

# KOHINOOR POWER COMPANY LIMITED

Financial Statement For Year Ended June,30 2018.

Mudassar Ehtisham & Co.  
Chartered Accountants

## **DIRECTORS' REPORT**

The Directors of the Company presented before the shareholders the 27<sup>th</sup> Annual Report alongwith audited Financial Statements of the Company for the year ended June 30, 2018.

During the period under review the company leased out 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. 6.74 million as compared to 16.07 in the corresponding period last year. The Company suffered loss of Rs. 15.67 million as compared to loss of Rs. 4.485 million in the corresponding period last year. Major reason for increase in loss is due to loss on investments in equity market. The management is confident that recovery of stock market would have positive impact in future on the viability of the Company.

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

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.

<b>TOTAL NUMBER OF DIRECTORS</b>	
Male	7
Female	NONE
<b>COMPOSITION</b>	
Independent Director	Mr. Rashid Ahmad Javaid
Non-Executive Directors	Mr. M. Naseem Saigol
	Mr. Muhammad Murad Saigol
	Mr. Muhammad Omer Farooq
	Mr. Muhammad Athar Rafiq
	Mr. Muhammad Shamil
Executive Director	Mr. Muhammad Zeid Yousuf Saigol

## **COMMITTEE'S**

Detail of Committee's of Board is as under.

### **AUDIT COMMITTEE**

Mr. Rashid Ahmad Javaid	Chairman/Member
Mr. Muhammad Omer Farooq	Member
Mr. Muhammad Athar Rafiq	Member
M. Muhammad Shamil	Member

### **HR & REMUNERATION COMMITTEE**

Mr. Rashid Ahmad Javaid	Chairman/Member
Mr. M. Naseem Saigol	Member
Mr. Muhammad Zeid Yousuf Saigol	Member

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

For and on behalf of the Board



**M. ZEID YOUSUF SAIGOL**  
Chief Executive

Lahore  
October 06, 2018

کمپنی کے ڈائریکٹرز نے حصہ داران کے سامنے کمپنی کے 27 واں سالانہ آڈٹ شدہ مالیاتی نتائج برائے دورانہ 30 جون 2018 پیش کیے۔

زیر نظر مدت کے دوران کمپنی نے اپنے انجین ساریٹو سپنگ ملز لمیٹڈ کو کرائے پر دیئے ہوئے ہیں۔ اس کے علاوہ کمپنی نے Equity مارکیٹ میں سرمایہ لگایا ہوا ہے اور اپنی عمارت کرائے پر دی ہے۔ اس کے نتیجے میں کمپنی نے 6.74 ملین کا منافع کمایا ہے جو گزشتہ سال 16.07 ملین روپے تھا۔ کمپنی 15.67 ملین روپے نقصان میں رہی جو گزشتہ سال 4.485 ملین روپے تھا۔ نقصان میں اضافے کی بڑی وجہ Equity مارکیٹ میں سرمایہ کاری میں کمی ہے۔ انتظامیہ پر امید ہے کہ مستقبل میں اسٹاک مارکیٹ کی بحالی سے کمپنی کے استحکام میں مثبت اثر پڑے گا۔

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

یہ حسابات (Going Concerns) کی بنیاد پر تیار کیے گئے ہیں۔ کمپنی کے وسائل اپنی ضروریات پوری کرنے کے لیے کافی ہیں۔ مزید برآں کمپنی تقریباً قرض سے پاک ہے اور (اگر ضرورت پڑے تو) اس کے اثاثہ جات اپنی ضروریات پورا کرنے کے لیے کافی ہیں۔

#### بورڈ کی ساخت

بورڈ آف ڈائریکٹرز کی ساخت درج ذیل ہے۔

کل ڈائریکٹرز کی تعداد	
مرد	7
عورت	کوئی نہیں
ساخت	
آزاد ڈائریکٹر	جناب رشید احمد جاوید
نان ایگزیکٹو ڈائریکٹرز	جناب محمد نسیم سہگل
	جناب محمد مراد سہگل
	جناب محمد عمر فاروق
	جناب محمد اطہر رفیق
	جناب محمد شکیل
ایگزیکٹو ڈائریکٹر	جناب محمد زید یوسف سہگل



کمیشنرز

بورڈ کی کمیشنرز کی تفصیل درج ذیل ہے۔

آؤٹ کمیشن

جناب رشید احمد جاوید	چیئر مین / ممبر
جناب محمد عرفان روق	ممبر
جناب محمد اطہر رفیق	ممبر
جناب محمد شکیل	ممبر

ایک آراینڈ ریفرنیشن کمیشن

جناب رشید احمد جاوید	چیئر مین / ممبر
جناب محمد نسیم سہگل	ممبر
جناب محمد زید یوسف سہگل	ممبر

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

منجانب وائس بورڈ:

لاہور

محمد زید یوسف سہگل

06 اکتوبر، 2018

چیف ایگزیکٹو

**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 09, 2017, October 30, 2017, February 28, 2018, April 27, 2018.

Following was the attendance of the Directors: -

<b><u>NAME OF DIRECTORS</u></b>	<b><u>NO. OF MEETINGS ATTENDED</u></b>
Mr. M. Naseem Saigol	2
Mr. M. Azam Saigol	0 (Ceased as on 28-02-2018)
Mr. M. Zeid Yousuf Saigol	1 (Elected as on 28-02-2018)
Mr. Muhammad Murad Saigol	1 (Elected as on 28-02-2018)
Rana Asad Iqbal	2 (Resigned as on 28-02-2018)
Mr. M. Omer Farooq	3
Mr. Muhammad Athar Rafiq	4
Mr. Muhammad Shamil	4
Mr. Rashid Ahmad Javaid	4

- 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, 2018 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

Lahore: October 06, 2018

**STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE  
GOVERNANCE) REGULATIONS, 2017**

Name of company: **KOHINOOR POWER COMPANY LIMITED**  
Year ending: **JUNE 30, 2018**

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: **Seven**
- b) Female: **None**

2. The composition of board is as follows:

Category	Names
Independent Director	Mr. Rashid Ahmad Javaid
Non-Executive Directors	Mr. M. Naseem Saigol
	Mr. Muhammad Murad Saigol
	Mr. Muhammad Omer Farooq
	Mr. Muhammad Athar Rafiq
	Mr. Muhammad Shamil
Executive Director	Mr. Muhammad Zeid Yousuf Saigol

3. The directors have confirmed that none of them is serving as a director on more than five 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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by 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 board.
8. The board of directors 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:

- a) Mr. Muhammad Zeid Yousuf Saigol
- b) Mr. Muhammad Murad Saigol
- c) Muhammad Omer Farooq
- d) Mr. Muhammad Athar Rafiq



10. The board has approved appointment of CFO, 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. CFO and CEO 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. Rashid Ahmad Javaid
2. Mr. Muhammad Omer Farooq
3. Mr. Muhammad Athar Rafiq
4. Mr. Muhammad Shamil

**b) HR and Remuneration Committee:**

1. Mr. Rashid Ahmad Javaid
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 09, 2017
2. October 30, 2017
3. February 28, 2018
4. April 27, 2018

**b) HR and Remuneration Committee:**

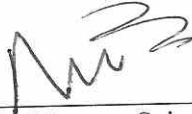
1. October 09, 2017

15. The board has set up an effective internal audit function who is 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 ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

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 other requirements of the Regulations have been complied with.

  
(M. Naseem Saigol)  
Chairman

**KOHINOOR POWER COMPANY LIMITED**
**SIX YEARS AT A GLANCE**

(Rupees in '000)

PARTICULARS	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
<b><u>Financial Position</u></b>						
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	321,796	316,842	316,842	343,781	554,188	564,977
Accumulated depreciation	214,804	203,864	197,453	226,712	343,509	343,248
Investment Property	4,971	5,523	6,137			
Current assets	52,298	65,725	65,455	83,261	61,429	90,344
Current Liabilities	2,406	3,442	4,442	3,590	15,872	8,879
<b><u>Income</u></b>						
Sales / Revenue	6,741	16,075	4,605	-	-	-
Other Income	258	1,841	202	5,349	766	1,324
Other Operating Expenses	46	-	1,246	-	-	3,174
Gross profit / (Loss)	(15,673)	1,944	1,751	-	-	-
Pre tax profit / ( Loss )	(18,796)	(6,850)	(8,875)	(55,850)	(44,218)	(54,236)
Taxation	255	(808)	1,228	1,184	-	-
Profit / ( Loss ) after taxation	(19,051)	(6,042)	(10,103)	(57,034)	(44,218)	(54,236)
Unappropriated profit / ( Loss )	(234,840)	(215,721)	(210,010)	(199,679)	(142,645)	(98,426)
<b><u>STATISTICS AND RATIOS</u></b>						
Gross profit / ( Loss ) to sales %	(2.33) %	12.09%	38.02%	0.00%	0.00%	0.00%
Pre tax profit / ( Loss ) to capital %	(15.66)%	(5.05)%	(7.58)%	(4.43)%	(3.51)%	(4.16)%
Current ratio	21.73	19.09	14.74	23.19	3.87	10.18
Paid up value per share ( Rs.)	10	10	10	10	10	10
Earning after tax per share ( Rs.)	(1.51)	(0.48)	(0.82)	(4.53)	(3.51)	(4.16)
Cash dividend %	-	-	-	-	-	-

