This represent dividend on ordinary shares declared in the previous years but not claimed by the shareholders. The Company is in the process of opening a separate bank account for the amount unclaimed in compliance with section 244 of the Companies Act, 2017.

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

There are no known contingencies as at the reporting date.

13.2 Commitments

There are no known commitments as at the reporting date.

KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

14 MACHINERY AND EQUIPMENT

30-Jun-21											
COST/REVALUED AMOUNT					DEPRECIATION/IMPAIRMENT					Net book value as at	
As at 01-Jul-20 Rupees	Additions Rupees	Disposals Rupees	As at 30-Jun-21 Rupees	Rate %	As at 01-Jul-20 Rupees	For the year Rupees	Adjustment Rupees	Impairment Rupees	As at 30-Jun-21 Rupees	30-Jun-21 Rupees	
Machinery	312,660,853	-	312,660,853	5	219,660,853	4,650,000	-	-	224,310,853	88,350,000	
Furniture and fixtures	55,792	-	55,792	10	49,746	605	-	-	50,351	5,441	
Office equipment	725,014	-	725,014	10	610,486	11,453	-	-	621,939	103,075	
Vehicles	10,883,935	-	10,883,935	20	9,704,370	235,913	-	-	9,940,283	943,652	
	324,325,594	-	324,325,594		230,025,455	4,897,971	-	-	234,923,426	89,402,168	

30-Jun-20											
COST/REVALUED AMOUNT					DEPRECIATION/IMPAIRMENT					Net book value as at	
As at 01-Jul-19 Rupees	Additions Rupees	Disposals Rupees	As at 30-Jun-20 Rupees	Rate %	As at 01-Jul-19 Rupees	For the year Rupees	Adjustment Rupees	Impairment Rupees	As at 30-Jun-20 Rupees	30-Jun-20 Rupees	
Machinery	312,660,853	-	312,660,853	5	213,060,853	4,980,000	-	1,620,000	219,660,853	93,000,000	
Furniture and fixtures	55,792	-	55,792	10	49,074	672	-	-	49,746	6,046	
Office equipment	725,014	-	725,014	10	597,761	12,725	-	-	610,486	114,528	
Vehicles	10,883,935	-	10,883,935	20	9,409,479	294,891	-	-	9,704,370	1,179,565	
	324,325,594	-	324,325,594		223,117,167	5,288,288	-	1,620,000	230,025,455	94,300,139	

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

Cost of sales								23	4,650,000	4,980,000	
Administrative expenses								24	247,971	308,288	
									4,897,971	5,288,288	

14.2 The forced sale value of machinery valued by an independent valuer, Medallion Services (Private) Limited as at 30 June 2021 amounts to Rs. 75,097,500 (2020: Rs. 79,050,000)

14.3 The Company has leased out machinery amounting to Rs. 88.35 million (2020: Rs. 93 million) to a related party.

KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

15 INVESTMENT PROPERTY

	30-Jun-21						Net book value as at 30-Jun-21 Rupees
	NET BOOK VALUE			DEPRECIATION			
	As at 01-Jul-20 Rupees	Additions Rupees	Disposals Rupees	As at 30-Jun-21 Rupees	Rate %	For the year Rupees	
Building	4,026,490	-	-	4,026,490	10	402,649	3,623,841
	4,026,490	-	-	4,026,490		402,649	3,623,841

	30-Jun-20						Net book value as at 30-Jun-20 Rupees
	NET BOOK VALUE			DEPRECIATION			
	As at 01-Jul-19 Rupees	Additions Rupees	Disposals Rupees	As at 30-Jun-20 Rupees	Rate %	For the year Rupees	
Building	4,473,878	-	-	4,473,878	10	447,388	4,026,490
	4,473,878	-	-	4,473,878		447,388	4,026,490

15.1 This represents Company building transferred from operating fixed assets at net book value. The fair value of the building valued by an independent valuer, Medallion Services (Private) Limited as at 30 June 2021 amounts to Rs. 16,243,750 (2020: Rs. 16,243,750) and the forced sale value as at 30 June 2021 amounts to Rs. 13,807,188 (2020: Rs. 13,807,188). The Company has leased out this investment property under operating lease arrangement to a related party.

15.2 Building of the Company is located at College Road, Madina Town, Faisalabad with a covered area of 14,375 Sq.ft (2020: 14,375 Sq.ft).

KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
16 STORES AND SPARES			
Stores and spares		2,842,705	2,980,250
Impairment allowance	16.2	(1,593,044)	(1,530,250)
	16.3	1,249,661	1,450,000
16.1	There are no spare parts held exclusively for capitalization as at the reporting date.		
	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
16.2 Movement in impairment allowance			
As at the beginning of the year		1,530,250	1,469,488
Recognized during the year	25	62,794	60,762
As the end of the year		1,593,044	1,530,250
16.3	The fair value of the stores and spares determined by an independent valuer, Medallion Services (Private) Limited as at 30 June 2021 amounts to Rs. 1,249,661 (2020: Rs. 1,450,000) and the forced sale value as at 30 June 2021 amounts to Rs. 1,062,212 (2020: Rs. 1,232,500).		
	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
17 LEASE RENTALS RECEIVABLE			
Lease rentals receivable	17.1	7,566,750	5,215,909
Impairment allowance for expected credit loss	17.2	-	(13,040)
		7,566,750	5,202,869
17.1	This represents rent receivable from a related party. Maximum balance due from related party at any time during the year amounted to Rs. 8,345,197 (2020: Rs. 5,749,442).		
	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
17.2 Impairment allowance for expected credit loss			
As at beginning of the year		13,040	5,132
Recognized during the year	25	-	7,908
Reversed during the year	26	(13,040)	-
As at end of the year		-	13,040
18 ADVANCES AND OTHER RECEIVABLES			
Advances to employees	18.1	-	474,000
Advance to stock broker	18.2	4,194,797	7,685,016
Sales tax refundable	18.3	16,937,872	16,937,872
		21,132,669	25,096,888
18.1	These represent advances to employees against future salaries and post employment benefits in accordance with the Company policy. No advances have been given to any of the directors of the Company.		
18.2	These represents advances given to stock broker of the Company against investments in listed equity securities.		

KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
18.3 Sales tax refundable			
As at beginning of the year		16,937,872	17,675,872
Adjusted during the year	20.1	-	(738,000)
As at end of the year		16,937,872	16,937,872

19 SHORT TERM INVESTMENTS

These represent investments in listed equity securities. These, being held for trading, are required to be measured at fair value through profit or loss mandatorily. Accordingly, these have been classified as 'financial assets at fair value through profit or loss'. Particulars of investments are as follows:

	30-Jun-21		30-Jun-20	
	Carrying value Rupees	Fair value Rupees	Carrying value Rupees	Fair value Rupees
Dewan Cement Limited				
Nil (2020: 100,000) ordinary shares of Rs. 10 each				
Market value: 11.26 (2020: Rs. 7.78) per share	-	-	838,541	778,000
Waves Singer Pakistan Limited				
500 (2020: 50,500) ordinary shares of Rs. 10 each				
Market value: 27.26 (2020: Rs. 21.22) per share	10,610	13,630	887,097	1,071,610
Haseeb Waqas Sugar Mills Limited				
76,500 (2020: 76,500) ordinary shares of Rs. 10 each				
Market value: nil (2020: Rs. 2.04) per share	156,060	-	206,550	156,060
Maple Leaf Cement				
Nil (2020: 50,000) ordinary shares of Rs. 10 each				
Market value: 46.98 (2020: Rs. 25.98) per share	-	-	1,233,316	1,299,000
Nishat Chunian Power Limited				
3,000 (2020: 41,500) ordinary shares of Rs.10 each				
Market value: 15.02 (2020: Rs. 15.12) per share	45,360	45,060	722,515	627,480
First National Equities Limited				
65,000 (2020: nil) ordinary shares of Rs. 10 each				
Market value: 9.07 (2020: 15.83) per share	1,065,378	589,550	-	-
Bank of Punjab				
100,000 (2020: nil) ordinary shares of Rs. 10 each				
Market value: 8.40 (2020: 8.40) per share	966,409	840,000	-	-
Saif Power Limited				
50,000 (2020: nil) ordinary shares of Rs. 10 each				
Market value: 17.34 (2020: 16.07) per share	921,180	867,000	-	-
Fauji Fertilizer Bin Qasim Limited				
50,000 (2020: nil) ordinary shares of Rs. 10 each				
Market value: 26.41 (2020: Rs. 15.96) per share	1,291,911	1,320,500	-	-
Ittefaq Iron Industries Limited				
100,000 (2020: nil) ordinary shares of Rs. 10 each				
Market value: 18.95 (2020: Rs. 6.91) per share	2,067,625	1,895,000	-	-
	6,524,533	5,570,740	3,888,019	3,932,150

KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
20 CURRENT TAXATION			
Advance income tax		3,032,806	6,247,292
Adjusted during the year	20.1	-	(4,209,990)
		3,032,806	2,037,302
Income tax payable	28	(433,372)	(272,419)
		2,599,434	1,764,883
<p>20.1 During previous year, In pursuant of order dated 09 May 2018, passed by Appellate Tribunal Inland Revenue, Lahore Branch ['ATIR'], the Company requested Assistant Commissioner Inland Revenue ['ACIR'] to withdraw various recovery notices and to adjust sales tax liability amounting to Rs. 4,947,990, created under order no. 74/2012 and 09/2017. Accordingly, ACIR adjusted the said liability against advance tax amounting to Rs. 4,209,990 and against sales tax paid for stay order amounting to Rs. 738,000.</p>			
	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
21 CASH AND BANK BALANCES			
Cash in hand		71,807	102,344
Cash at banks			
Current accounts - local currency		113,539	165,411
Deposit/saving accounts - local currency	21.1	1,916,857	1,002,750
		2,030,396	1,168,161
Cash at banks written off	21.2	-	(51,872)
		2,102,203	1,218,633
<p>21.1 Effective interest rate in respect of deposit/saving accounts, for the year, ranges from 5.5% to 5.6% (2020: 6.5% to 11.25%) per annum.</p>			
<p>21.2 These represents dormant accounts from previous years which were closed during the previous year.</p>			
	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
22 RENTAL INCOME			
Building rent		5,114,327	4,605,362
Machinery rent		12,000,000	12,000,000
		17,114,327	16,605,362
23 COST OF SALES			
Operating costs		9,649,159	8,837,877
Stores and spares consumed		137,545	11,338
Depreciation	14.1 & 15	5,052,649	5,427,388
Impairment loss on property, plant and equipment	14	-	1,620,000
		14,839,353	15,896,603

KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
24 ADMINISTRATIVE EXPENSES			
Salaries and benefits	24.1	959,450	1,529,644
Traveling and conveyance		1,760	10,110
Repair and maintenance		1,815,000	-
Printing and stationery		66,500	183,875
Postage and telegram		9,900	29,500
Entertainment		18,870	16,932
Legal and professional		961,692	2,133,478
Auditor's remuneration	24.2	350,000	500,000
Advertisement		40,500	92,300
Depreciation	14.1	247,971	308,288
Miscellaneous expenses		220	32,084
		4,471,863	4,836,211
24.1	These include charge in respect of employees retirement benefits amounting to Rs. 23,345 (2020: Rs. 245,179).		
	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
24.2 Auditor's remuneration			
Annual statutory audit		250,000	400,000
Limited scope review		50,000	50,000
Review report on corporate governance		50,000	50,000
		350,000	500,000
25 OTHER EXPENSES			
Loss on financial instruments			
Impairment allowance for expected credit losses	17.2	-	7,908
Changes in fair value of short term investments classified as FVTPL		953,793	-
Loss on disposal of short term investments classified as FVTPL		-	3,358,296
Cash at banks written off	21	-	51,872
		953,793	3,418,076
Other expenses			
Impairment allowance on stores and spares	16.2	62,794	60,762
Sales tax penalty	20.1	-	4,947,990
		1,016,587	8,426,828
26 OTHER INCOME			
Gain on financial instruments			
Reversal of impairment allowance for expected credit losses	17.2	13,040	-
Changes in fair value of short term investments classified as FVTPL		-	44,131
Gain on disposal of short term investments classified as FVTPL		1,102,164	-
Return on bank deposits		113,321	159,512
Dividend income		-	82,500
		1,228,525	286,143
27 FINANCE COST			
Bank charges		3,308	21,342
		3,308	21,342

KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
28 PROVISION FOR TAXATION			
Current taxation for the year	28.1	433,372	272,419
prior year		(265,031)	(192,878)
		168,341	79,541

28.1 Provision for current tax has been made in accordance with section 37, 113 and 151 (2020: section 113, 150 and 151) of the Income Tax Ordinance 2001 [the Ordinance]. There is no relationship between the aggregate tax expense and accounting profit and accordingly, no numerical reconciliation has been presented.

