

KOHINOOR

POWER COMPANY LTD.

QUARTERLY REPORT
31 DECEMBER 2013
(UN-AUDITED)

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BOARD OF DIRECTORS

Mr. M. Naseem Saigol
Mr. M. Azam Saigol
Rana Asad Iqbal
Mr. M. Omer Farooq
Mr. Muhammad Athar Rafiq
Mr. Rashid Ahmad Javaid
Mr. Muhammad Shamil

(Chairman / Chief Executive)

AUDIT COMMITTEE

Mr. M. Azam Saigol
Mr. M. Omer Farooq
Mr. Rashid Ahmad Javaid

Chairman / Member
Member
Member

HR & REMUNERATION COMMITTEE

Mr. M. Naseem Saigol
Mr. M. Azam Saigol
Mr. Rashid Ahmad Javaid

Chairman / Member
Member
Member

COMPANY SECRETARY

Mr. Liaquat Ali

CHIEF FINANCIAL OFFICER

Mr. Asif Ali Mughal

AUDITORS

M/s Mudassar Ehtisham & Co.
Chartered Accountants

BANKERS

Al Barka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

REGISTERED OFFICE

17-Aziz Avenue, Canal Bank,
Gulberg-V, Lahore.
Tel: 35717364-65 & 35718274-75
Fax: 35715105
E-mail: shares@saigols.com

WORKS

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

SHARE REGISTRAR

M/s Corplink (Pvt.) Limited
Wings Arcade, 1-K, Commercial, Model Town, Lahore
Tel: 35839182, 35887262, 35916719, Fax: 35869037

AUDITORS' REPORT TO THE MEMEBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

INTRODUCTION

We have reviewed the accompanying condensed interim balance sheet of Kohinoor Power Company Limited as at December 31, 2013 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2012 and 2013 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2013.

Scope of Review

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

Basis for Qualification

The management is hopeful to obtain supply agreements in near future but up till the date of issue our review report no agreement between FESCO (Faisalabad Electric Supply Company Limited) and KPCL (Kohinoor Power Company Limited) for power supply was executed and provided to us. This situation created material doubt about going concern status of company. The assumption of going concern would be valid respecting the company if its management is in a position to obtain power supply orders either from FESCO or other industrial unit.

Conclusion

Based on our review and except for the matter explained in basis for qualification paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended December 31, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered accountants,
Lahore, February 28, 2014
Engagement Partner: Mudassar Raza

DIRECTORS' REPORT

The Director of the company feels pleasure to forward you the report on the performance of the company for the 1st quarter ended September 30, 2016.

During the period under review the company earned gross profit of Rs. 3.117 million as compare to Rs. 0.739 million in the corresponding period last year. The company has leased out its engine and as result, the operations of the company has started. The company has earned a profit of Rs. 0.61 million as compared to loss of Rs. 5.697 million in the corresponding period last year.

The company has included other business activities in its object clause, and we expect that it will have positive impact on the company's financial.

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

Lahore
April 30, 2016

M. AZAM SAIGOL
Chief Executive

KOHINOOR POWER COMPANY LIMITED

BALANCE SHEET AS AT 31ST DECEMBER 2013

	Un-Audited December 31, 2013	Audited June 30, 2013
Note	Rupees	Rupees
EQUITY AND LIABILITIES		
SHARE CAPITAL AND RESERVES		
Authorized capital		
20,000,000 (June 2013: 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	126,000,000	126,000,000
Reserves	269,500,000	269,500,000
Accumulated (loss) / profit	(125,480,888)	(98,426,063)
	270,019,112	297,073,937
NON-CURRENT LIABILITIES		
Liabilities against assets subject to finance lease	-	-
Deferred liabilities	4,394,945	6,120,598
CURRENT LIABILITIES		
Trade and other payables	5,779,126	6,430,688
Mark up accrued	12,804	-
Liabilities against assets subject to finance lease	1,537,588	2,448,529
	7,329,518	8,879,217
CONTINGENCIES AND COMMITMENTS		
	<u>281,743,575</u>	<u>312,073,752</u>

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

	Note	Un-Audited December 31, 2013 Rupees	Audited June 30, 2013 Rupees
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	214,755,863	221,729,817
Long term deposits		-	-
CURRENT ASSETS			
Stores and spares	12	24,640,200	24,708,002
Stock-in-trade	13	19,979,970	19,979,970
Loans and advances	14	3,109,828	10,790,845
Trade deposits and short term prepayments	15	1,403,189	1,961,549
Tax refunds due from Government	16	16,622,485	16,612,289
Cash and bank balances	17	1,232,040	16,291,280
		66,987,712	90,343,935
		<u>281,743,575</u>	<u>312,073,752</u>