**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

**30-06-2018**

2.2 No. of Shareholder	-----Shareholdings-----		Total Shares Held
	From	To	
309	1	100	7,786
264	101	500	81,378
263	501	1,000	217,710
311	1,001	5,000	804,827
71	5,001	10,000	573,426
30	10,001	15,000	377,580
23	15,001	20,000	423,980
12	20,001	25,000	283,525
7	25,001	30,000	201,028
4	30,001	35,000	131,570
3	35,001	40,000	115,500
4	40,001	45,000	172,000
5	45,001	50,000	245,500
1	55,001	60,000	59,112
2	60,001	65,000	121,500
2	65,001	70,000	133,750
1	70,001	75,000	75,000
2	80,001	85,000	164,500
3	85,001	90,000	266,000
1	100,001	105,000	105,000
1	145,001	150,000	150,000
1	155,001	160,000	157,000
1	195,001	200,000	196,000
1	345,001	350,000	346,500
1	420,001	425,000	424,717
1	425,001	430,000	427,500
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
1327			12,600,000

Categories of Shareholders	No. of Shareholders	Share held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	7	4,387	0.0348
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	1,290	5,906,154	46.8742
Others (to be specified)			
Pension Funds	1	26,528	0.2105
Other Companies	1	931	0.0074
Joint Stock Companies	14	301,466	2.3926
Foreign Companies	4	8,052	0.0639
	<u>1,327</u>	<u>12,600,000</u>	<u>100.0000</u>



# KOHINOOR POWER COMPANY LIMITED

Catagories of Shareholding required under Listed Companies (Code of Coporate Governance) Regulations, 2017  
As on June 30, 2018

Sr. No.	Name	No. of Shares Held	Percentage
<b>Associated Companies, Undertakings and Related Parties:</b>			
1	KOHINOOR INDUSTRIES LIMITED (CDC)	2,835,000	22.5000
2	PAK ELEKTRON LIMITD (CDC)	2,910,600	23.1000
<b>Mutual Funds:</b>			
1	SAFEWAY MUTUAL FUND LIMITED	945	0.0075
<b>Directors and their Spouse and Minor Chidren:</b>			
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 ATHAR RAFIQ	525	0.0042
5	MR. MUHAMMAD OMAR FAROOQ	525	0.0042
6	MR. RASHID AHMAD JAVAID	525	0.0042
7	MR. MUHAMMAD SHAMIL	500	0.0040
<b>Executives:</b>			
<b>Public Sector Companies &amp; Corporations:</b>			
<b>Banks, Development Finance Institutions, Non Banking Finance Institutions, Insurance Companies, Modarabas and Pension Funds:</b>			
		632,265	5.0180
<b>Shareholders holding five percent or more voting interest in the listed company</b>			
1	KOHINOOR INDUSTRIES LIMITED (CDC)	2,835,000	22.5000
2	PAK ELEKTRON LIMITD (CDC)	2,910,600	23.1000
<b>All trades in the shares of the listed company, carried out by its Directors, CEO, CFO, Company Secretary and their spouses and minor children:</b>			
S. No.	NAME	SALE	PURCHASE
1	MR. MUHAMMAD ZEID YOUSUF SAIGOL	-	500
2	MR. MUHAMMAD MURAD SAIGOL	-	500

# پیٹرن آف شیئر ہولڈنگ

30 جون 2018

نمبر شمار	کیٹگری آف شیئر ہولڈرز	تعداد حصص داران	تعداد حصص	فیصد
1	ڈائریکٹرز، چیف ایگزیکٹو آفیسر، ان کی بیویاں اور چھوٹے بچے۔	7	4,387	0.0348
2	ایسوسی ایٹڈ کمپنیز، انڈسٹریل اور متعلقہ پارٹنر۔	2	5,745,600	45.6000
3	این آئی ٹی اور آئی سی ٹی	1	200	0.0016
4	بینک، ڈیپوٹینٹ فنانس انسٹی ٹیوٹس، مان بینکنگ فنانس انسٹی ٹیوٹس	5	13,726	0.1089
5	انسٹورس کمپنیز	1	592,011	4.6985
6	مدار بہادر میوچل فنڈز	1	495	0.0075
7	عام حوام	1,290	5,906,154	46.8742
8	دوسرے (مخصوص کیا جائے گا)			
	میں سے فنڈز	1	26,528	0.2105
	دوسری کمپنیز	1	931	0.0074
	جوائنٹ سٹاک کمپنیز	14	301,466	2.3926
	غیر ملکی کمپنیز	4	8,052	0.0639
	کل تعداد	1,327	12,600,000	100.0000

## تعداد حصص

5,745,600

945

4,387

632,265

5,745,600

ایسوسی ایٹڈ کمپنیز، انڈسٹریل اور متعلقہ پارٹنر۔

میوچل فنڈز

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

ایگزیکٹوز

بینک، ڈیپوٹینٹ فنانس انسٹی ٹیوٹس، مان بینکنگ فنانس انسٹی ٹیوٹس

پانچ فیصد یا اس سے زیادہ کے حصص داران

پانچ فیصد یا اس سے زیادہ کے حصص داران

انڈسٹریل ڈائریکٹرز، ای او بی ایف او، کوآپریٹو سوسائٹیز، ان کی بیویاں اور چھوٹے بچوں کے حصص کی خرید و فروخت

نمبر شمار	نام	فروخت	خرید	وائٹ
1.	جناب محمد ذیہ یوسف سہگل	-	500	-
2.	جناب محمد مراد سہگل	-	500	-



**MUDASSAR EHTISHAM & CO.**  
Chartered Accountants

Independent Member Of Geneva Group International  
(Switzerland)

## Review Report to the Members

### On Statement of Compliance with the Best Practices of Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of **KOHINOOR POWER COMPANY LIMITED** ("the Company") for the year ended June 30, 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Regulations.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control system sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations requires the company to place before, the audit committee, and upon recommendation of Audit Committee, places before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

Lahore: October 03, 2018

**Mudassar Ehtisham & Co.**  
Chartered Accountants

Engagement partner: Mudassar Raza

**Head Office:**

50/2 Lawrence Road,  
Lahore - Pakistan.  
Tel: +92-42-36370219, 36363613  
Fax: +92-42-36363614  
E-mail: info@mudassarehtisham.com

**Islamabad Office:**

Room No. 2, 2nd Floor,  
Pacific Centre, F-8 Markaz, Islamabad.  
Tel: +92-051-2263636  
Fax: +92-051-2853536  
E-mail: yasir@mudassarehtisham.com

**Multan Office:**

Room No. 29, 1st Floor, Hajveri  
Arcade, Kutchery Road, Multan.  
Tel: +92-061-4500967, 4500968  
Fax: +92-061-4780067  
E-mail: waqas@mudassarehtisham.com

**Faisalabad Office:**

Office No.1, 1st Floor  
Noor Center, Opposit Mujahid  
Hospital, Faisalabad.  
Phone: +92-041-8503241  
Fax: +92-041-8503242  
E-mail: irfan@mudassarehtisham.com





**MUDASSAR EHTISHAM & CO.**  
Chartered Accountants

Independent Member Of Geneva Group International  
(Switzerland)

## 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 June 30, 2018, and the statement of profit or loss, the statement of other 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, statement of profit or loss, the statement of other 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 June 30, 2018 and of the profit, the 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.

