

# **KOHINOOR POWER COMPANY LIMITED**

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

**31-12-2021**

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

**BANKERS**

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

**REGISTERED OFFICE**

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

**WORKS**

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

**SHARE REGISTRAR**

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

**DIRECTORS' REPORT**

The Directors' of the Company presented before the Shareholders their report alongwith Interim Financial Statements for the period ended December 31, 2021.

<b><u>Financial High Lights</u></b>	<b><u>Half Year Ended Dec 31, 2021</u></b>	<b><u>Half Year Ended Dec 31, 2020</u></b>
Net Sales	8.660	8.418
Gross Profit	1.244	1.064
Loss/Profit before Tax	(1.897)	0.143
Loss/Profit after Tax	(1.573)	0.276
Earing per Share	(0.12)	0.02

**OPERATING FINANCIAL RESULTS**

During the period under review, the Company earned revenue of Rs. 8.660 million as against Rs. 8.418 million in the corresponding period last year. The Company suffered loss of Rs. (1.897) million as compared to profit of Rs. 0.143 million with an EPS of Rs. (0.12) in comparison to Rs. 0.02 in the corresponding period last year. The said loss mainly due to decrease in value of its investment in equity market.

**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	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

Lahore  
February 28, 2022

  
**M. ZEID YOUSUF SAIGOL**  
Chief Executive

  
**M. MURAD SAIGOL**  
Director

ڈائریکٹرز رپورٹ:

کمپنی کے ڈائریکٹران نے کمپنی شیئر ہولڈرز کے سامنے ان کی رپورٹ ہمراہ عبوری مالی سٹیٹمنٹ برائے دورانیہ 31 دسمبر 2021 پیش کی۔

آپریٹنگ نتائج

زیر غور دورانیہ میں کمپنی نے 8,660 ملین روپے کا ریونیو کمایا جبکہ گزشتہ سال اسی عرصے میں 8,418 ملین روپے کا ریونیو کمایا تھا۔ کمپنی زیر جائزہ دورانیہ میں (1.897) ملین روپے نقصان میں رہی جو گزشتہ سال 0.143 روپے منافع تھا، کے ساتھ فی حصص آمدنی (0.12) کے موازنہ میں 0.02 تھی۔ اس نقصان کی بڑی وجہ کمپنی کی ایکویٹی مارکیٹ میں اپنی سرمایہ کاری کی قیمت میں کمی ہے۔

مستقبل کا نقطہ نظر

ہم پُر امید ہیں کہ مستقبل میں جیسے ہی انشاک مارکیٹ انڈیکس میں بہتری آئے گی، ایکویٹی انشاک میں سرمایہ کاری میں ہونے والے نقصان کا ازالہ ہو جائے گا۔

بورڈ کی ساخت

بورڈ آف ڈائریکٹرز کی ساخت درج ذیل ہے۔

کل ڈائریکٹرز کی تعداد	
6	مرد
1	عورت
ساخت	
جناب محمد آصف سید زبیر احمد شاہ	آزاد ڈائریکٹرز
جناب محمد نسیم سہیل جناب محمد مراد سہیل	ٹان ایگزیکٹو ڈائریکٹرز
جناب محمد زید یوسف سہیل جناب محمد عمر فاروق	ایگزیکٹو ڈائریکٹرز
محترمہ مصدقہ کاشف	نیم سبیل ڈائریکٹر

کمپنیز

بورڈ کی کمپنیز کی تفصیل درج ذیل ہے۔

آڈٹ کمیٹی

جناب محمد آصف	چیئرمین اممبر
جناب محمد عمر فاروق	ممبر
سید زبیر احمد شاہ	ممبر
محترمہ مصدقہ کاشف	ممبر

ایچ آر اینڈ آرکائیویشن کمیٹی

جناب محمد آصف	چیئرمین اممبر
جناب محمد نسیم سہیل	ممبر
جناب محمد زید یوسف سہیل	ممبر

ہم تمام حصہ داران کے ہمراہ رقوم کے تبادلے سے منگور ہیں۔ ہم یہ اعلان کرتے ہوئے خوش محسوس کرتے ہیں کہ کمپنی اپنے ملازمین کو سراہتے ہوئے یہ امید کرتی ہے کہ وہ اسی انداز میں آئندہ بھی اپنے فرائض سرانجام دیتے رہیں گے۔

منجانب و برائے بورڈ:

لاہور

28 فروری، 2022

ڈائریکٹر

چیف ایگزیکٹو



## INDEPENDENT AUDITOR'S REVIEW REPORT

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

#### Introduction

We have reviewed the accompanying condensed interim statement of financial position of **KOHINOOR POWER COMPANY LIMITED** [‘the Company’] as at **31 December 2021** 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 2021** 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.