KOHINOOR POWER COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE HALF YEAR ENDED DECEMBER 31, 2013

	Note	(QUARTER ENDED)		(HALF YEAR ENDED)	
		Oct-Dec 2013	Oct-Dec 2012	Jul-Dec 2013	Jul-Dec 2012
Sales	18	-	-	-	-
Cost of sales	19	-	-	-	-
Gross (loss) / profit		-	-	-	-
Operating expenses					
Administrative	20	20,934,426	23,906,661	27,665,731	31,138,517
Operating (loss) / profit		(20,934,426)	(23,906,661)	(27,665,731)	(31,138,517)
Other operating income	21	637,071	115,444	673,081	256,652
		(20,297,355)	(23,791,217)	(26,992,650)	(30,881,865)
Finance cost	22	(16,658)	(148,205)	(62,175)	(619,109)
(Loss) / profit before taxation		(20,314,013)	(23,939,422)	(27,054,825)	(31,500,974)
Taxation - Current		-	-	-	-
(Loss) / profit after taxation		(20,314,013)	(23,939,422)	(27,054,825)	(31,500,974)
Earnings per share - basic and diluted		(1.61)	(1.90)	(2.15)	(2.50)

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

KOHINOOR POWER COMPANY LIMITED
CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31ST DECEMBER, 2013

Note	Un-Audited December 31, 2013	Un-Audited December 31, 2012
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before taxation	(27,054,825)	(31,500,974)
Adjustments for :		
Depreciation	6,200,201	6,334,303
Gratuity provision	447,120	661,764
Profit on sale of fixed assets	(526,247)	-
Financial charges	62,175	619,109
	<u>(20,871,576)</u>	<u>(23,885,798)</u>
Operating profit before working capital changes		
(Increase) / decrease in stores and spares	67,802	2,545,518
(Increase) / decrease in stock in trade	-	125,868
(Increase) / decrease in trade debts	-	3,822,232
(Increase) / decrease in loans and advances	7,681,017	34,657,930
(Increase) / decrease in trade deposits and short term prepayments	558,360	107,795
(Increase) / decrease in refunds due from government	(719)	(2,437,491)
Increase / (decrease) in trade and other payables	(651,562)	(392,281)
	<u>7,654,898</u>	<u>38,429,571</u>
Cash (used in) from operations	<u>(13,216,678)</u>	<u>14,543,773</u>
Gratuity paid	(2,172,773)	(567,483)
Financial charges paid	(49,371)	(1,936,555)
Income Tax Paid	<u>(9,477)</u>	<u>(17,083)</u>
Net cash (used in) from operating activities	<u>(15,448,299)</u>	<u>12,022,652</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed Capital Expenditure	-	-
Sale proceeds of fixed assets	1,300,000	
Net cash (used in) from investing activities	<u>1,300,000</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of finance lease	(910,941)	(1,095,290)
Repayment of short term loans	-	(34,961,983)
Net cash (used in) from financing activities	<u>(910,941)</u>	<u>(36,057,273)</u>
Net decrease in cash and cash equivalents	<u>(15,059,240)</u>	<u>(24,034,621)</u>
CASH AND CASH EQUIVALENTS - At the beginning of the year	<u>16,291,280</u>	<u>25,699,564</u>
CASH AND CASH EQUIVALENTS - At the end of the year	<u>1,232,040</u>	<u>1,664,943</u>

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

KOHINOOR POWER COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31ST DECEMBER, 2013

	2013 Rupees	2012 Rupees
(Loss) / profit for the half year	(27,054,825)	(31,500,974)
Other comprehensive income	-	-
Total comprehensive (loss) / income for the half year	(27,054,825)	(31,500,974)

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

KOHINOOR POWER COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE QUARTER ENDED 31ST DECEMBER, 2013

	Share Capital	Reserves			Total (Rupees)
		Capital	Revenue		
		Share premium	General	Accumulated profit/ (loss)	
Balance as at 30 June, 2013	126,000,000	34,000,000	235,500,000	(98,426,063)	297,073,937
Total comprehensive income for the period	-	-	-	(27,054,825)	(27,054,825)
Balance as at 31 December, 2013	126,000,000	34,000,000	235,500,000	(125,480,888)	270,019,112

The annexed notes form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

KOHINOOR POWER COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31ST DECEMBER 2013