#### Material Uncertainty relating to Going Concern

We draw attention to the matter that during the year ended 30 June 2018, the Company has incurred loss before tax of Rs. 18.796 million and its current assets exceeded its current liabilities by Rs. 49.891 million, and its accumulated losses stood at Rs. 234.841 million. These conditions, along with other matters as set forth in note 2.2.1 to the financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements have however been prepared on a going concern basis for the reasons more fully explained in note 2.2.1 to the financial statements. Our opinion is not qualified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Head Office:**  
50/2 Lawrence Road,  
Lahore - Pakistan.  
Tel: +92-42-36370219, 36363613  
Fax: +92-42-36363614  
E-mail: [info@mudassarehtisham.com](mailto:info@mudassarehtisham.com)

**Islamabad Office:**  
Room No. 2, 2nd Floor,  
Pacific Centre, F-8 Markaz, Islamabad.  
Tel: +92-051-2263636  
Fax: +92-051-2853536  
E-mail: [yasir@mudassarehtisham.com](mailto:yasir@mudassarehtisham.com)

**Multan Office:**  
Room No. 29, 1st Floor, Hajveri  
Arcade, Kutchery Road, Multan.  
Tel: +92-061-4500967, 4500968  
Fax: +92-061-4780067  
E-mail: [waqas@mudassarehtisham.com](mailto:waqas@mudassarehtisham.com)

**Faisalabad Office:**  
Office No.1, 1st Floor  
Noor Center, Opposit Mujahid  
Hospital, Faisalabad.  
Phone: +92-041-8503241  
Fax: +92-041-8503242  
E-mail: [irfan@mudassarehtisham.com](mailto:irfan@mudassarehtisham.com)



Following are the Key audit matters.

### **Key Audit Matters**

#### **i) Companies Act, 2017**

(Refer note 2.1 to the financial statements)

The fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of annual financial statements.

As part of this transition to the requirements, the management performed a gap analysis to identify differences between the previous and the current Fourth Schedule and as a result certain amendments relating to presentation and disclosures were made in the Company's annexed financial statements. In view of the various new disclosures presented in the financial statements, we considered this as a key audit matter.

#### **How the matter was addressed in our audit:**

We reviewed and understood the requirements of the Fourth Schedule to the Companies Act, 2017. Our audit procedures included the following:

- Considered the management's process to identify the additional disclosures required in the Company's financial statements;
- Obtained relevant underlying supports for the additional disclosures and assessed their appropriateness for the sufficient audit evidence; and
- Verified on test basis the supporting evidence for the additional disclosure and ensured appropriateness of the disclosures made.

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for 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 a 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 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.

Board of Directors are 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 users 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.

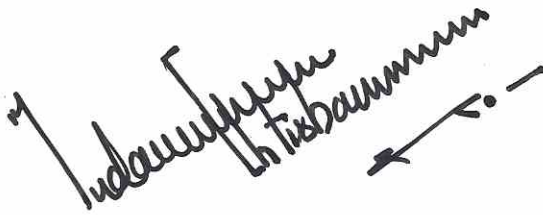
From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes 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;
- 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 Mr. Mudassar Raza.



Mudassar Ehtisham & Co.  
Chartered Accountants  
Lahore

October 03, 2018

**KOHINOOR POWER COMPANY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2018**

	Note	2018 Rupees	2017 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital			
20,000,000 (June 2017: 20,000,000)			
ordinary shares of Rs. 10/- each		<u>200,000,000</u>	<u>200,000,000</u>
Issued, subscribed and paid-up capital	4	126,000,000	126,000,000
Reserves	5	269,500,000	269,500,000
Accumulated (loss) / profit		(234,840,407)	(215,720,842)
		<u>160,659,593</u>	<u>179,779,158</u>
<b>NON-CURRENT LIABILITIES</b>			
Deferred liabilities	6	1,196,245	1,004,833
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	1,686,572	2,692,552
Un-claimed dividend		529,921	529,921
Provision for taxation		189,065	219,669
		<u>2,405,558</u>	<u>3,442,142</u>
		<u>164,261,396</u>	<u>184,226,133</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8	-	-
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	106,991,926	112,977,887
<b>INVESTMENT PROPERTY</b>			
	10	4,970,977	5,523,308
<b>CURRENT ASSETS</b>			
Trade Debts	11	1,271,778	1,877,812
Short term investments	12	20,256,998	28,475,272
Other receivables		2,612,977	9,408,282
Stores and spares	13	1,691,300	1,771,304
Loans and advances	14	496,000	152,000
Tax refunds due from Government	15	23,158,455	23,138,443
Cash and bank balances	16	2,810,985	901,825
		<u>52,298,493</u>	<u>65,724,938</u>
		<u>164,261,396</u>	<u>184,226,133</u>

The annexed notes from 1 to 36 form an integral part of these financial statements.

  
(CHIEF EXECUTIVE OFFICER)



  
(DIRECTOR)

8  
2



**KOHINOOR POWER COMPANY LIMITED**

**PROFIT OR LOSS ACCOUNT**

**FOR THE YEAR ENDED JUNE 30, 2018**

	Note	2018 Rupees	2017 Rupees
Revenue	17	6,740,513	16,074,568
Cost of sales	18	(22,413,062)	(20,560,511)
<b>Gross profit</b>		<b>(15,672,549)</b>	<b>(4,485,943)</b>
<b>Operating expenses:</b>			
Other operating expenses	22	(46,073)	-
Administrative expenses	19	(3,306,701)	(4,183,035)
Operating (loss)		(19,025,323)	(8,668,978)
Finance cost	21	(28,437)	(21,992)
Other Operating Income	20	257,726	1,841,164
(Loss) before taxation		(18,796,034)	(6,849,806)
Taxation			
Current year taxation		(189,065)	(219,669)
Prior year taxation		(65,918)	(1,385,328)
Prior year reversal		-	2,412,633
		(254,983)	807,636
<b>(Loss) after taxation</b>		<b>(19,051,017)</b>	<b>(6,042,170)</b>
<b>Earnings per share - basic and diluted</b>	23	<b>(1.51)</b>	<b>(0.48)</b>

The annexed notes from 1 to 36 form an integral part of these financial statements.



(CHIEF EXECUTIVE OFFICER)




(DIRECTOR)

See  
7

KOHINOOR POWER COMPANY LIMITED

STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
	Rupees	Rupees
(Loss) / profit for the period	(19,051,017)	(6,042,170)
Other comprehensive income/(Loss)		
For the year:		
Items that will not be reclassified to profit and loss account:		
Remeasurement of defined benefit liability-Net	(68,548)	330,907
Items that will be reclassified to profit and loss account:	-	-
<b>Total comprehensive (loss) / income for the period</b>	<b>(19,119,565)</b>	<b>(5,711,263)</b>

The annexed notes from 1 to 36 form an integral part of these financial statements.

  
(CHIEF EXECUTIVE OFFICER)



  
(DIRECTOR)

So  
7

**KOHINOOR POWER COMPANY LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Note	2018 Rupees	2017 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Loss before taxation		(18,796,034)	(6,849,806)
Adjustments for :			
Depreciation	18 & 19	6,802,771	7,024,283
Gratuity provision	6.2	122,864	287,540
Unrealised (loss) / gain on listed securities	20	(69,950)	(1,822,820)
Impairment	18	4,689,521	-
Financial charges		28,437	21,992
		(7,222,390)	(1,338,811)
<b>Operating loss before working capital changes</b>			
(Increase) / decrease in stores and spares	13	80,004	606,907
(Increase) / decrease in other receivable		6,795,305	(6,293,467)
(Increase) / decrease in trade debts	11	606,034	(769,242)
(Increase) / decrease in loans and advances	14	(344,000)	12,000
(Increase) / decrease in refunds due from government	15	276,847	1,306,499
Increase / ( decrease ) in trade and other payables	7	(1,291,567)	(192,535)
		6,122,623	(5,329,838)
<b>Cash (used in) / from operations</b>		(1,099,768)	(6,668,649)
Gratuity paid		-	-
Financial charges paid		(28,437)	(21,992)
Income tax paid		(296,859)	(374,506)
		(325,296)	(396,498)
<b>Net cash ( used in ) / from operating activities</b>		(1,425,064)	(7,065,147)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Addition in fixed assets	9.1	(4,954,000)	-
Short term investment	12	8,288,224	7,548,166
<b>Net cash from / ( used in ) investing activities</b>		3,334,224	7,548,166
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
<b>Net cash ( used in ) from financing activities</b>		-	-
<b>Net decrease in cash and cash equivalents</b>		1,909,160	483,019
Cash and cash equivalents - At the beginning of the year		901,825	418,806
<b>Cash and cash equivalents - At the end of the half year</b>	16	2,810,985	901,825

The annexed notes from 1 to 36 form an integral part of these financial statements.