28.2 Assessments for and up to the tax years 2020 are deemed assessments in terms of Section 120 (1) of the Ordinance, as per returns filled by the Company.

28.3 The Company has unused tax losses resulting in deductible temporary differences. However, the Company has not recognised deferred tax assets amounting to Rs. 61.62 million (2020: Rs. 62.86 million) as the temporary differences are not expected to reverse in foreseeable future due to expected non-availability of taxable profits against which temporary differences may be utilized.

	Unit	30-Jun-21	30-Jun-20
29 LOSS PER SHARE - BASIC AND DILUTED			
Loss attributable to ordinary shareholders	Rupees	(2,156,598)	(12,369,020)
Weighted average number of ordinary shares outstanding during the year	No. of shares	12,600,000	12,600,000
Loss per share - Basic	Rupees	(0.17)	(0.98)

There is no anti-dilutive effect on the basic loss per share of the Company.

	30-Jun-21 Rupees	30-Jun-20 Rupees
30 CASH USED IN OPERATIONS		
Loss before taxation	(1,988,257)	(12,289,479)
Adjustments for non-cash and other items		
Provision for employees retirement benefits	23,345	245,179
Impairment loss on property, plant and equipment	-	1,620,000
Impairment allowance on stores and spares	62,794	60,762
Impairment allowance for expected credit losses	-	7,908
Reversal of impairment allowance for expected credit losses	(13,040)	-
Changes in fair value of short term investments FVTPL	953,793	(44,131)
(Gain)/loss on disposal of short term investments	(1,102,164)	3,358,296
Cash at banks written off	-	51,872
Sales tax penalty	-	4,947,990
Depreciation	5,300,620	5,735,676
Dividend income	-	(82,500)
	5,225,348	15,901,052
Operating profit before changes in working capital	3,237,091	3,611,573
Changes in working capital		
Stores and spares	137,545	11,338
Lease rentals receivable	(2,350,841)	(3,162,922)
Advances and other receivables	3,964,219	(1,468,600)
Trade and other payables	126,927	(370,780)
	1,877,850	(4,990,964)
Cash generated from/(used in) operations	5,114,941	(1,379,391)

KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
31 CASH AND CASH EQUIVALENTS			
Cash and bank balances	21	2,102,203	1,218,633
		2,102,203	1,218,633

32 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 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:

		30-Jun-21 Rupees	30-Jun-20 Rupees
32.1 Transactions with related parties			
Nature of relationship	Nature of transactions		
Associated companies	Advertising expenses	40,500	92,300
	Rental income	17,114,327	16,605,362
32.2 Balances with related parties			
Nature of relationship	Nature of balances		
Associated companies	Trade creditors	-	20,300
	Lease rentals receivable	7,566,750	5,215,909

33 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS, AND EXECUTIVES

No amount was charged to profit or loss in respect of chief executive, directors and executives on account of managerial remuneration, allowances, perquisites and post employment benefits.

34 CAPITAL MANAGEMENT

The objectives of the Company, while managing capital are to ensure that it continues to meet the going concern assumption, enhance shareholders' wealth and meet stakeholders' expectations. The Company's objective is to ensure its sustainable growth viz. maintaining optimal capital structure, keeping its finance cost low, exercising option of issuing right shares or, where possible, repurchasing shares, selling surplus property, plant and equipment without affecting the optimal production and operating level and regulating dividend payout. The Company is not subject to externally imposed capital requirements.

35 FINANCIAL INSTRUMENTS

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

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KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
35.1 Financial assets			
<i>Cash in hand</i>	21	71,807	102,344
<i>Financial assets at amortized cost</i>			
Lease rentals receivable	17	7,566,750	5,215,909
Advances to employees	18	-	474,000
Advance to stock broker	18	4,194,797	7,685,016
Cash at banks	21	2,030,396	1,168,161
		13,791,943	14,543,086
<i>Financial assets mandatorily measured at fair value through profit or loss</i>			
Short term investments	19	5,570,740	3,932,150
		19,434,490	18,577,580
35.2 Financial liabilities			
<i>Financial liabilities at amortized cost</i>			
Trade creditors	11	238,639	33,802
Accrued liabilities	11	532,500	614,030
		771,139	647,832

36 FINANCIAL RISK EXPOSURE AND MANAGEMENT

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). These risks affect revenues, expenses, assets and liabilities of the Company.

