

# **KOHINOOR POWER COMPANY LIMITED**

**HALF YEAR REPORT (Audited)**

**31-12-2023**

**BOARD OF DIRECTORS**

Mr. M. Naseem Saigol	Chairman
Mr. Muhammad Zeid Yousuf Saigol	Chief Executive Officer
Mr. Muhammad Murad Saigol	
Mr. Muhammad Omer Farooq	
Mr. Muhammad Athar Rafiq	
Syed Haroon Rashid	
Mrs. Sadaf Kashif	

**AUDIT COMMITTEE**

Mrs. Sadaf Kashif	Chairperson /Member
Mr. Muhammad Omer Farooq	Member
Mr. Muhammad Athar Rafiq	Member

**HR & REMUNERATION COMMITTEE**

Mrs. Sadaf Kashif	Chairperson
Mr. M. Naseem Saigol	Member
Mr. Muhammad Zeid Yousuf Saigol	Member

**COMPANY SECRETARY**

Mr. Liaquat Ali

**CHIEF FINANCIAL OFFICER**

Mr. Zahoor Ahmed

**AUDITORS**

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

**REGISTRATION NUMBER**

0025880

**NTN**

1351003-7

**WEBSITE**

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

**BANKERS**

Askari Bank Limited  
MCB Bank Limited  
National Bank of Pakistan  
United Bank Limited  
Sindh Bank Limited

**REGISTERED OFFICE**

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

**WORKS**

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

**SHARE REGISTRAR**

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

## **DIRECTORS' REPORT**

The Directors' of the Company presented before the Shareholders their report along with Interim Financial Statements for the period ended December 31, 2023.

<b><u>Financial Highlights</u></b>	<b><u>Half Year Ended Dec 31, 2023</u></b>	<b><u>Half Year Ended Dec 31, 2022</u></b>
Rental Income	8.476	8.926
Gross Profit	3.703	1.234
Profit/ (Loss) before Tax	2.943	(0.111)
Profit/ (Loss) after Tax	2.485	(0.006)
Earning/ (Loss) per Share	0.20	(0.00)

### **OPERATING FINANCIAL RESULTS**

During the period under review, the Company earned revenue of Rs. 8.476 million as against Rs. 8.926 million in the corresponding period last year. The Company earned profit of Rs. 2.943 million as compared to loss of Rs. (0.111) million with an EPS of Rs. 0.20 in comparison to Rs. (0.00) in the corresponding period last year. The said increase in profit mainly due to decrease in operating expenses.

The attention drawn by the Auditors of the Company, the explanation is as under;

Note No. 2.2 is self-explanatory. Any foreseen occurs, that will not affect the turnover only but also reduce the cost of sale. This will have very minimum effect on the profitability of the Company.

### **FUTURE OUTLOOK**

We are hopeful that the loss in investment in equity Stock will be recovered as stock market index improve in future.

## **COMPOSITION OF BOARD**

Composition of the Board of Directors is as under.

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

## **COMMITTEE'S**

Detail of Committee's of Board is as under.

### **AUDIT COMMITTEE**

Mrs. Sadaf Kashif	Chairman/Member
Mr. Muhammad Omer Farooq	Member
Mr. Muhammad Athar Rafiq	Member

### **HR & REMUNERATION COMMITTEE**

Mrs. Sadaf Kashif	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

Lahore  
February 28, 2024

  
**M. ZEID YOUSUF SAIGOL**  
Chief Executive

  
**M. MURAD SAIGOL**  
Director

## INDEPENDENT AUDITOR'S REVIEW REPORT

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

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **KOHINOOR POWER COMPANY LIMITED** [‘the Company’] as at **31 December 2023** and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the “interim financial statements”). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review. The figures for the three-month period ended **31 December 2023** of the condensed interim statement of profit or loss, condensed interim statement of comprehensive income have not been reviewed as we are required to review only cumulative figures for the six-month period ended on that date.