3/8/18

(CHIEF EXECUTIVE OFFICER)

John

(DIRECTOR)

San  
7

**KOHINOOR POWER COMPANY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Share Capital	Reserves			Total (Rupees)
	Capital	Revenue		
	Share premium	General	Accumulated profit/(loss)	
126,000,000	34,000,000	235,500,000	(210,009,579)	185,490,421
-	-	-	(6,042,170)	(6,042,170)
-	-	-	330,907	330,907
-	-	-	(5,711,263)	(5,711,263)
126,000,000	34,000,000	235,500,000	(215,720,842)	179,779,158
-	-	-	(19,051,017)	(19,051,017)
-	-	-	(68,548)	(68,548)
-	-	-	(19,119,565)	(19,119,565)
126,000,000	34,000,000	235,500,000	(234,840,407)	160,659,593

The annexed notes from 1 to 36 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE**



  
**DIRECTOR**

8a  
7

**KOHINOOR POWER COMPANY LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2018**

**1. STATUS AND NATURE OF BUSINESS**

Kohinoor Power Company Limited was incorporated in Pakistan on December 8, 1991 as a Private Limited Company and subsequently converted into Public Limited Company on May 10, 1992. Its shares are quoted on Pakistan Stock Exchange. The registered office of the company is situated at 17-Aziz Avenue, Canal Bank, Gulberg-V, Lahore, Pakistan & its site is situated at Madina town, Near Government girls college, Faisalabad. The principal activity of the company is to generate and sell electric power. The Company has inducted new objects of the company along with existing vide special resolution dated March 01, 2016. These objects include primarily leasing of building, plant & machinery, investment in equity stocks and running & management of educational institutions.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) 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 Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

**2.2 Summary of significant transactions and events**

- 2.2.1** The company incurred loss before tax of Rs. 18.796 million during the year ended 30 June 2018 and as of date the Company's current assets exceeds current liabilities by Rs. 49.891 million. The company has started new business line of leasing of building, plant & machinery, investment in equity stocks and running & management of educational institutions. The management of the company is confident that the above actions shall ensure the company attract sufficient revenue to improve liquidity. Further, the directors of the company have offered full support to the company to meet its working capital needs. However, there is a material uncertainty relating to the events which may cause significant doubts on the company's ability to continue as a going concern and therefore the company may be unable realise its assets and discharge its liabilities in normal course of business.

- 2.2.2** Due to first time application of financial reporting requirement under Companies Act, 2017. The Act has also brought certain changes with regard to preparation and presentation of annual and interim financial statements of the Company. Further, the disclosure requirements contained in the Fourth schedule to the Act have been revised, some of the amounts reported in previous year have been reclassified.

**2.3 NEW AND AMENDED STANDARDS AND INTERPRETATIONS**

- 2.4** The fourth schedule to the Companies Act, 2017 (the Act) became applicable to the Company for the first time for the preparation of these financial statements. The Act (including its fourth schedule) forms an integral part of the statutory financial reporting framework applicable to the Company and amongst other, prescribes the nature and content of disclosures in relation to various elements of the financial statements.

The Act has also brought certain changes with regard to preparation and presentation of annual and interim financial statements of the Company. These changes include change in nomenclature of primary financial statements. Further, the disclosure requirements contained in the Fourth schedule to the Act have been revised, resulting in the:

- elimination of duplicative
- incorporation of significant

Specific additional disclosures and changes to the existing disclosures as a result of this change are stated in notes 2.1, 7.1, 10.2, 11.1, 24.2, 31, 32 and 33.

**KOHINOOR POWER COMPANY LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2018**

- 2.5 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company:

	Effective date (annual reporting periods beginning on or after)
IAS 19 Employee benefits (Amendments)	January 1, 2019
IAS 28 Investment in Associates and Joint Ventures (Amendments)	January 1, 2019
IAS 40 Investment Property (Amendments)	January 1, 2018
IFRS 2 Share-based Payment (Amendments)	January 1, 2018
IFRS 4 Insurance Contracts (Amendments)	January 1, 2018
IFRS 9 Financial Instruments	July 1, 2018
IFRS 15 Revenue from contracts with customers	July 1, 2018
IFRS 16 Leases	January 1, 2019
IFRIC 22 Foreign Currency Transactions and Advance Consideration	January 1, 2018
IFRIC 23 Uncertainty Over Income Tax	January 1, 2019

- 2.6 The management anticipates that, except as stated below, adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures. The management is in the process of assessing the impact of changes laid down by the IFRS 9, 15 and 16 on its financial statements.

- 2.7 Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

IFRS 1 First-time Adoption of International Financial Reporting Standards  
IFRS 14 Regulatory Deferral Accounts  
IFRS 17 Insurance Contracts

- 2.8 The following interpretations issued by the IASB have been waived off by SECP:

IFRIC 4 Determining whether an arrangement contains lease  
IFRIC 12 Service concession arrangements

**2.9 Basis of measurement**

These financial statements have been prepared under the historical cost convention except for certain financial instruments measured at fair value and / or amortized cost, employees retirement benefits under defined benefit plan at present value and certain items of property, plant and equipment measured at revalued amounts. In these financial statements, except for the amounts reflected in the cash flow statement, all transactions have been accounted for on accrual basis.

**2.10 Use of estimates and judgments**

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



**KOHINOOR POWER COMPANY LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2018**

**2.11 Depreciation method, rates and useful lives of property, plant and equipment**

The management of the Company reassesses useful lives, depreciation method and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Company expects to derive from that item and the maximum period up to which such benefits are expected to be available.

**2.12 Recoverable amount of assets / cash generating units and impairment**

The management of the Company reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication of impairment.

**2.13 Taxation**

The management of the Company takes into account the current income tax law and decisions taken by appellate authorities while estimating its tax liabilities. For recognition of deferred tax assets, estimates of the Company's future taxable profits against which carry forward tax losses can be used are taken into account.

**2.14 Provisions**

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Company would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

**2.15 Stores, spares, loose tools and stock-in-trade**

The Company reviews the stores, spares, loose tools and stock-in-trade for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of stores, spares and loose tools and stock-in-trade with a corresponding effect on the provision.

**2.16 Fair values of financial instruments with no active market**

Fair values of financial assets and financial liabilities with no active market are determined by discounting estimated future cash flows at effective interest rate; the rate that exactly discounts estimated future receipts / payments through expected life of the financial assets / liabilities or, when appropriate, a shorter period, to the net carrying amount of the financial assets / liabilities.

Other areas where estimates and judgments are involved have been disclosed in the respective notes to the financial statements.

**2.17 Functional currency**

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

**3. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of these financial statements are set out below.

**3.1 Property plant and equipment**

**Owned**

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost comprises purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, and includes other costs directly attributable to the acquisition or construction including expenditures on material, labour and overheads directly relating to construction, erection and installation of operating fixed assets. Expenditure incurred on capital work in progress are transferred to operating fixed assets when related items become available for use.

Borrowing costs pertaining to the construction and erection are capitalized up to the date of completion. Depreciation on property, plant & equipment is charged to income on reducing balance method at the rates specified in note No. 9 to the accounts to write off the cost over their estimated useful lives.



**KOHINOOR POWER COMPANY LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2018**

Depreciation on addition and deletion is charged on the basis of number of days the asset remains in use of the company. Assets' residual values, useful life and depreciation rates are reviewed and adjusted, if appropriate at each balance sheet date. Normal repair and maintenance is charged to income as and when incurred. Major renewals and improvements are capitalized.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within "other income / other charges" in profit and loss account.

**3.2 Staff retirement benefits**

**3.2.1 Post-employment benefits**

***Define benefit plan***

The Company operates an un-funded gratuity scheme for all eligible employees who have completed the minimum qualifying period of service. This year company has hired the actuarial consultant for the valuation of defined benefit plan for employees as at June 30, 2018. Based upon this valuation the company accounts for the provision and current service cost. The standard permits to adopt any systematic method that can result in faster recognition of accumulated actuarial gains and losses.

The amount recognised in the balance sheet represents the present value of defined benefit obligations as adjusted for unrecognised actuarial gains and losses.

The future contribution rates for this plan includes allowances for deficit and surplus. As per actuarial valuation, the following significant assumptions were used for calculation of this plan.

	2018	2017
Discount rate	9.00%	7.75%
Expected rate of salary increase in future years	8.00%	8.00%
Average expected remaining working life time of employees	7 years	8 years
Actuarial valuation method	Projected unit Credit Method	Projected unit Credit Method

**3.3 Investments**

All purchases and sale of investments are recognised using settlement date accounting. Settlement date is the date on which investments are delivered to or be the company. All investments are derecognised when the right to receive economic benefits from the investments has expired or has been transferred and the company has transferred substantially all the risks and reward of ownership.

**a) Investments Held to Maturity**

Investments with fixed or determinable payments and fixed maturity and where the company has positive intent and ability to hold investments to maturity are classified as investments held to maturity. These are initially recognised at cost inclusive of transaction cost and are subsequently carried at amortised cost using the effective interest rate method, Less any impairment losses.

**b) Investments at Fair Value through Profit or Loss**

An Investment is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the company's investment strategy. All investments classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. At subsequent dates these investments are measured at fair value, determined on the basis of prevailing market prices, with any resulting gain or loss recognised directly in the profit and loss account.

**KOHINOOR POWER COMPANY LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2018**

**3.4 Inventories**

These are valued at lower of cost and net realizable value. Cost is determined as follows:

Stores & Spares- At Weighted average cost.