The Board of Directors has the overall responsibility for establishment and oversight of risk management framework. The Board of Directors has developed a risk policy that sets out fundamentals of risk management framework. The risk policy focuses on unpredictability of financial markets, the Company's exposure to risk of adverse effects thereof and objectives, policies and processes for measuring and managing such risks. The management team of the Company is responsible for administering and monitoring the financial and operational financial risk management throughout the Company in accordance with the risk management framework.

The Company's exposure to financial risks, the way these risks affect the financial position and performance, and forecast transactions of the Company and the manner in which such risks are managed is as follows:

36.1 Credit risk

Credit risk is the risk of financial loss to the Company, if the counterparty to a financial instrument fails to meet its obligations.

36.1.1 Credit risk management practices

In order to minimize credit risk, the Company has adopted a policy of only dealing with creditworthy counterparties and limiting significant exposure to any single counterparty. The Company only transacts with counterparties that have reasonably high external credit ratings. Where an external rating is not available, the Company uses an internal credit risk grading mechanism. Particularly for customers, a dedicated team responsible for the determination of credit limits uses a credit scoring system to assess the potential as well as existing customers' credit quality and assigns or updates credit limits accordingly. The ageing profile of lease rentals receivable and individually significant balances, along with collection activities are reviewed on a regular basis.

The Company reviews the recoverable amount of each financial asset on an individual basis at each reporting date to ensure that adequate loss allowance is made in accordance with the assessment of credit risk for each financial asset.

The Company considers a financial asset to have low credit risk when the asset has reasonably high external credit rating or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has no past due amounts or otherwise there is no significant increase in credit risk if the amounts are past due in the normal course of business based on history with the counterparty.

KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial asset at the reporting date with the risk of a default occurring on the financial asset at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise. This is usually the case with various customers of the Company where the Company has long standing business relationship with these customers and any amounts that are past due by more than 30 days in the normal course of business are considered 'performing' based on history with the customers. Therefore despite the foregoing, the Company considers some past due lease rentals receivable to have low credit risk where the customer has a good history of meeting its contractual cash flow obligations and is expected to maintain the same in future.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk.

The Company considers 'default' to have occurred when the financial asset is credit-impaired. A financial asset is considered to be credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

The Company writes off a financial asset when there is information indicating that the counter-party is in severe financial condition and there is no realistic prospect of recovery.

The Company's credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing ECL
Performing	The counterparty has low credit risk	Lease rentals receivable: Lifetime ECL Other assets: 12-month ECL
Doubtful	Credit risk has increased significantly since initial recognition	Lifetime ECL
In default	There is evidence indicating the assets is credit-impaired	Lifetime ECL
Write-off	There is no realistic prospect of recovery	Amount is written-off

36.1.2 Exposure to credit risk

Credit risk principally arises from the Company's debt instruments. The maximum exposure to credit risk as at the reporting date is as follows:

	Note	30-Jun-21 Rupees	30-Jun-20 Rupees
Financial assets at amortized cost			
Lease rentals receivable	17	7,566,750	5,215,909
Advances to employees	18	-	474,000
Advance to stock broker	18	4,194,797	7,685,016
Cash at banks	21	2,030,396	1,168,161
		13,791,943	14,543,086

36.1.3 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or to internal credit risk grading. The credit quality of the Company's financial assets exposed to credit risk is as follows:

	Note	External credit rating	Internal credit risk grading	12-month or life-time ECL	Gross carrying amount Rupees	Loss allowance Rupees
Lease rentals receivable	17	N/A	Performing	Lifetime ECL	7,566,750	-
Advances to employees	18	N/A	Performing	12-month ECL	-	-
Advances to stock broker	18	N/A	Performing	12-month ECL	4,194,797	-
Cash at banks	21	A1+	N/A	12-month ECL	2,030,396	-
					13,791,943	-

KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

(a) Lease rentals receivable

For lease rentals receivable, the Company has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Company determines the expected credit losses on lease rentals receivable by using internal credit risk gradings. As at the reporting date, all lease rentals receivable are considered 'performing' including those past due as there is no significant increase in credit risk in respect of these receivable since initial recognition. The ageing analysis of lease rentals receivable as at the reporting date is as follows:

	30-Jun-21	30-Jun-20
	<i>Rupees</i>	<i>Rupees</i>
Neither past due nor impaired	7,566,750	-
Past due by up to 30 days	-	-
Past due by 31 days to 180 days	-	5,215,909
Past due by 180 days or more	-	-
	7,566,750	5,215,909

(b) Advances to employees

Advances to employees have been given against future salaries and post-employment benefits. Accordingly, these are considered to have no credit risk.

