

KOHINOOR

POWER COMPANY LTD.

QUARTERLY REPORT
31 DECEMBER 2014
(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 MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of KOHINOOR POWER COMPANY LIMITED ("the Company") as at December 31, 2014 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof, for the six - months period then ended (here-in-after referred to as the "the condensed 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, 2013 and December 31, 2014 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2014.

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 condensed 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the six months period ended December 31, 2014 is not prepared in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

Mudassar Ehtisham & Co.

Chartered Accountants

Engagement Partner: Mudassar Raza

Lahore, February 27, 2015

DIRECTORS' REPORT

The Directors' of your company presented before you the report of the company for the half year ended December 31, 2014.

The turnover of the company for the period is NIL. The operations of the company remained close as agreement with FESCO has not been materialized and approval from NEPRA is also pending. The company suffered loss of Rs. 6.088 during the period under review as against loss of Rs. 27.054 million in the corresponding period.

The Directors are grateful of the continuous support of shareholders, lenders and other financial institutions of the company and also thankful to all the employees for their enthusiasm in running the project efficiently and do hope for the same determination in future.

February 28, 2015
Lahore

For and on behalf of the Board
Chief Executive

KOHINOOR POWER COMPANY LIMITED
BALANCE SHEET AS AT 31 DECEMBER , 2014

		December 2014 Rupees	June 2014 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
20,000,000 (June 2014: 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	5	126,000,000	126,000,000
Reserves	6	269,500,000	269,500,000
Accumulated (loss) / profit		(148,733,536)	(142,644,543)
		<u>246,766,464</u>	<u>252,855,457</u>
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease	7	-	-
Deferred liabilities	8	919,719	1,297,956
CURRENT LIABILITIES			
Trade and other payables	9	89,058,723	14,893,810
Liabilities against assets subject to finance lease		-	977,800
		<u>89,058,723</u>	<u>15,871,610</u>
		<u>336,744,906</u>	<u>270,025,023</u>
CONTINGENCIES AND COMMITMENTS			
	10	-	-
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	11	202,856,970	208,596,384
CURRENT ASSETS			
Stores and spares	12	24,541,514	24,585,994
Stock-in-trade	13	13,070,307	18,188,010
Loans and advances	14	178,000	351,862
Trade deposits and short term prepayments	15	-	977,800
Tax refunds due from Government	16	19,745,728	16,625,244
Cash and bank balances	17	76,352,387	699,729
		<u>133,887,936</u>	<u>61,428,639</u>
		<u>336,744,906</u>	<u>270,025,023</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.

(CHIEF EXECUTIVE OFFICER)

(DIRECTOR)

KOHINOOR POWER COMPANY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE HALF YEAR ENDED 31 DECEMBER, 2014

	Note	Quarter Ended		Half Year Ended	
		December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
		Rupees	Rupees	Rupees	Rupees
Sales	18	-	-	-	-
Cost of sales	19	-	-	-	-
Gross (loss) / profit		-	-	-	-
Operating expenses:					
Administrative expenses	20	3,738,187	20,934,426	7,807,084	27,665,731
Operating (loss) / profit		(3,738,187)	(20,934,426)	(7,807,084)	(27,665,731)
Finance cost	21	(39,140)	(16,658)	(39,755)	(62,175)
Other operating income	22	2,352,725	637,071	2,411,945	673,081
(Loss) /profit before taxation		(1,424,602)	(20,314,013)	(5,434,894)	(27,054,825)
Taxation - Current		(654,099)	-	(654,099)	-
(Loss) / profit after taxation		(2,078,701)	(20,314,013)	(6,088,993)	(27,054,825)
Earnings per share - basic and diluted	23	(0.16)	(1.61)	(0.48)	(2.15)

The annexed notes from 1 to 24 form an integral part of these financial statements.

(CHIEF EXECUTIVE OFFICER)

(DIRECTOR)

KOHINOOR POWER COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER, 2014

	Quarter Ended		Half Year Ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	Rupees	Rupees		Rupees
(Loss) / profit for the half year	(2,078,701)	(20,314,013)	(6,088,993)	(27,054,825)
Other comprehensive income	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(2,078,701)</u>	<u>(20,314,013)</u>	<u>(6,088,993)</u>	<u>(27,054,825)</u>

The annexed notes from 1 to 24 form an integral part of these financial statements.