Net realizable value represents selling price in the ordinary course of business less selling expenses incidental to sales.

**3.5 Trade Debts**

Trade debts are recognized and carried at original invoice amount less an allowance for any uncollectible amount. An estimated provision for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

**3.6 Other Receivables**

Other receivables are recognized at nominal amount which is the fair value of the consideration to be received less an allowance for any uncollectible amounts.

**3.7 Trade and other Payables**

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

**3.8 Taxation**

**a) Current**

Provision of current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

**b) Deferred Tax**

Deferred tax is accounted for using the balance sheet liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits 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. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination; and that affects neither accounting nor taxable profit or loss, and differences arising on the initial recognition of goodwill.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

**3.9 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for that sale of goods in the ordinary course of the Company's activities.

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue, and the associated cost incurred or to be incurred, can be measured reliably and when specific criteria have been met for each of the Company's activities as described below:

The Company has earned income from renting out its premises. Entity recognise revenue from investment property when right to receive rental is established.

Interest income on bank deposits is accounted for on the time proportion basis using the applicable rate of return.

Scrap sales and miscellaneous receipts are recognized on realized amounts. Dividend income from investments is recognized when the Company's rights to receive payments has been established.

Capital gain is recognised when profit/(loss) on buying and selling of shares of listed securities is realised.

**KOHINOOR POWER COMPANY LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2018**

**3.10 Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for:

- use in production or supply of goods or services or for administrative purposes; and
- sale in the ordinary course of business

Investment property comprises of land only and it is initially measured at cost, being the fair value of the consideration given. Subsequent to the initial recognition, the investment property is measured using the cost model as provided in International Accounting Standard 40 – Investment Property. The cost model requires to measure the investment property at each balance sheet date at its cost less any accumulated impairment losses. The Company assesses at each balance sheet date whether there is any indication that investment property may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying value exceeds the respective recoverable in the profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use. Any gain or loss on disposal of an investment property calculated as the difference between the net proceeds from disposal and the carrying amount of the investment property is recognized in profit or loss account.

**3.11 Provisions**

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made to the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

**3.12 Cash and Cash Equivalent**

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, cheques in hand and deposits in banks that are readily convertible to known amounts of cash.

**3.13 Contingencies and commitments**

These are accounted for as and when these become due and are presently stated to the extent and manner at approximate value.

**3.14 Financial Assets**

Financial assets represent investments in shares of listed companies and are classified as available for sale investments. These are initially recognized at cost and at subsequent reporting dates measured at fair values. Gains or losses from changes in fair values are taken to other comprehensive income until disposal at which time these are recycled to profit and loss account.

**3.15 Impairment**

**a) Financial Assets**

A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flow of that asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

KOHINOOR POWER COMPANY LIMITED  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2018

b) Non- Financial Assets

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indications exist, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recognized as expense in the profit and loss account. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.16 Financial Instruments

3.16.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit and loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

3.16.1(a) Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit and loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

3.16.1(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

3.16.1(c) Available for sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or are not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date. Available-for-sale financial assets are classified as short term investments in the balance sheet.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised directly in equity are included in the profit and loss account as gains and losses from investment securities. Interest on available for sale securities calculated using effective interest method is recognised in the profit and loss account. Dividends on available for sale equity instruments are recognised in the profit and loss account when the Company's right to receive payments is established.

3.16.1(d) Held to maturity

Held to maturity are financial assets with fixed or determinable payments and fixed maturity, where management has the intention and ability to hold till maturity are carried at amortised cost.

3.16.1(e) All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognised at trade date i.e. the date on which the Company commits to purchase or sell the asset.

Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit and loss. Financial assets carried at fair value through profit and loss are initially recognised at fair value and transaction costs are expensed in the profit and loss account.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. 'Loans and receivables' and 'held to maturity' investments are carried at amortised cost using effective interest rate method.

**KOHINOOR POWER COMPANY LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2018**

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active (for unlisted securities), the Company measures the investments at cost less impairment in value, if any.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the

Company has transferred substantially all risks and rewards of ownership.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired.

**3.16.2 Financial liabilities**

Non-derivative financial liabilities that are not financial liabilities at fair value through profit and loss are classified as financial liabilities at amortized cost. Financial liabilities in this category are presented as current liabilities except for maturities greater than twelve months from the reporting date where these are presented as non-current liabilities. The particular measurement methods adopted are disclosed in the individual policy statements associated with each instrument.

**3.16.3 Recognition and derecognition**

All the financial assets and financial liabilities are recognized at the time when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to profit and loss account currently.

Financial assets represent investments in shares of listed companies and are classified as available for sale investments. These are initially recognized at cost and at subsequent reporting dates measured at fair values. Gains or losses from changes in fair values are taken to other comprehensive income until disposal at which time these are recycled to profit and loss account.

**a) Trade & Other Payables**

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

**b) Trade & Other Receivables**

Trade and other receivables are recognized and carried at original invoice amount / cost less an allowance for any uncollectible amounts. Carrying amounts of trade and other receivables are assessed on a regular basis and if there is any doubt about the reliability of these receivables, appropriate amount of provision is made.

**c) Off Setting Of Financial Assets and Financial Liabilities**

A financial asset and a financial liability is off set and the net amount is reported in the balance sheet if the company has a 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.

**3.17 Dividend & Appropriation to reserves**

Dividend distribution to the Company's shareholders and appropriation to reserves is recognized in the financial statements in the period in which these are approved.

**3.18 Earnings per share**

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. 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 period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.



**KOHINOOR POWER COMPANY LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2018**

**3.19 Contingent Liabilities**

Contingent liability is disclosed when the Company has a possible obligation as a result of past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of obligation cannot be measured with sufficient reliability.

**3.20 Foreign currency transactions**

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. All monetary assets and liabilities denominated in foreign currencies at the year end are translated at exchange rates prevailing at the balance sheet date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rate at the date of the transaction. Exchange differences are included in profit and loss account for the year.

**3.21 Related party transactions**

All transactions between company and related party are accounted for at arm's length price in accordance with "Comparable Uncontrolled Price Method".

**3.22 Dividend distribution**

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved

**3.23 Off-setting**

A financial asset and a financial liability is offset and the net amount reported in the balance sheet 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.

**KOHINOOR POWER COMPANY LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2018**

			Note	2018 Rupees	2017 Rupees
4.	<b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL</b>				
	2018	2017			
	8,000,000	8,000,000	ordinary shares of Rs.10 each issued for cash	80,000,000	80,000,000
	4,600,000	4,600,000	bonus shares of Rs.10 each	46,000,000	46,000,000
	<u>12,600,000</u>	<u>12,600,000</u>		<u>126,000,000</u>	<u>126,000,000</u>

4.1 Ordinary shares of the company held by associated undertakings at year end are as follows:

	Number of shares	
Pak Elektron Limited	2,910,600	2,910,600
Kohinoor Industries Limited	2,835,000	2,835,000
	<u>5,745,600</u>	<u>5,745,600</u>

4.2 All shareholders have equal voting rights in the company.

5.	<b>RESERVES</b>		Note	2018 Rupees	2017 Rupees
	Revenue			235,500,000	235,500,000
	Premium on issue of shares			34,000,000	34,000,000
				<u>269,500,000</u>	<u>269,500,000</u>

5.1 Premium on issue of shares reserve have been maintained as per requirement of Companies Act, 2017.

6.	<b>DEFERRED LIABILITIES</b>		Note	2018 Rupees	2017 Rupees
	Staff gratuity	(6.1)		1,196,245	1,004,833
				<u>1,196,245</u>	<u>1,004,833</u>

**6.1 RECONCILIATION OF PAYABLE TO DEFINED BENEFIT PLAN**

	Present value of obligation	(6.2)	1,196,245	1,004,833
	Unrecognised actuarial (loss)		-	-
			<u>1,196,245</u>	<u>1,004,833</u>

**6.2 MOVEMENT IN NET LIABILITY RECOGNISED IN THE BALANCE SHEET**

	Balance sheet liability as at July, 01		1,004,833	1,048,200
	Expense recognised during the year	(6.3)	122,864	287,540
	Benefit paid during the year		-	-
	Remeasurements:			
	Actuarial (gains) losses from changes in financial positions		2,610	134,963
	Experience adjustments		65,938	(465,870)
			<u>1,196,245</u>	<u>1,004,833</u>

**6.3 EXPENSE RECOGNISED DURING THE YEAR**

	Current service cost		43,909	44,738
	Interest cost recognised during the year		78,955	110,061
	Total amount chargeable to profit and loss account		122,864	154,799
	Prior year cost		-	132,741
			<u>122,864</u>	<u>287,540</u>

**KOHINOOR POWER COMPANY LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2018**

	Note	2018 Rupees	2017 Rupees
<b>7. TRADE AND OTHER PAYABLES</b>			
Creditors for expenses	(7.1)	1,191,823	1,121,846
Advances from Customers		-	1,138,824
Income tax payable		96,183	88,557
Accrued expenses		398,566	343,325
		<u>1,686,572</u>	<u>2,692,552</u>

**7.1 Due to related parties:**

Red Communication Art (Pvt.) Limited	481,550	415,250
	<u>481,550</u>	<u>415,250</u>

**8. CONTINGENCIES AND COMMITMENTS**

- 8.1** SECP via letter No. CSD/ARN/97/2015-990 approaches the company stating that principle line of business of the company is not profitable and further directed the company to submit business plan to support company point view to generate enough revenue in future, however, the management of the company is confident that the new line of business shall ensure the company to attract sufficient revenue to improve liquidity as disclosed in note 1 of the financial statements. Furthermore, PSX (Pakistan Stock Exchange) via letter Ref. No. PSX/ Gen-8204U intimate the company that in case of show cause notice issued by commission regarding the above unresolved matter the company will be placed in defaulter segment and its trading will be suspended after providing an opportunity of heard to management of the company. The management of the company is confident that the above matter will be resolved.
- 8.2** Commitment under irrecoverable letter of credit as at June 30, 2018 Rs. Nil (2017: Rs. Nil).