(c) Advances to stock broker

These are considered to have no credit risk due to strict regulatory oversight by Securities and Exchange Commission of Pakistan and Pakistan Stock Exchange Limited over stock brokers aimed at protecting the interest of brokers' clients.

(d) Cash at banks

The bankers of the Company have reasonably high credit ratings as determined by various independent credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect any credit loss.

36.1.4 Concentration of credit risk

There are no significant concentrations of credit risk, except for lease rentals receivable. All lease rentals receivable as at the reporting date are due from a single customer. This significant customer is a related party and has a good payment record and accordingly non-performance by this customer is not expected.

36.1.5 Collateral held

The Company does not hold any collateral to secure its financial assets.

36.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

36.2.1 Liquidity risk management

The Company's approach to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors cash flow requirements and produces cash flow projections for the short and long term. Typically, the Company ensures that it has sufficient cash on demand to meet expected operational cash flows, including servicing of financial obligations. This includes maintenance of balance sheet liquidity ratios, receivables and creditors concentration both in terms of overall funding mix and avoidance of undue reliance on large individual customer.

36.2.2 Exposure to liquidity risk

The following presents the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The analysis have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay.

KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	30-Jun-21				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Trade creditors	238,639	238,639	238,639	-	-
Accrued liabilities	532,500	532,500	532,500	-	-
	771,139	771,139	771,139	-	-

	30-Jun-20				
	Carrying amount Rupees	Contractual cash flows Rupees	One year or less Rupees	One to five years Rupees	More than five years Rupees
Trade creditors	33,802	33,802	33,802	-	-
Accrued liabilities	614,030	614,030	614,030	-	-
	647,832	647,832	647,832	-	-

36.3 Market risk

36.3.1 Currency risk

Currency risk is the risk that fair values or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises from transactions and resulting balances that are denominated in a currency other than functional currency. The Company is not exposed to currency risk.

36.3.2 Interest rate risk

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

(a) Interest rate risk management

The Company manages interest rate risk by analyzing its interest rate exposure on a dynamic basis. Cash flow interest rate risk is managed by simulating various scenarios taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Company calculates impact on profit after taxation and equity of defined interest rate shift, mostly 100 basis points.

(b) Interest bearing financial instruments

The effective interest rates for interest bearing financial instruments are mentioned in relevant notes to the financial statements. The Company's interest bearing financial instruments as at the reporting date are as follows:

	30-Jun-21 Rupees	30-Jun-20 Rupees
Fixed rate instruments	-	-
Variable rate instruments		
Financial assets	1,916,857	1,002,750
Financial liabilities	-	-

(c) Fair value sensitivity analysis for fixed rate instruments

The Company does not account for fixed rate financial assets and liabilities at fair value through profit or loss.

(d) Cash flow sensitivity analysis for variable rate instruments and cash flow hedges

An increase of 100 basis points in interest rates as at the reporting date would have increase profit for the year by Rs. 19,169 (2020: Rs. 10,028). A decrease of 100 basis points would have had an equal but opposite effect on profit for the year. The analysis assumes that all other variables, in particular foreign exchange rates, remain constant and ignores the impact, if any, on provision for taxation for the year.

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KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

36.3.3 Other price risk

Other price risk represents the risk that the fair value or future cash flows of 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. The Company is exposed to price risk in respect of its investments in equity securities.

(a) Equity price risk management

The Company manages equity price risk by investing a diversified portfolio of securities to reduce the risk of loss from volatility in equity price of an individual security.

(b) Sensitivity analysis

A one percent appreciation in prices of equity securities as at reporting date would have increased profit for the year by Rs. 57,268 (2020: Rs. 39,322). A one percent diminution in prices of equity securities as at the reporting date would have had equal but opposite effect on profit and equity. The analysis assumes that all other variables remain constant and ignores the impact, if any, on provision for taxation for the year.

37 FAIR VALUE MEASUREMENTS

37.1 Financial Instruments

37.1.1 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	30-Jun-21 Rupees	30-Jun-20 Rupees
Investments				
Investments in equity securities	Level 1	Quoted prices in an active market	5,570,740	3,932,150

b) Non-recurring fair value measurements

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

37.2 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.