			December 31, 2013 Rupees	June 30, 2013 Rupees
3 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL				
	2012	2012		
	8,000,000	8,000,000	ordinary shares of Rs.10 each issued for cash	80,000,000
	4,600,000	4,600,000	bonus shares of Rs.10 each	46,000,000
	<u>12,600,000</u>	<u>12,600,000</u>	<u>126,000,000</u>	<u>126,000,000</u>
4 RESERVES				
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 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE				
Balance as on Jul, 01			2,448,529	5,814,505
Addition during the year			-	-
			<u>2,448,529</u>	<u>5,814,505</u>
Less: Repayments during the year			910,941	3,365,976
			<u>1,537,588</u>	<u>2,448,529</u>
Less: Current portion			<u>1,537,588</u>	<u>2,448,529</u>
			<u>-</u>	<u>-</u>
6 DEFERRED LIABILITIES				
Staff gratuity			4,394,945	6,120,598
			<u>4,394,945</u>	<u>6,120,598</u>
7 TRADE AND OTHER PAYABLES				
Creditors for goods			185,113	360,442
Creditors for expenses			1,322,983	955,077
Accrued expenses			1,993,867	2,844,007
Taxes deducted at source			727,247	721,246
Electric Duty Payable			1,019,410	1,019,410
Un-claimed dividend			530,506	530,506
			<u>5,779,126</u>	<u>6,430,688</u>

	December 31, 2013	June 30, 2013
11 FIXED ASSETS		
Property, plant and equipment		
Operating assets-note annexed	<u>214,755,863</u>	<u>221,729,817</u>
	<u>214,755,863</u>	<u>221,729,817</u>
12 STORE AND SPARES		
Stores	2,162,089	2,208,733
Spares	<u>22,478,111</u>	<u>22,499,269</u>
	<u>24,640,200</u>	<u>24,708,002</u>
13 STOCK-IN-TRADE		
Furnace oil	19,571,419	19,571,419
Diesel oil	<u>408,551</u>	<u>408,551</u>
	<u>19,979,970</u>	<u>19,979,970</u>
14 LOANS AND ADVANCES		
Advances - considered good		
- Employees	231,500	649,500
- Suppliers	<u>2,878,328</u>	<u>10,141,345</u>
	<u>3,109,828</u>	<u>10,790,845</u>
15 TRADE DEPOSIT AND SHORT TERM PREPAYMENTS		
Margin deposits	977,800	1,477,800
Prepayments	<u>425,389</u>	<u>483,749</u>
	<u>1,403,189</u>	<u>1,961,549</u>
16 TAX REFUNDS DUE FROM GOVERNMENT		
Sales tax refundable	14,833,421	14,832,702
Advance income tax	<u>1,789,064</u>	<u>1,779,587</u>
	<u>16,622,485</u>	<u>16,612,289</u>
17 CASH AND BANK BALANCES		
Cash in hand	188,685	99,640
Cash at banks		
- Current accounts	<u>1,043,355</u>	<u>16,191,640</u>
	<u>1,232,040</u>	<u>16,291,280</u>

	December 2013	December 2012
18 SALES (ELECTRICAL POWER)		
Industrial	-	-
	<u>-</u>	<u>-</u>
19 COST OF SALES		
Oil Consumed	-	-
Stores & Spares Consumed	15,146,989	17,418,865
Wages & Benefits	612,511	1,057,955
Salaries & Benefits	1,737,797	1,967,301
Insurance	-	-
Vehicle Running & Maintenance	106,890	124,915
Electric Duty	-	-
Repair, Maintenance and Replacements	1,130	99,053
Depreciation	5,587,447	5,458,404
	<u>23,192,764</u>	<u>26,126,493</u>
20 ADMINISTRATIVE EXPENSES		
Salaries & benefits	446,175	593,573
Rent, rate and taxes	2,251,830	2,410,620
Fees and subscription	419,797	403,984
Travelling and conveyance	23,200	43,950
Printing and stationery	114,783	89,381
Postage and telegram	19,783	-
Entertainment	34,117	51,962
Insurance	83,760	82,481
Staff welfare	16,065	45,190
Advertisement	110,800	37,800
Professional and legal charges	-	37,000
Telecommunication	80,554	81,575
Professional tax	-	-
Depreciation	612,754	875,899
Miscellaneous expenses	187,642	258,609
Generator expenses	71,707	
Non operational expenses	23,192,764	26,126,493
	<u>27,665,731</u>	<u>31,138,517</u>
21 FINANCIAL COST		
Mark-up on:		
- Short term loans	-	324,797
Lease finance charges	59,487	236,967
Bank charges	2,688	57,345
	<u>62,175</u>	<u>619,109</u>

22 OTHER INCOME

Miscellaneous income	86,284	-
Scrap-sludge	60,550	245,488
Generator income	-	11,164
Profit on sale of assets	526,247	-
	673,081	256,652

23 EARNING PER SHARE - basic and diluted

Earnings for the year	(27,054,825)	(31,500,974)
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Number of Shares

Weighted average number of ordinary shares issued and subscribed at the end of the year	12,600,000	12,600,000
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2013	2012
Rupees	Rupees

Earnings per share	(2.15)	(2.50)
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