	Note	2018 Rupees	2017 Rupees
<b>9. PROPERTY, PLANT &amp; EQUIPMENT</b>			
Property, plant and equipment	(9.1)	<u>106,991,926</u>	<u>112,977,887</u>
		<u>106,991,926</u>	<u>112,977,887</u>

- 9.1** Depreciation has been allocated to cost of sale and administrative expenses.

	Note	2018 Rupees	2017 Rupees
<b>10. INVESTMENT PROPERTY</b>			
Transfer from fixed assets - building:			
Opening balance (WDV)		5,523,308	6,137,009
Addition/(Deletion)		-	-
		<u>5,523,308</u>	<u>6,137,009</u>
Less: Depreciation		<u>(552,331)</u>	<u>(613,701)</u>
		<u>4,970,977</u>	<u>5,523,308</u>

- 10.1** This represents company building transferred from fixed assets at book value. Whereas the fair value of the building valued by an independent valuer as at June 30, 2018 amounts to Rs. 15,956,250 (2017: Rs. 15,165,625 ) forced sale value as at June 30, 2018 at PKR 13,562,813 (2017: PKR 12,890,781).

- 10.2** Particular of Immovable property (i-e land and buildings) in the name of Company are as follows:

Location	Usage of Immovable Property	Covered Area( Sq. Ft)
College Road, Madina Town, Faisalabad (Power House Building)	Investment Property	14375

## 9.1 Property, plant and equipment

YEAR ENDED 30 JUNE 2018

PARTICULARS	COST					DEPRECIATION							NET BOOK VALUE AS AT 30 June, 2018
	As at 01 July, 2017	Additions	Disposals	Transfers	As at 30 June, 2018	Rate %	As at 01 July, 2017	For the year	On disposals	Impairment Loss	Transfers	As at 30 June, 2018	
<b>Owened:</b>													
Plant and machinery	305,176,853	4,954,000	-	-	310,130,853	5	194,668,199	5,773,133	-	4,689,521	-	205,130,853	105,000,000
Furniture and fixtures	55,792	-	-	-	55,792	10	47,496	830	-	-	-	48,326	7,466
Office equipment	725,014	-	-	-	725,014	10	567,911	15,710	-	-	-	583,621	141,393
Vehicles	10,883,935	-	-	-	10,883,935	20	8,580,101	460,767	-	-	-	9,040,868	1,843,067
	<u>316,841,594</u>	<u>4,954,000</u>	<u>-</u>	<u>-</u>	<u>321,795,594</u>		<u>203,863,707</u>	<u>6,250,440</u>	<u>-</u>	<u>4,689,521</u>	<u>-</u>	<u>214,803,668</u>	<u>106,991,926</u>

## 9.1.1 Depreciation charge for the year has been allocated as under :

Cost of sales

Administrative expenses

	2018	2017
Note	Rupees	Rupees
(18)	5,773,133	5,816,245
(19)	477,307	594,337
	<u>6,250,440</u>	<u>6,410,582</u>

## 9.1 Property, plant and equipment

YEAR ENDED 30 JUNE 2017

PARTICULARS	COST					DEPRECIATION							NET BOOK VALUE AS AT 30 June, 2017
	As at 01 July, 2016	Additions	Disposals	Transfers	As at 30 June, 2017	Rate %	As at 01 July, 2016	For the year	On disposals	Impairment Loss	Transfers	As at 30 June, 2017	
<b>Owened:</b>													
Plant and machinery	305,176,853	-	-	-	305,176,853	5	188,851,954	5,816,245	-	-	-	194,668,199	110,508,654
Furniture and fixtures	55,792	-	-	-	55,792	10	46,574	922	-	-	-	47,496	8,296
Office equipment	725,014	-	-	-	725,014	10	550,455	17,456	-	-	-	567,911	157,103
Vehicles	10,883,935	-	-	-	10,883,935	20	8,004,142	575,959	-	-	-	8,580,101	2,303,834
	<u>316,841,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>316,841,594</u>		<u>197,453,125</u>	<u>6,410,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>203,863,707</u>	<u>112,977,887</u>

KOHINOOR POWER COMPANY LIMITED  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2018

			2018 Rupees	2017 Rupees
11	<b>TRADE DEBTS</b>	Note		
	Trade debts - unsecured considered good		1,271,778	1,877,812
			<u>1,271,778</u>	<u>1,877,812</u>
11.1	Due from related parties			
	Pak Electron Limited		183,013	922,900
	Saritow Spinning Mills Limited		1,088,765	954,912
			<u>1,271,778</u>	<u>1,877,812</u>
11.1.1	Aggregate maximum outstanding balance of trade debts due from related parties at the end of any month during the year was Rs 1,271,778 (2017: Rs 1,877,812).			
12	<b>SHORT TERM INVESTMENTS</b>	Note	2018 Rupees	2017 Rupees
	Held For Trading			
	COMPANY NAME	NO.OF SHARES	RATE	
	THE BANK OF PUNJAB	150,000	12	-
	BYCO PETROLEUM	167,500	19	-
	GLAXO SMITH	9,500	197	-
	HABIB BANK LTD	19,000	269	-
	HASEEB WAQAS SUGER MILLS	76,500	12	-
	K-ELECTRIC LTD	300,000	7	-
	MCB BANK LTD	39,400	210	-
	NISHAT CHUNIAN POWER	66,500	45	-
	POWER CEMENT LTD	5,000	13	-
	SUI NORTHERN GAS PIPELINE	15,000	149	-
	THE BANK OF PUNJAB	150,000	12	-
	GLAXO SMITH	9,500	166	-
	HABIB BANK LTD	19,000	166	-
	HASEEB WAQAS SUGER MILLS	76,500	6	-
	MCB BANK LTD	29,400	198	-
	NISHAT CHUNIAN LIMITED	37,500	47	-
	NISHAT CHUNIAN POWER	66,500	28	-
	NISHAT MILLS LIMITED	27,000	141	-
			1,810,500	-
			1,577,000	-
			3,162,360	-
			436,050	-
			5,814,438	-
			1,780,500	-
			1,871,310	-
			<u>3,804,840</u>	-
			<u>20,256,998</u>	<u>28,475,272</u>
13	<b>STORE AND SPARES</b>	Note	2018 Rupees	2017 Rupees
	Stores		361,914	374,608
	Spare parts		2,621,356	2,642,594
	Impairment loss		(1,291,970)	(1,245,897)
			<u>1,691,300</u>	<u>1,771,304</u>
13.1	Net Realizable value of Stores & Spares is valued by an independent valuer as at June 30, 2018 at PKR 1,691,300 (2017: PKR 1,771,304)			
14	<b>LOANS AND ADVANCES</b>	Note	2018 Rupees	2017 Rupees
	Advances - considered good			
	- Employees	(14.1)	496,000	152,000
			<u>496,000</u>	<u>152,000</u>



KOHINOOR POWER COMPANY LIMITED  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2018

14.1 Maximum aggregate amount due from the employees at any month-end during the year was Rs. 496,000 (2017: Rs. 152,000).