#### Scope of Review

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

#### Conclusion

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

#### Emphasis of Matter

We draw attention to note 2.2 to these interim financial statements which explains that the Company derives majority of its revenue from leasing out of machinery to a related party which is facing a challenging liquidity situation due to losses. The Board of Directors of SSML in its meeting held on 28 February 2024 has resolved to close its production facility for the time being. Given the Company's reliance on that related party for majority of its revenue, its financial situation may also be impacted by SSML's challenges and consequently, the Company may not be able to operate profitably. These factors indicate existence of a material uncertainty that raises doubts about the Company's ability to continue as a going concern and that the Company may not be able discharge its liabilities and realize its assets in normal course of business. These interim financial statements have, however, been prepared on going concern basis for reasons explained in note 2.2. Our conclusion is not modified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's review report is **ALI RAZA JAFFERY**

  
**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants

Lahore: 28 February 2024

UDIN: RR202310704HQ6C2qhrb



# KOHINOOR POWER COMPANY LIMITED


## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	31-Dec-23 Rupees (Un-audited)	30-Jun-23 Rupees (Audited)
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorized share capital</b>		<b>200,000,000</b>	<b>200,000,000</b>
Issued share capital		126,000,000	126,000,000
Share premium		34,000,000	34,000,000
General reserve		235,500,000	235,500,000
Accumulated losses		(266,095,724)	(268,581,241)
<b>TOTAL EQUITY</b>		<b>129,404,276</b>	<b>126,918,759</b>
<b>NON-CURRENT LIABILITIES</b>			
		-	-
<b>CURRENT LIABILITIES</b>			
Trade and other payables		2,409,695	2,276,309
Unclaimed dividend		527,881	527,881
		<b>2,937,576</b>	<b>2,804,190</b>
<b>TOTAL LIABILITIES</b>		<b>2,937,576</b>	<b>2,804,190</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>132,341,852</b>	<b>129,722,949</b>

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

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

RSRIR  
for identification only



# KOHINOOR POWER COMPANY LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	31-Dec-23 Rupees (Un-audited)	30-Jun-23 Rupees (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property and equipment	7	77,554,546	79,591,835
Investment property	8	2,788,546	2,935,311
		<b>80,343,092</b>	<b>82,527,146</b>
<b>CURRENT ASSETS</b>			
Stores and spares		950,077	950,077
Lease rentals receivable		15,023,925	12,090,198
Advances and other receivables		22,441,205	22,415,125
Short term investments		394,440	327,055
Current taxation		5,190,716	4,919,047
Cash and bank balances		7,998,397	6,494,301
		<b>51,998,760</b>	<b>47,195,803</b>
<b>TOTAL ASSETS</b>		<b>132,341,852</b>	<b>129,722,949</b>

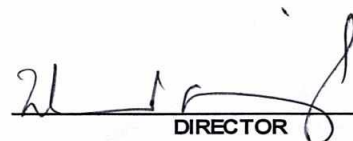
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CHIEF FINANCIAL OFFICER



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# KOHINOOR POWER COMPANY LIMITED

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2023

Note	Six month ended		Three month ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	Rupees	Rupees	Rupees	Rupees
Rental income	8,476,674	8,926,011	4,238,337	4,462,956
Cost of sales	(4,772,760)	(7,691,873)	(1,059,633)	(4,145,599)
<b>Gross profit</b>	<b>3,703,914</b>	<b>1,234,138</b>	<b>3,178,704</b>	<b>317,357</b>
Administrative expenses	(1,575,529)	(1,170,775)	(779,215)	(367,387)
Other expenses	-	(549,164)	251,520	(328,599)
	(1,575,529)	(1,719,939)	(527,695)	(695,986)
	2,128,385	(485,801)	2,651,009	(378,629)
Other income	814,946	375,593	700,598	194,757
<b>Operating profit/(loss)</b>	<b>2,943,331</b>	<b>(110,208)</b>	<b>3,351,607</b>	<b>(183,872)</b>
Finance cost	-	(1,230)	-	-
<b>Profit/(loss) before taxation</b>	<b>2,943,331</b>	<b>(111,438)</b>	<b>3,351,607</b>	<b>(183,872)</b>
Provision for taxation	9 (457,814)	105,090	(404,835)	160,878
<b>Profit/(loss) after taxation</b>	<b>2,485,517</b>	<b>(6,348)</b>	<b>2,946,772</b>	<b>(22,994)</b>
<b>Earnings/(loss) per share - basic and diluted</b>	<b>0.197</b>	<b>(0.001)</b>	<b>0.234</b>	<b>(0.002)</b>