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



**RAHMAN SARFARAZ RAHIM IQBAL RAFIQ**  
Chartered Accountants  
Lahore: 28 February 2022

UDIN: RR202110185XdLw8jifV



# KOHINOOR POWER COMPANY LIMITED

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	31-Dec-21 Rupees (Un-audited)	30-Jun-21 Rupees (Audited)
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<i>Authorized share capital</i>		200,000,000	126,000,000
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
Retained earnings		(265,216,711)	(263,643,162)
<b>TOTAL EQUITY</b>		<b>130,283,289</b>	<b>131,856,838</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		245,989	862,747
Unclaimed dividend		527,881	527,881
		<b>773,870</b>	<b>1,390,628</b>
<b>TOTAL LIABILITIES</b>		<b>773,870</b>	<b>1,390,628</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	6		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>131,057,159</b>	<b>133,247,466</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 2021

	Note	31-Dec-21 Rupees (Un-audited)	30-Jun-21 Rupees (Audited)
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Machinery and equipment	7	87,093,627	89,402,168
Investment property	8	3,442,649	3,623,841
		90,536,276	93,026,009
<b>CURRENT ASSETS</b>			
Stores and spares		1,246,460	1,249,661
Lease rentals receivable		8,544,201	7,566,750
Advances and other receivables		22,206,236	21,132,669
Short term investments		2,157,680	5,570,740
Current taxation		3,381,403	2,599,434
Cash and bank balances		2,984,903	2,102,203
		40,520,883	40,221,457
<b>TOTAL ASSETS</b>		<b>131,057,159</b>	<b>133,247,466</b>

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

RSRIR  
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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 2021

Note	Six month ended		Three month ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	Rupees	Rupees	Rupees	Rupees
Rental income	8,660,100	8,418,278	4,330,050	4,233,649
Cost of sales	(7,415,692)	(7,353,940)	(3,609,894)	(3,750,345)
<b>Gross profit</b>	<b>1,244,408</b>	<b>1,064,339</b>	<b>720,156</b>	<b>483,305</b>
Administrative expenses	(882,768)	(1,800,348)	(458,503)	(1,014,751)
Other expenses	(2,339,493)	(41,236)	(1,177,662)	102,708
	(3,222,261)	(1,841,584)	(1,636,165)	(912,043)
	(1,977,853)	(777,246)	(916,009)	(428,739)
Other income	79,995	920,455	44,685	261,923
<b>Operating (loss)/profit</b>	<b>(1,897,858)</b>	<b>143,209</b>	<b>(871,324)</b>	<b>(166,816)</b>
Finance cost	(812)	(290)	-	(290)
<b>(Loss)/profit before taxation</b>	<b>(1,898,670)</b>	<b>142,919</b>	<b>(871,324)</b>	<b>(167,106)</b>
Provision for taxation	325,121	133,131	395,368	196,615
<b>(Loss)/profit after taxation</b>	<b>(1,573,549)</b>	<b>276,050</b>	<b>(475,956)</b>	<b>29,509</b>
<b>(Loss)/earnings per share - basic and diluted</b>	<b>(0.12)</b>	<b>0.02</b>	<b>(0.04)</b>	<b>0.00</b>

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

CHIEF EXECUTIVE

CHIEF FINANCIAL OFFICER

DIRECTOR

# KOHINOOR POWER COMPANY LIMITED

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2021

	Six month ended		Three month ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	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	-	-	-	-
(Loss)/profit after taxation	(1,573,549)	276,050	(475,956)	29,509
<b>Total comprehensive (loss)/income</b>	<b>(1,573,549)</b>	<b>276,050</b>	<b>(475,956)</b>	<b>29,509</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 CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2021