		2018	2017
	Note	Rupees	Rupees
<b>15 TAX REFUNDS DUE FROM GOVERNMENT</b>			
Sales tax refundable	(15.1)	17,675,873	17,675,873
Advance income tax	(15.2)	5,482,582	5,462,570
Less: Provision for tax on bonus shares		-	-
		<u>5,482,582</u>	<u>5,462,570</u>
		<u>23,158,455</u>	<u>23,138,443</u>
15.1	The matter of recovery of sales tax refundable was taken up by the Company with Honorable Federal Tax Ombudsman who vide his judgment dated 3rd June 2011 directed the tax department to decide the pending refund claims. The filed complaint was disposed of with the direction to finalize the claim after due verification of documents. The Assistant Commission (IR) partially accepted and partially deferred some portion of refund. The learned authority issued the order in this respect. The Company has lodged an appeal at the office of Commissioner inland Revenue (Appeals). The Commissioner appeal (IR) up held the Order. The legal advisor filed appeal against that order of Commissioner appeal (IR) at Honorable Appellate Tribunal Lahore. During the year As per the order issued on 17-11-2016, The Commissioner appeal (IR) has passed order in favour of the company thereafter the company has filed a subsequent application request for recovery of the said amount.		
15.2	Advance tax comprises of following:		
Opening Balance at the beginning of the year		5,462,570	8,694,563
Less: Write off tax receivable on bonus shares		-	(2,300,000)
Less: Adjusted against prior year taxation during the year		(276,847)	(1,306,499)
Add: Deducted during the year		296,859	374,506
		<u>5,482,582</u>	<u>5,462,570</u>
	Note	2018	2017
		Rupees	Rupees
<b>16. CASH AND BANK BALANCES</b>			
Cash in hand		184,622	108,544
Cash at banks			
- Current accounts		185,709	212,170
- Saving accounts	16.1	<u>2,440,654</u>	<u>581,111</u>
		<u>2,810,985</u>	<u>901,825</u>
16.1	These carry return at 4.00% to 6.00% (2017: 3.25% to 5.1%) per annum.		
<b>17. REVENUE</b>			
	Note	2018	2017
		Rupees	Rupees
Building rent		3,118,392	2,132,900
Generator rent		12,000,000	12,000,000
Dividend Income		705,650	463,900
Generator income		-	12,708
Capital (loss)/ Gain		<u>(9,083,529)</u>	<u>1,465,060</u>
		<u>6,740,513</u>	<u>16,074,568</u>
	Note	2018	2017
		Rupees	Rupees
<b>18. COST OF SALES</b>			
Operating Cost		9,614,646	8,538,161
Store Consumed		733,431	1,822,404
Repair & Maintenance		1,050,000	3,770,000
Depreciation	(9.1.1) & (10)	6,325,464	6,429,946
Impairment loss		<u>4,689,521</u>	<u>-</u>
		<u>22,413,062</u>	<u>20,560,511</u>

KOHINOOR POWER COMPANY LIMITED  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2018

	Note	2018 Rupees	2017 Rupees
<b>19. ADMINISTRATIVE EXPENSES</b>			
Salaries & benefits	(19.1)	1,212,864	1,997,721
Fees and subscription		592,049	553,098
Travelling and conveyance		42,266	64,090
Printing and stationery		107,540	129,465
Postage and telegram		12,750	23,175
Entertainment		49,755	40,249
Professional and legal charges		89,250	280,000
Telecommunication		152,130	85,600
Auditor's remuneration	(19.2)	400,000	300,000
Depreciation	(9.1.1)	477,307	594,337
Advertisement		163,500	109,300
Miscellaneous expenses		7,290	6,000
		<u>3,306,701</u>	<u>4,183,035</u>
<b>19.1</b>	Salaries, wages and benefits include provision for gratuity for the year Rs. 0.122 million (2017: Rs. 0.287 million).		
<b>19.2 Auditor's Remuneration</b>			
Annual audit		350,000	250,000
Half yearly review		50,000	50,000
		<u>400,000</u>	<u>300,000</u>
<b>20. OTHER OPERATING INCOME</b>	Note	2018 Rupees	2017 Rupees
From financial assets:			
Miscellaneous Income		109,962	-
Interest income		77,814	18,344
From non-financial assets:			
Unrealised (loss) / gain on listed securities		69,950	1,822,820
		<u>257,726</u>	<u>1,841,164</u>
<b>21. FINANCE COST</b>			
Financial charges during the year amounts to PKR 28,437 ( 2017: PKR 21,992)			
<b>22. OTHER OPERATING EXPENSES</b>	Note	2018 Rupees	2017 Rupees
Impairment loss on stores and spare parts		46,073	-
		<u>46,073</u>	<u>-</u>
<b>23. EARNING PER SHARE - basic and diluted</b>			
(Loss) after taxation	Rupees	<u>(19,051,017)</u>	<u>(6,042,170)</u>
		<b>Number of Shares</b>	
Weighted average number of ordinary shares issued and subscribed at the end of the year		<u>12,600,000</u>	<u>12,600,000</u>
Loss per share	Rupees	<u>(1.51)</u>	<u>(0.48)</u>

A diluted earning per share has not been presented as the company does not have any convertible instruments in issue as at June 30, 2018 and 2017 which would have any effect on the earning per share if the option to convert is exercised.

**KOHINOOR POWER COMPANY LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2018**

**24. TAXATION**

**24.1** Deferred tax asset amounting Rs. 44.60 million (2017:Rs. 37.40 million) is not recognized in these accounts as the company is sustaining heavy losses and is assessed under the deeming sections of the enactment referred to at sub Para (2.2.1) of this note. Major timing differences are not expected to reverse for a foreseeable future and there is no assurance that future taxable income would be sufficient to realize the benefit of brought forward losses. Losses available for carry forward are Rs. 239.31 million.

**24.2** Management assessment of sufficiency of current tax provision

**24.2.1** It is management's assessment that the provision for taxation made in the financial statements is sufficient.

	2017 Rupees	2016 Rupees	2015 Rupees
<b>24.2.2</b> Comparison of Tax Provision with Tax assessment			
Tax Provision as per Accounts	219,669	1,228,185	1,148,448
Tax Assessment	276,847	(391,009)	(420,990)

**25. TRANSACTIONS WITH RELATED PARTIES**

Related parties comprise of Associated Undertakings, directors and executive. The Company in the normal course of business carries-out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Remunerations of directors and executive is disclosed in note No. 26. Aggregate transactions with Associated Undertakings are as follows:

	Note	2018 Rupees	2017 Rupees
<b>25.1</b> Transactions with related parties			
<b>25.1.1</b> <u>Other related parties</u>			
<b>Red Communication Art (Private) Limited</b>			
Advertising expenses	19	97,200	109,300
<b>25.1.2</b> <u>Associate</u>			
<b>Saritow Spinning Mills Limited</b>			
Rental Income (Generator Rent)	17	12,000,000	12,000,000
<b>Kohinoor Industries Limited</b>			
Share of (loss) to Associate		(4,301,902)	(1,285,034)
<b>Pak Electron Limited</b>			
Rental Income (Building rent)	17	3,118,392	2,132,900
<b>25.2</b> Balances with related parties			
<b>25.2.1</b> <u>Other related parties</u>			
<b>Red Communication Art (Private) Limited</b>			
Payable balance		(481,550)	(415,250)
<b>25.2.2</b> <u>Associate</u>			
<b>Saritow Spinning Mills Limited</b>			
Rent Receivable		1,088,765	954,912
<b>Kohinoor Industries Limited</b>			
Value of investment		(9,497,250)	(20,128,500)
<b>Pak Electron Limited</b>			
Rent Receivable		183,013	922,900

**25.3** All related party transactions are approved by the audit committee and the Board of directors of the Company.

KOHINOOR POWER COMPANY LIMITED  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2018

26. REMUNERATION OF DIRECTORS AND EXECUTIVE

Particulars	Chief Executive		Directors		Executive	
	2018	2017	2018	2017	2018	2017

Number of persons	1	1	6	6	0	0
-------------------	---	---	---	---	---	---

There was no remuneration paid during the year to Chief Executive, Directors and Executives of the company (2017: Rs. Nil)

26.1 No meeting fee was paid to the directors and chief executive during the year (2017: Nil).

27. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES-(as per annexed)

**Risk management framework**

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

27.1 Financial Instruments by category

	Note	2018 Rupees	2017 Rupees
<b>Financial Assets</b>			
Loans and advances		496,000	152,000
Tax refunds due from Government		23,158,455	23,138,443
Cash and bank balances		2,810,985	901,825
		<u>26,465,440</u>	<u>24,192,268</u>
<b>Financial Liabilities</b>			
Gratuity - Defined benefit plan		1,196,245	1,004,833
Trade and other payables		1,686,572	2,692,552
		<u>2,882,817</u>	<u>3,697,385</u>

27.2 Fair Values

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If the transaction is not based on market terms, or if a market price cannot be readily determined, then an estimate of future cash payments or receipts, discounted using the current market interest rate for a similar financial instrument, is used to approximate the fair value. As at June 30, 2018 the carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

27.3 Financial Risk Factors

The Company has exposures to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

27.3.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from long term security deposits, loans and advances, deposits, trade debts, other receivables, bank balances and

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. To manage exposure to credit risk in respect of trade receivables, management reviews credit worthiness, references, establish purchase limits taking into account the customer's financial position, past experience and other factors.