37.3 Assets and liabilities other than financial instruments.

37.3.1 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:

KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	Level 1	Level 2	Level 3	30-Jun-21 Rupees	30-Jun-20 Rupees
Machinery	-	88,350,000	-	88,350,000	93,000,000
Building (Investment property)	-	3,623,841	-	3,623,841	4,026,490
Stores and spares	-	1,249,661	-	1,249,661	1,450,000

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

	Valuation technique	Significant inputs	Sensitivity
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 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 costs directly attributable costs would results in a significant increase in fair value of plant and machinery by Rs. 4.42 million (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 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. 181,192 (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 costs directly attributable"&" costs would results in a significant increase in fair value of stores and spares by Rs. 62,483 (2020: Rs. 72,500).

Reconciliation of fair value measurements categorized in Level 2 is presented in note 14, 15 and 16.

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

37.3.2 Non-recurring fair value measurements

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

38 SEGMENT INFORMATION

38.1 The Company is a single reportable segment.

38.2 All non-current assets of the Company are situated in Pakistan.

38.3 Information about major customers

	30-Jun-21 Rupees	30-Jun-20 Rupees
Revenue derived from Pak Elektron Limited	5,114,327	4,605,362
Revenue derived from Saritow Spinning Mills Limited	12,000,000	12,000,000

39 MINIMUM LEASE PAYMENTS UNDER OPERATING LEASE

The Company has leased out plant and machinery and investment property under operating lease arrangements to related parties. Amounts of minimum lease payments receivable under the lease agreements are as follows:

KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

	30-Jun-21	30-Jun-20
	<i>Rupees</i>	<i>Rupees</i>
- not later than one year	12,541,276	12,856,976
- later than one year but not later than five years	3,655,173	5,342,676
- later than five years	-	-
	16,196,449	18,199,652

40 NUMBER OF EMPLOYEES

	30-Jun-21	30-Jun-20
Total number of employees	-	1
Average number of employees	1	1

41 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 financial statements.

42 SHARES IN THE COMPANY HELD BY RELATED PARTIES

Ordinary shares in the Company held by related parties, other than chief executive and directors, are as follows:

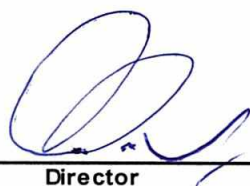
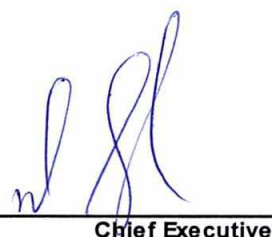
	30-Jun-21	30-Jun-20
	<i>No. of shares</i>	<i>No. of shares</i>
Pak Elektron Limited	2,910,600	2,910,600
Kohinoor Industries Limited	2,835,000	2,835,000
	5,745,600	5,745,600

43 EVENTS AFTER THE REPORTING PERIOD

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

44 GENERAL

Comparative figures have been rearranged and reclassified, where necessary, for the purpose of comparison. However, there were no significant reclassifications during the year.


Director
Chief Financial Officer
Chief Executive

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Form of Proxy

30th Annual General Meeting

LEDGER FOLIO

SHARES HELD

I / We _____

of _____

hereby appoint _____

of _____

(or failing him) _____ of _____

(being a member of the Company) as my / or proxy 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 28, 2021 at 06-Egerton Road, Lahore at 11:30 A.M. and at every adjournment thereof, if any.

A witness my / our hand (s) this _____ day of _____ 2021.

Signed by the said

REVENUE
STAMP

Witnesses:

1)	Name _____	2)	Name _____
	Address _____		Address _____
	_____		_____
	CNIC No. _____		CNIC No. _____

Notes:

1. A member entitled to attend and vote at this Meeting may appoint proxy. Proxies in order to be effective, must be received at 17-Aziz Avenue, Canal Bank, Gulberg-V, Lahore, the Registered Office of the Company not later than forty-eight hours before the time of holding the meeting and must be duly stamped, signed and witnessed.
2. For CDC Account Holders/ Corporate Entities in addition to the above the following requirements have to 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 signatures shall be submitted (unless it has been provided earlier along with proxy form to the Company).
 - (ii) The Proxy shall produce his original CNIC or original passport at the time of the meeting.