	Share capital	Capital reserves	Revenue reserves		Total equity
	Issued share capital	Share premium	General reserve	Retained earnings	
	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at 01 July 2020 - Audited	126,000,000	34,000,000	235,500,000	(261,486,564)	134,013,436
<b>Comprehensive income</b>					
Profit after taxation	-	-	-	276,050	276,050
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income</b>	-	-	-	276,050	276,050
Transaction with owners	-	-	-	-	-
<b>Balance as at 31 December 2020 - Un-audited</b>	<b>126,000,000</b>	<b>34,000,000</b>	<b>235,500,000</b>	<b>(261,210,514)</b>	<b>134,289,486</b>
Balance as at 01 January 2021 - Un-audited	126,000,000	34,000,000	235,500,000	(261,210,514)	134,289,486
<b>Comprehensive income</b>					
Loss after taxation	-	-	-	(2,432,648)	(2,432,648)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss</b>	-	-	-	(2,432,648)	(2,432,648)
Transaction with owners	-	-	-	-	-
<b>Balance as at 30 June 2021 - Audited</b>	<b>126,000,000</b>	<b>34,000,000</b>	<b>235,500,000</b>	<b>(263,643,162)</b>	<b>131,856,838</b>
Balance as at 01 July 2021	126,000,000	34,000,000	235,500,000	(263,643,162)	131,856,838
<b>Comprehensive income</b>					
Loss after taxation	-	-	-	(1,573,549)	(1,573,549)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive loss</b>	-	-	-	(1,573,549)	(1,573,549)
Transaction with owners	-	-	-	-	-
<b>Balance as at 31 December 2021 - Un-audited</b>	<b>126,000,000</b>	<b>34,000,000</b>	<b>235,500,000</b>	<b>(265,216,711)</b>	<b>130,283,289</b>

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



CHIEF EXECUTIVE



CHIEF FINANCIAL OFFICER



DIRECTOR

# KOHINOOR POWER COMPANY LIMITED

## CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2021

	Six month ended	
	31-Dec-21	31-Dec-20
	Rupees	Rupees
<b>CASH GENERATED FROM OPERATIONS</b>		
(Loss)/profit before taxation	(1,898,670)	142,919
<b>Adjustments for non-cash and other items</b>		
Provision for employees retirement benefits	-	105,030
Changes in fair value of short term investments FVTPL	593,012	37,732
Loss/(gain) on disposal of short term investments	1,776,654	(882,952)
Depreciation	2,489,733	2,650,310
	4,859,399	1,910,120
<b>Operating profit before changes in working capital</b>	2,960,729	2,053,039
<b>Changes in working capital</b>		
Stores and spares	3,201	106,677
Lease rentals receivable	(977,451)	(1,398,278)
Advances and other receivables	(1,073,567)	3,060,755
Trade and other payables	(616,758)	8,225
	(2,664,575)	1,777,379
<b>Cash generated from operations</b>	296,154	3,830,418
Payments for:		
Income tax	(456,848)	(410,033)
<b>Net cash (used in)/generated from operating activities</b>	(160,694)	3,420,385
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of short term investments	(99,471,603)	(254,643,959)
Disposal of short term investments	100,514,997	253,588,204
<b>Net cash generated from/(used in) investing activities</b>	1,043,394	(1,055,755)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	-	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	882,700	2,364,630
<b>CASH AND CASH EQUIVALENTS AS AT BEGINNING OF THE PERIOD/YEAR</b>	2,102,203	1,218,633
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD/YEAR</b>	2,984,903	3,583,263

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

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2021

### 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 2021.

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 2021 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 2020 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 2021 and 31 December 2020 are neither audited nor reviewed.

#### 2.1 Statement of compliance

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

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

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

#### 2.2 Amalgamation with Saritow Spinning Mills Limited

The Board of Directors of the Company and Saritow Spinning Mills Limited in that respective meeting held on 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 interim financial statements have been prepared on going concern basis as the proposed amalgamation referred to in note 2.2 will not result in liquidation of the Company or cessation of its operations, but instead the operations of the Company will be continued by SSML for the foreseeable future.

#### 2.4 Basis of measurement

These 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



# KOHINOOR POWER COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2021

### 2.5 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.

### 2.6 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 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 2022.