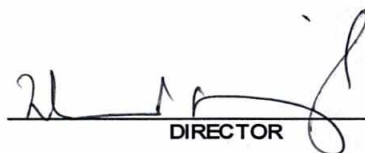
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# KOHINOOR POWER COMPANY LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2023

	Six month ended		Three month ended	
	31-Dec-23	31-Dec-22	31-Dec-23	31-Dec-22
	Rupees	Rupees	Rupees	Rupees
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-	-	-
<i>Items that will not be reclassified to profit or loss</i>	-	-	-	-
Other comprehensive income	-	-	-	-
Profit/(loss) after taxation	2,485,517	(6,348)	2,946,772	(22,994)
Total comprehensive income/(loss)	2,485,517	(6,348)	2,946,772	(22,994)

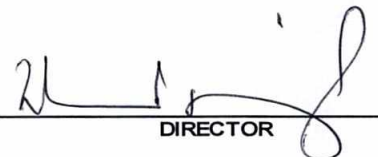
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# KOHINOOR POWER COMPANY LIMITED

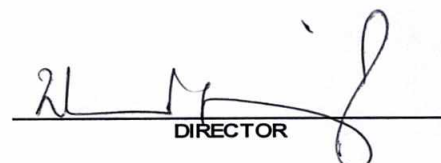
## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2023

	Share capital	Capital reserves			Total equity
	Issued share capital	Share premium	General reserve	Accumulated losses	
	Rupees	Rupees	Rupees	Rupees	
<b>Balance as at 01 July 2022 - Audited</b>	126,000,000	34,000,000	235,500,000	(266,881,244)	128,618,756
<b>Comprehensive income</b>					
Loss after taxation	-	-	-	(6,348)	(6,348)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	(6,348)	(6,348)
<b>Transaction with owners</b>	-	-	-	-	-
<b>Balance as at 31 December 2022 - Un-audited</b>	126,000,000	34,000,000	235,500,000	(266,887,592)	128,612,408
<b>Balance as at 01 January 2023 - Un-audited</b>	126,000,000	34,000,000	235,500,000	(266,887,592)	128,612,408
<b>Comprehensive income</b>					
Loss after taxation	-	-	-	(1,693,649)	(1,693,649)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss</b>	-	-	-	(1,693,649)	(1,693,649)
<b>Transaction with owners</b>	-	-	-	-	-
<b>Balance as at 30 June 2023 - Audited</b>	126,000,000	34,000,000	235,500,000	(268,581,241)	126,918,759
<b>Balance as at 01 July 2023</b>	126,000,000	34,000,000	235,500,000	(268,581,241)	126,918,759
<b>Comprehensive income</b>					
Profit after taxation	-	-	-	2,485,517	2,485,517
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss</b>	-	-	-	2,485,517	2,485,517
<b>Transaction with owners</b>	-	-	-	-	-
<b>Balance as at 31 December 2023 - Un-audited</b>	126,000,000	34,000,000	235,500,000	(266,095,724)	129,404,276

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

  
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CHIEF FINANCIAL OFFICER

  
DIRECTOR

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# KOHINOOR POWER COMPANY LIMITED