KOHINOOR POWER COMPANY LIMITED  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE, 2018

	Note	2018 Rupees	2017 Rupees
Loans and advances		496,000	152,000
Tax refunds due from Government		23,158,455	23,138,443
Cash and bank balances	(16)	2,810,985	901,825
		<u>26,465,440</u>	<u>24,192,268</u>

The company assesses the credit quality of the counter parties as satisfactory. Bank balances are held only with reputable banks with high quality credit ratings. Loans and advances are not exposed to any material credit risk. Geographically there is no concentration of credit risk.

27.3.1.2 Credit quality and impairment

Credit quality of financial assets is assessed by reference to external credit ratings, where available, or historical information about the counterparty default rates. All counterparties, with the exception of customers, have external credit ratings determined by various credit rating agencies and other regulatory authorities. Credit quality of customer is assessed by reference to historical default rates and present ages.

*Counterparties with external credit ratings*

These include banking companies, which are counterparties to cash deposits, and margin deposits. These are neither past due nor impaired. Credit risk is considered minimal since the counterparties have reasonably high credit ratings as determined by various credit rating agencies. Due to long standing business relationships with these counterparties and considering their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Following are the credit ratings of counterparties with external credit ratings:

Banks	Rating		Rating Agency	2018	2017
	Long term	Short term		Rupees	Rupees
<i>Bank balances</i>					
Bank Alfalah Limited	AA+	A1+	PACRA	7,222	7,222
NIB Bank Limited	AAA	A1+	PACRA	35,697	36,297
Sindh Bank Limited	AA	A-1+	PACRA	2,440,654	581,111
				2,483,573	624,630

Credit risk on bank balances is limited as they are placed with local and foreign banks having good credit ratings assigned by local and International credit rating agencies.

The management does not expect any losses from non-performance by these counterparties.

27.3.2 Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have 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. Prudent liquidity risk management implies maintaining sufficient cash, marketable securities and the availability of adequate credit facilities. The following are the contractual maturities of the financial liabilities, including interest payments and excluding the impact of netting agreements :

Non derivative financial liabilities

YEAR ENDED 30 JUNE 2018

	Carrying amount	Contractual cash flows	Less than six months	Six to twelve months	One to Five years
Gratuity - Defined benefit plan	1,196,245	1,196,245	-	1,196,245	-
Trade and other payables	1,686,572	1,686,572	-	1,686,572	-
	<u>2,882,817</u>	<u>2,882,817</u>	<u>-</u>	<u>2,882,817</u>	<u>-</u>

YEAR ENDED 30 JUNE 2017

	Carrying amount	Contractual cash flows	Less than six months	Six to twelve months	One to Five years
Gratuity - Defined benefit plan	1,004,833	1,048,200	-	1,048,200	-
Trade and other payables	2,692,552	2,692,552	-	2,692,552	-
	<u>3,697,385</u>	<u>3,740,752</u>	<u>-</u>	<u>3,740,752</u>	<u>-</u>



**KOHINOOR POWER COMPANY LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2018**

**27.3.3 Market Risk**

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, changes in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The Company is exposed to currency risk and interest rate risk only.

**a) Currency risk**

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered in to foreign currencies. The company has no foreign currency and foreign exchange risk .

**b) Interest Rate Risk**

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

The company's interest rate risk arises from borrowings. The company analysis its interest rates exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and taking into accounts various other financing options available. The company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect the profit and loss account.

At June 30, 2018, if interest rates on borrowings had been 100 basis points higher/lower with all other variables held constant, profit after taxation for the year would have been higher/lower by Rs. Nil (2017:Rs. Nil)

**c) Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). Equity price risk arises from available for sale equity securities held. The investment in available for sale equity securities is not material and company is not expose to significant price risk.

**KOHINOOR POWER COMPANY LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2018**

**27.4 Fair value measurement of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Underlying the definition of fair value is the presumption that the company is a going concern and there is no intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

A financial instrument is regarded as quoted in an active market if quoted price is readily and regularly available from an exchange dealer, broker, industry group, pricing service, or regulatory agency, and that price represents actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 'Fair Value Measurement' requires the company to classify fair value measurements and fair value hierarchy that reflects the significance of the inputs used in making the measurements of fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (i.e. unobservable) inputs (Level 3)

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting period during which the changes have occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount			Fair value			
	Loans and receivables	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
<b>As at 30 June 2018:</b>	<b>----- Rupees -----</b>						
<i>Financial assets - not measured at fair value</i>							
Loans and advances	496,000	-	496,000	-	-	-	-
Tax refunds due from Government	23,158,455	-	23,158,455	-	-	-	-
Cash and bank balances	2,810,985	-	2,810,985	-	-	-	-
	<b>26,465,440</b>	<b>-</b>	<b>26,465,440</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Financial liabilities - not measured at fair value</i>							
Gratuity - Defined benefit plan	-	1,196,245	1,196,245	-	-	-	-
Trade and other payables	-	1,686,572	1,686,572	-	-	-	-
	<b>-</b>	<b>2,882,817</b>	<b>2,882,817</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**KOHINOOR POWER COMPANY LIMITED**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE, 2018**

As at 30 June 2017-

*Financial assets - not measured at  
fair value*

Loans and advances	152,000	-	152,000	-	-	-	-
Tax refunds due from Government	23,138,443	-	23,138,443	-	-	-	-
Cash and bank balances	901,825	-	901,825	-	-	-	-
	<u>24,192,268</u>	<u>-</u>	<u>24,192,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

*Financial liabilities - not measured at  
fair value*

Gratuity - Defined benefit plan	-	1,004,833	1,004,833	-	-	-	-
Trade and other payables	-	2,692,552	2,692,552	-	-	-	-
	<u>-</u>	<u>3,697,385</u>	<u>3,697,385</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**27.5 Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

The Company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Company's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within the Company. This responsibility is supported by the development of overall Company standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective

**KOHINOOR POWER COMPANY LIMITED****NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE, 2018****28. CAPITAL RISK MANAGEMENT**

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The company's objective when managing capital are to safe guard the company's ability to continue as a going concern and to maintain an optimum capital structure to reduce the cost of capital.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The company is not subject to externally imposed capital requirements.

**29. NUMBER OF EMPLOYEES**

	Number	
	2018	2017
Total number of employees at the year-end	1	1
Average number of employees at the year-end	1	1

**30. PLANT CAPACITY AND ACTUAL GENERATION**

		2018	2017
Normal plant capacity on the basis of three shifts	MW	40,843	40,843
Actual production	MW	-	-

30.1 As mentioned in note no.1, company has leased out its plant and machinery and so no production was made during the year.

**31. ASSOCIATED COMPANIES INCORPORATED OUTSIDE PAKISTAN**

The company does not have any associated companies incorporated outside Pakistan (2017:Nil)

**32. DISCLOSURE REQUIREMENTS FOR ALL SHARES ISLAMIC INDEX**

The company does not have any instrument in Islamic Index (2017:Nil)

**33. EVENTS AFTER THE BALANCE SHEET DATE**

There were no events occurred after balance sheet date that requires adjustments in the financial statements.

**34. CORRESPONDING FIGURES**

Corresponding figures have been re-arranged, where necessary, for the purpose of comparison and better presentation.

**35. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorized for issue on October 03, 2018 by the Board of Directors of the Company.

**36. GENERAL**

Figures have been rounded off to the nearest rupee.

  
(CHIEF EXECUTIVE OFFICER)



  
(DIRECTOR)

See  
7

www.jamapunji.pk



Welcome to  
**8181**



**An informed  
investor is a “safe”  
investor**

**Stay informed, invest  
wisely.**

**SECP SMS\* verification  
service offers:**

-  **Company verification**  
SMS <incorporation ID> to 8181
-  **License verification**  
SMS LV<space><incorporation ID>  
to 8181
-  **Agent verification**  
SMS <Agent ID> to 8181
-  **Modaraba verification**  
SMS MV<space><Modaraba  
authorization ID> to 8181

Never invest in unregistered and unlicensed entity, it's risky

**Value Added Services:**

-  **Saving & Investment Quotes**
-  **Regulatory & Enforcement Actions  
taken by SECP**
-  **Event Notification**
-  **Scams Alerts**

To subscribe; SMS sub to 8181



Jama Punji is an Investor  
Education Initiative of  
Securities and Exchange  
Commission of Pakistan

 [jamapunji.pk](https://www.facebook.com/jamapunji.pk)

 [@jamapunji\\_pk](https://twitter.com/jamapunji_pk)

\*Regular SMS Rates will be applicable