## 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 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)

The amendments in Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

### 3.2 COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16 - Leases)

The amendment extends, by one year, the May 2020 amendment that 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

# KOHINOOR POWER COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2021

	Effective date (annual periods beginning on or after)
Disclosure of Accounting Policies (Amendments to IAS 1 - Presentation of Financial Statements 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
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 - Income Taxes)	01 January 2023
Initial Application of IFRS 17 and IFRS 9 — Comparative Information (Amendment to IFRS 17 - Insurance contracts)	01 January 2023

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

IFRS 1 - First Time Adoption of International Financial Reporting Standards  
IFRS 14 - Regulatory Deferral Accounts

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 2021.

### 6 CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies and commitments since 30 June 2021.

	31-Dec-21	30-Jun-21
	<i>Rupees</i>	<i>Rupees</i>
	<i>(Un-Audited)</i>	<i>(Audited)</i>

### 7 MACHINERY AND EQUIPMENT

Net book value at the beginning of the period/year	89,402,168	94,300,139
Depreciation for the period/year	(2,308,541)	(4,897,971)
Impairment for the period/year	-	-
<b>Net book value at end of the period/year</b>	<b>87,093,627</b>	<b>89,402,168</b>

### 8 INVESTMENT PROPERTY

Net book value at the beginning of the period/year	3,623,841	4,026,490
Depreciation for the period/year	(181,192)	(402,649)
<b>Net book value at end of the period/year</b>	<b>3,442,649</b>	<b>3,623,841</b>

### 9 PROVISION FOR TAXATION

- 9.1 Provision for current tax has been made in accordance with section 113 (30 June 2021: section 37, 113 and 151) of the Income Tax Ordinance 2001 ['the Ordinance'].
- 9.2 No provision for deferred tax has been made as the impact of the same is considered immaterial.



# KOHINOOR POWER COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2021

### 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-21	31-Dec-20
		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	44,500	-
	Rental income	2,660,100	8,418,278
		<b>31-Dec-21</b>	<b>30-Jun-21</b>
		<b>Rupees</b>	<b>Rupees</b>
		<b>(Un-Audited)</b>	<b>(Audited)</b>
<b>10.2</b>	<b>Balances with related parties</b>		
	<b>Nature of relationship</b>		
	<b>Nature of balances</b>		
	Associated companies		
	Trade creditors	44,500	-
	Lease rentals receivable	8,544,201	7,566,750

### 11 FINANCIAL INSTRUMENTS

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

		31-Dec-21	30-Jun-21
		Rupees	Rupees
		(Un-Audited)	(Audited)
<b>11.1</b>	<b>Financial assets</b>		
	<b>Cash in hand</b>	81,804	71,807
	<b>Financial assets at amortized cost</b>		
	Lease rentals receivable	8,544,201	7,566,750
	Advance to stock broker	5,268,364	4,194,797
	Cash at bank	2,903,099	2,030,396
		<b>16,715,664</b>	<b>13,791,943</b>
	<b>Financial assets mandatorily measured at fair value through profit or loss</b>		
	Short term investments	3,442,649	5,570,740
		<b>20,240,117</b>	<b>19,434,490</b>

# KOHINOOR POWER COMPANY LIMITED

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTH PERIOD ENDED 31 DECEMBER 2021

	31-Dec-21 <i>Rupees</i> <i>(Un-Audited)</i>	30-Jun-21 <i>Rupees</i> <i>(Audited)</i>
<b>11.2 Financial liabilities</b>		
<i>Financial liabilities at amortized cost</i>		
Trade creditors	58,420	238,639
Accrued liabilities	100,000	532,500
	<b>158,420</b>	<b>771,139</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-21 <i>Rupees</i> <i>(Un-Audited)</i>	30-Jun-21 <i>Rupees</i> <i>(Audited)</i>
<b>Investments</b>				
Investments in equity securities	Level 1	Quoted prices in an active market	3,442,649	5,570,740

#### 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-21 <i>Rupees</i>	30-Jun-21 <i>Rupees</i>
Plant and machinery	-	86,141,250	-	86,141,250	88,350,000
Building (Investment property)	-	3,442,649	-	3,442,649	3,623,841
Stores and spares	-	1,246,460	-	1,246,460	1,249,661

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 2021

	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. 4.31 million (30 June 2021: Rs. 4.42 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. 172,133 (30 June 2021: Rs. 181,192).
<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. 62,323 (30 June 2021: Rs. 62,483).

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 2021 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