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2023

	Six month ended	
	31-Dec-23	31-Dec-22
	Rupees	Rupees
<b>CASH GENERATED FROM OPERATIONS</b>		
(Loss)/profit before taxation	2,943,331	(111,438)
<b>Adjustments for non-cash and other items</b>		
Impairment loss on stores and spares	-	149,980
Impairment loss on plant and equipment	-	656,250
Changes in fair value of short term investments FVTPL	(67,385)	291,210
(Gain)/Loss on disposal of short term investments	(26,080)	107,974
Depreciation	2,184,054	2,337,199
	2,090,589	3,542,613
<b>Operating profit before changes in working capital</b>	5,033,920	3,431,175
<b>Changes in working capital</b>		
Lease rentals receivable	(2,933,727)	(1,221,200)
Advances and other receivables	(26,080)	(1,399,596)
Trade and other payables	133,386	58,483
	(2,826,421)	(2,562,313)
<b>Cash generated from operations</b>	2,207,499	868,862
Payments for:		
Income tax	(729,483)	(544,154)
<b>Net cash generated from operating activities</b>	1,478,016	324,708
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of short term investments	(1,781,960)	(4,420,685)
Disposal of short term investments	1,808,040	5,820,281
<b>Net cash generated from investing activities</b>	26,080	1,399,596
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,504,096	1,724,304
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD/YEAR</b>	6,494,301	4,525,315
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD/YEAR</b>	7,998,397	6,249,619

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

  
CHIEF EXECUTIVE

  
CHIEF FINANCIAL OFFICER

  
DIRECTOR

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# KOHINOOR POWER COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2023

### 1 LEGAL STATUS AND OPERATIONS

Kohinoor Power Company Limited ['the Company'] was incorporated in Pakistan on 08 December 1991 as a Private Limited Company under repealed Companies Ordinance, 1984 (now Companies Act, 2017) and subsequently converted into Public Limited Company on 10 May 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

The interim financial statements are un-audited and has been presented in condensed form and do not include all the information as is required to be provided in a full set of annual financial statements. These interim financial statements should be read in conjunction with the audited financial statements of the Company for the year ended 30 June 2023.

This interim financial statements have been subjected to limited scope review by the auditors of the company, as required by the Companies Act, 2017 under section 237. The comparative condensed interim statement of financial position as at 30 June 2023 and the related notes to the interim financial statements are based on audited financial statements. The comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and related notes to the condensed interim financial statements for the six month period ended 31 December 2022 are based on unaudited, reviewed interim financial statements. The condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months period ended 31 December 2023 and 31 December 2022 are neither audited nor reviewed.

#### 2.1 Statement of compliance

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

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

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

#### 2.2 Appropriateness of the Going Concern Assumption

The Company derives majority of its revenue from leasing out of its machinery to Saritow Spinning Mills Limited ['SSML'], a related party, engaged in manufacturing and sale of yarn. SSML is grappling with considerable losses amid depressed yarn prices, which have led to a challenging liquidity situation. As a result, SSML is unable to fully leverage its production capacity, resulting in only partial utilization of its production capacity during the reporting period. The Board of Directors of SSML in its meeting held on 28 February 2024 has resolved to close its production facility for the time being. Given the Company's reliance on leasing of machinery to SSML for revenue, Its financial situation may also be impacted by SSML's challenges and consequently, the Company may not be able to operate profitably. These factors indicate existence of a material uncertainty that raises doubts about the Company's ability to continue as a going concern and that the Company may not be able to discharge its liabilities and realize its assets in normal course of business. However, these financial statements have been prepared on going concern basis based on the following:

- The bulk of the cost of sales stems from maintaining and operating machinery leased out to SSML. Should SSML's operations halt, the cost of sales would notably decrease, as expenses for maintaining and operating the leased machinery would substantially cease. The revenue stream from other sources is expected to cover the company's administrative expenses, ensuring profitability in the event that SSML is unable to continue as a going concern.
- The Company has no significant liabilities that might necessitate forced liquidation of its assets. The company has positive equity and has Cash to Total Liabilities ratio of 2.72 times as at the reporting date.