(CHIEF EXECUTIVE OFFICER)

(DIRECTOR)

KOHINOOR POWER COMPANY LIMITED
CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED 31 DECEMBER, 2014

	Note	December 2014 Rupees	December 2013 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(5,434,894)	(27,054,825)
Adjustments for :			
Depreciation		5,739,414	6,200,201
Gratuity provision		50,000	447,120
Profit on sale of fixed assets		-	(526,247)
Financial charges		39,755	62,175
		<u>394,275</u>	<u>(20,871,576)</u>
Operating loss before working capital changes			
(Increase) / decrease in stores and spares		44,480	67,802
(Increase) / decrease in stock in trade		5,117,703	-
(Increase) / decrease in loans and advances		173,862	7,681,017
(Increase) / decrease in trade deposits and short term prepayments		977,800	558,360
(Increase) / decrease in refunds due from government		(2,785,773)	(719)
Increase / (decrease) in trade and other payables		73,510,814	(651,562)
		<u>77,038,886</u>	<u>7,654,898</u>
Cash (used in) / from operations		<u>77,433,161</u>	<u>(13,216,678)</u>
Gratuity paid		(428,237)	(2,172,773)
Financial charges paid		(39,755)	(49,371)
Income tax paid		(334,711)	(9,477)
		<u>(802,703)</u>	<u>(2,231,621)</u>
Net cash (used in) / from operating activities		<u>76,630,458</u>	<u>(15,448,299)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Sale proceeds of fixed assets		-	1,300,000
Net cash from / (used in) investing activities		<u>-</u>	<u>1,300,000</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of finance lease		(977,800)	(910,941)
Short term borrowings		-	-
Net cash (used in) from financing activities		<u>(977,800)</u>	<u>(910,941)</u>
Net decrease in cash and cash equivalents		<u>75,652,658</u>	<u>(15,059,240)</u>
Cash and cash equivalents - At the beginning of the year		699,729	16,291,280
Cash and cash equivalents - At the end of the half year	17	<u><u>76,352,387</u></u>	<u><u>1,232,040</u></u>

The annexed notes from 1 to 24 form an integral part of these financial statements.

(CHIEF EXECUTIVE OFFICER)

(DIRECTOR)

KOHINOOR POWER COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER, 2014

	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
Net loss for the half year	-	-	-	(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
Net loss for the half year	-	-	-	(17,163,655)	25,368,875
Balance as at 30 June, 2014	126,000,000	34,000,000	235,500,000	(142,644,543)	295,387,987
Net loss for the half year	-	-	-	(6,088,993)	(6,088,993)
Balance as at 31 December, 2014	126,000,000	34,000,000	235,500,000	(148,733,536)	246,766,464

The annexed notes from 1 to 24 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

11 PROPERTY, PLANT AND EQUIPMENT

Particulars	Cost				Rate %	Depreciation			Written down Value as at Dec 31, 2014	
	As at July 01, 2014	Additions	Disposals/ transfers	As at December 31, 2014		As at July 01, 2014	For Six Months	Adjustment		Accumulated as at Dec 31, 2014
Buildings on lease hold land	42,401,089		-	42,401,089	10	34,824,534	378,828	-	35,203,362	7,197,727
Plant & machinery	508,969,811	-	-	508,969,811	5	312,661,721	4,907,702	-	317,569,423	191,400,388
Factory equipment	69,975	-	-	69,975	10	60,524	473	-	60,997	8,978
Furniture and fixture	55,792	-	-	55,792	10	44,412	569	-	44,981	10,811
Office equipment	725,014	-	-	725,014	10	509,510	10,775	-	520,285	204,729
Vehicles	5,796,555	5,087,380	-	10,883,935	20	3,910,292	311,610	-	6,849,598	4,034,337
						2,627,696				
Vehicles-leased	5,087,380		5,087,380	-	20	2,498,239	129,457	2,627,696	-	-
TOTAL	563,105,616	5,087,380	5,087,380	563,105,616	85	357,136,928	5,739,414	2,627,696	360,248,646	202,856,970

11.1 Depreciation has been charged as under:

	31-Dec-14 (Rupees)	31-Dec-13 (Rupees)
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Administrative & General-Non Operation	5,287,003	5,587,447
Administrative & General	452,411	612,754
Total	5,739,414	6,200,201

KOHINOOR POWER COMPANY LIMITED
NOTES TO THE ACCOUNTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2014

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 Karachi, Lahore and Islamabad Stock Exchanges. The registered office of the company is situated at 17-Aziz Avenue, Canal Bank, Gulberg-V, Lahore, Pakistan. The principal activity of the company is to generate and sell electric power.

2 STATEMENT OF COMPLIANCE

These interim condensed financial statements are unaudited but subject to limited scope review by auditors. These are required to be presented to the shareholders under section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standards (IAS)-34, Interim Financial Reporting, as applicable in Pakistan and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2013 and 2014 have not been reviewed by the auditors of the company as they have reviewed the cumulative figures for the half years ended December 31, 2013 and 2014. These interim condensed financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the company's annual financial statements for the year ended June 30, 2014.