# KOHINOOR POWER COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2023

### 2.3 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

### 2.4 Judgments, estimates and assumptions

The preparation of interim 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. Actual results may differ from these estimates.

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

### 2.5 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.

### 2.6 Date of authorisation for issue

These interim financial statements have been approved by the Board of Directors of the Company and authorized for issue on 28 February 2024.

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

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

### 3.1 Disclosure of Accounting Policies (Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 - Making Materiality Judgements)

The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

### 3.2 Definition of Accounting Estimates (Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

### 3.3 Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 - Income Taxes)

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

### 3.4 International Tax Reform — Pillar Two Model Rules (Amendments to IAS 12)

The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.

## 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.

# KOHINOOR POWER COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2023

	Effective date (annual periods beginning on or after)
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
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	01 January 2024
IFRS S2 Climate-related Disclosures	01 January 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	01 January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16 - Leases)	01 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1 - Presentation of Financial Statements)	01 January 2024
Lack of Exchangeability (Amendments to IAS 21)	01 January 2024
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 - Presentation of Financial Statements).	01 January 2025
Other than afore mentioned standards, interpretations and amendments, IASB has also issued the following standards which have not been notified by the Securities and Exchange Commission of Pakistan ["SECP"]:	
IFRS 1 - First Time Adoption of International Financial Reporting Standards	
IFRS 17 - Insurance contracts	
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 a material impact on the Company's financial statements other than in presentation/disclosures.	

### 5 ACCOUNTING POLICIES AND METHODS OF COMPUTATION

The accounting policies and methods of computation adopted in the preparation of these interim financial statements are the same as those applied in the preparation of preceding annual financial statements of the Company for the year ended 30 June 2023.

### 6 CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies and commitments since 30 June 2023.

	31-Dec-23	30-Jun-23
	<i>Rupees</i>	<i>Rupees</i>
	<i>(Un-Audited)</i>	<i>(Audited)</i>
<b>7 PROPERTY AND EQUIPMENT</b>		
Net book value at the beginning of the period/year	79,591,835	84,602,586
Depreciation for the period/year	(2,037,289)	(4,348,251)
Impairment for the period/year	-	(662,500)
<b>Net book value at end of the period/year</b>	<b>77,554,546</b>	<b>79,591,835</b>
<b>8 INVESTMENT PROPERTY</b>		
Net book value at the beginning of the period/year	2,935,311	3,261,457
Depreciation for the period/year	(146,765)	(326,146)
<b>Net book value at end of the period/year</b>	<b>2,788,546</b>	<b>2,935,311</b>

### 9 PROVISION FOR TAXATION

9.1 Provision for current tax has been made in accordance with section 37 and 150 (30 June 2023: section 37 and 150) of the Income Tax Ordinance 2001 ['the Ordinance'].

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

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# KOHINOOR POWER COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2023

### 10 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

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

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

		Six months ended	
		31-Dec-23	31-Dec-22
		Rupees	Rupees
		(Un-Audited)	(Un-Audited)
<b>10.1</b>	<b>Transactions with related parties</b>		
	<b>Nature of relationship</b>		
	<b>Nature of transactions</b>		
	Associated companies		
	Advertising expenses	81,000	86,400
	Rental income	8,476,674	8,926,011
		<b>31-Dec-23</b>	<b>30-Jun-23</b>
		Rupees	Rupees
		(Un-Audited)	(Audited)
<b>10.2</b>	<b>Balances with related parties</b>		
	<b>Nature of relationship</b>		
	<b>Nature of balances</b>		
	Associated companies		
	Trade creditors	81,000	-
	Lease rentals receivable	15,023,925	412,779
<b>11</b>	<b>FINANCIAL INSTRUMENTS</b>		
	The carrying amounts of the Company's financial instruments by class and category are as follows:		
		<b>31-Dec-23</b>	<b>30-Jun-23</b>
		Rupees	Rupees
		(Un-Audited)	(Audited)
<b>11.1</b>	<b>Financial assets</b>		
	<b>Cash in hand</b>	125,800	144,180
	<b>Financial assets at amortized cost</b>		
	Lease rentals receivable	15,023,925	412,779
	Due from stock broker	5,503,333	5,477,253
	Cash at bank	7,872,597	6,350,121
		<b>28,399,855</b>	<b>12,240,153</b>
	<b>Financial assets mandatorily measured at fair value through profit or loss</b>		
	Short term investments	394,440	327,055
		<b>28,920,095</b>	<b>12,711,388</b>

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# KOHINOOR POWER COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2023

	31-Dec-23	30-Jun-23
	<i>Rupees</i>	<i>Rupees</i>
	<i>(Un-Audited)</i>	<i>(Audited)</i>
<b>11.2 Financial liabilities</b>		
<i>Financial liabilities at amortized cost</i>		
Trade creditors	97,240	15,103
Accrued liabilities	2,175,558	2,172,500
	<b>2,272,798</b>	<b>2,187,603</b>

## 12 FAIR VALUE MEASUREMENTS

### 12.1 Financial Instruments

#### 12.1.1 Financial instruments measured at fair value

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

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

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

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

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

#### a) Recurring fair value measurements

Nature of asset	Hierarchy	Valuation techniques/Key inputs	31-Dec-23	30-Jun-23
			<i>Rupees</i>	<i>Rupees</i>
			<i>(Un-Audited)</i>	<i>(Audited)</i>
<b>Investments</b>				
Investments in equity securities	Level 1	Quoted prices in an active market	394,440	327,055

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

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

### 12.2 Financial instruments not measured at fair value

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

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

#### 12.3.1 Recurring fair value measurements

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

	Level 1	Level 2	Level 3	31-Dec-23	30-Jun-23
				<i>Rupees</i>	<i>Rupees</i>
Plant and machinery	-	76,927,500	-	76,927,500	78,900,000
Building (Investment property)	-	2,788,546	-	2,788,546	2,935,311
Stores and spares	-	950,077	-	950,077	950,077

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



# KOHINOOR POWER COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2023

	Valuation technique	Significant inputs	Sensitivity
<b>Machinery</b>	Cost approach that reflects the cost to the market participants to acquire assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique during the period/year.	Estimated purchase price, including import duties and non-refundable purchase taxes and other costs directly attributable to the acquisition or construction, erection and installation.	A 5% increase in estimated purchase price, including import duties and non-refundable purchase taxes and other directly attributable costs would result in a significant increase in fair value of plant and machinery by Rs. 3.85 million (30 June 2023: Rs. 3.95 million).
<b>Building</b>	Cost approach that reflects the cost to the market participants to construct assets of comparable utility and age, adjusted for obsolescence and depreciation. There was no change in valuation technique during the period/year.	Estimated construction costs and other ancillary expenditure.	A 5% increase in estimated construction and other ancillary expenditure would result in a significant increase in fair value of buildings by Rs. 139,427 (30 June 2023: Rs. 146,766).
<b>Stores and spares</b>	Cost approach that reflects the cost to the market participants to acquire assets of comparable utility and age, adjusted for obsolescence and impairment. There was no change in valuation technique during the year.	Estimated purchase price, including import duties and non-refundable purchase taxes and other costs directly attributable to the acquisition.	A 5% increase in estimated purchase price, including import duties and non-refundable purchase taxes and other directly attributable costs would result in a significant increase in fair value of stores and spares by Rs. 47,503 (30 June 2023: Rs. 47,504).

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

### 12.3.2 Non-recurring fair value measurements

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

### 13 EVENTS AFTER THE REPORTING PERIOD

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

### 14 RECOVERABLE AMOUNTS AND IMPAIRMENT

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

### 15 GENERAL

15.1 There are no other significant activities since 30 June 2023 affecting the interim financial statements.

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

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