3 BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with the approved Accounting and Financial Reporting Standards for Medium-Sized Entities issued by the Institute of Chartered Accountants of Pakistan require management to make judgements, estimates and assumptions that affect the application of policies and reported amount of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Revision to accounting estimates are recognised prospectively commencing from the period of revision.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies are the methods of computation adopted in the preparation of this condensed interim financial information are the same as those adopted in the preparation of preceding annual published financial statements of the company for the year ended June 30, 2014.

KOHINOOR POWER COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER, 2014

			Dec- 31, 2014 Rupees	Jun-30 2014 Rupees	
5	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL				
	2015	2014			
	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>
6	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>	
7	LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE				
	Balance as on Jul, 01		977,800	2,448,529	
	Addition during the year		-	-	
			<u>977,800</u>	<u>2,448,529</u>	
	Less: Repayments during the year		977,800	1,470,729	
			<u>-</u>	<u>977,800</u>	
	Less: Current portion		-	977,800	
			<u>-</u>	<u>-</u>	
8	DEFERRED LIABILITIES				
	Staff gratuity		919,719	1,297,956	
			<u>919,719</u>	<u>1,297,956</u>	
9	TRADE AND OTHER PAYABLES				
	Creditors for goods		73,113	91,113	
	Creditors for expenses		1,090,370	1,339,001	
	Accrued expenses		484,123	11,182,499	
	Advances against machinery sale		85,502,200		
	Taxes deducted at source		704,902	731,281	
	Electric duty payable		19,410	1,019,410	
	Income tax provision		654,099	-	
	Un-claimed dividend		530,506	530,506	
			<u>89,058,723</u>	<u>14,893,810</u>	

There have been no changes in the contingencies and commitments as disclosed in the annual financial statements of the company for the year ended 30th June 2015

11 FIXED ASSETS

Property, plant and equipment

Operating assets-note annexed	202,856,970	208,596,384
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202,856,970	208,596,384
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12 STORES & SPARES

Stores	2,114,180	2,129,407
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Spares	22,427,334	22,456,587
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24,541,514	24,585,994
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13 STOCK-IN-TRADE

Furnace oil	13,070,307	18,188,010
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13,070,307	18,188,010
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Dec- 31,	Jun-30
2014	2014

14 LOANS AND ADVANCES

Advances - considered good

- Employees	178,000	186,000
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- Suppliers	-	165,862
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178,000	351,862
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15 TRADE DEPOSIT AND SHORT TERM PREPAYMENTS

Margin deposits	-	977,800
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-	977,800
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16 TAX REFUNDS DUE FROM GOVERNMENT

Sales tax refundable	17,617,453	14,831,680
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Advance income tax	4,428,275	4,093,564
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Less: Provision for tax on bonus shares	(2,300,000)	(2,300,000)
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2,128,275	1,793,564
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19,745,728	16,625,244
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17 CASH AND BANK BALANCES

Cash in hand	2,188,266	86,498
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Cash at banks		
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- Current accounts	74,164,121	613,231
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76,352,387	699,729
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	Dec- 31, 2014	Dec- 31, 2013
18 SALES (ELECTRICAL POWER)		
Industrial	-	-
	<u>-</u>	<u>-</u>
19 COST OF SALES	-	-
20 ADMINISTRATIVE EXPENSES		
Salaries & benefits	787,553	446,175
Rent, rate and taxes	-	2,251,830
Fees and subscription	457,347	419,797
Travelling and conveyance	13,200	23,200
Printing and stationery	29,595	114,783
Postage and telegram	-	19,783
Entertainment	44,703	34,117
Insurance	-	83,760
Staff welfare	-	16,065
Advertisement	37,500	110,800
Professional and legakl charges	426,000	-
Telecommunication	70,485	80,554
Depreciation	452,411	612,754
Genarator expenses		71,707
Miscellaneous expenses	201,287	187,642
Non-Operational Expenses-Deperciation	5,287,003	23,192,764
	<u>7,807,084</u>	<u>27,665,731</u>
21 FINANCIAL COST		
Mark-up on:		
Lease finance charges	37,304	59,487
Bank charges	2,451	2,688
	<u>39,755</u>	<u>62,175</u>
22 OTHER INCOME		
Profit on bank deposits	1,982,117	-
Miscellaneous income	21,874	86,284
Scrap-sludge	407,954	60,550
Profit on sale of asset	-	526,247
	<u>2,411,945</u>	<u>673,081</u>

23 EARNING PER SHARE - basic and diluted

Earnings for the period	(6,088,993)	(27,054,825)
	Number of Shares	
Weighted average number of ordinary shares issued and subscribed at the end of the year	12,600,000	12,600,000
	2014	2013
	Rupees	Rupees
Earnings per share	(0.48)	(2.15)

24 GENERAL

24.1 Figures have been rounded off to the nearest rupee.

(CHIEF EXECUTIVE OFFICER)

(DIRECTOR)

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