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CORPORATE INFORMATION

Board of Directors

Mr. M. Naseem Saigol
Chairman
Mr. S M Shakeel
Chief Executive Officer
Mr. Tatsuo Hisatomi
Mr. Shinichi Ushijima
Mr. Manabu Iida
Mr. Mikihiro Moriya
Independent
Mr. Muhammad Asad Khan
Nominee of Wartsila Finland Oy

Company Secretary
Mr. Muhammad Asif

Audit Committee
Mr. Mikihiro Moriya
Chairman
Mr. S M Shakeel
Mr. Shinichi Ushijima
Mr. Manabu Iida

HR & Remuneration Committee
Mr. Mikihiro Moriya
Chairman
Mr. S M Shakeel
Mr. Tatsuo Hisatomi
Mr. Manabu Iida

Management
Mr. S M Shakeel
Chief Executive Officer
Mr. Ghazanfar Ali Zaidi
General Manager Technical
Mr. Muhammad Ashraf
Chief Financial Officer

Auditors
A. F. Ferguson & Co.
Chartered Accountants

Bankers

Standard Chartered Bank (Pakistan) Limited
Bank Alfalah Limited
Askari Bank Limited
AL Baraka Bank (Pakistan) Limited
Meezan Bank Limited
Habib Bank Limited
NIB Bank Limited
United Bank Limited

Registered Office
301, 3RD Floor, Green Trust Tower,
Blue Area Islamabad, Pakistan.
Tel : +92-51-2813021-2
Fax : +92-51-2813023

Project/Head Office
Post Office Raja Jang, Near Tablighi Ijtima,
Raiwind Bypass, Lahore, Pakistan.
Tel : +92-42-35392317
Fax : +92-42-35393415-7

Shares Registrar
M/S. Corplink (Pvt.) Ltd.
Wings Arcade, 1-K,Commercial, Model Town,
Lahore, Pakistan.
Tel : +92-42-35839182, 35887262, 35916719
Fax : +92-42-35869037

Lahore Office
17-Aziz Avenue, Unit # 4, Canal Bank,
Gulberg V, Lahore, Pakistan.
Tel : +92-42-35717861-2
Fax : +92-42-35715090

Website
www.kel.com.pk

NOTICE OF ANNUAL GENERAL MEETING

KOHINOOR ENERGY LIMITED

Notice is hereby given that the 23rd Annual General Meeting of shareholders of Kohinoor Energy Limited will be held on October 19, 2016 (Wednesday) at 11:30 A.M. at Registered Office, at 301, 3rd Floor, Green Trust Tower, Blue Area, Islamabad to transact the following business:

1. To confirm minutes of the Annual General Meeting held on October 29, 2015.

2. To receive and adopt the Annual Audited Accounts of the Company for the financial year ended June 30, 2016 alongwith Directors' and Auditors' Reports thereon.

3. To approve final dividend @ 17.50% i.e. Rs. 1.75 per share as recommended by the Board of Directors in addition to the two interim dividends already paid @20% i.e. Rs.2.00 per share and @15% i.e. Rs.1.50 per share making a total dividend @52.50% i.e. Rs.5.25 per share for the financial year 2015-2016.

4. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

5. Any other business with the permission of the Chair

By order of the Board

Lahore:
August 30, 2016

(Muhammad Asif)
Company Secretary

Notes:

1. The Share Transfer Books of the Company will remain closed from October 14, 2016 to October 21, 2016 (both days inclusive). Transfers received at our Share Registrar Office M/S CORPLINK (PVT) LIMITED situated at Wings Arcade, 1-K, Commercial, Model Town, Lahore upto the close of business hours on October 13, 2016 will be treated in time for the purpose of entitlement of cash dividend to the transferees and for determination of entitlement to attend and vote at the meeting.

2. A member eligible to attend and vote at this meeting may appoint his / her proxy to attend and vote instead of him/her. Proxies in order to be effective must reach the Company's registered office not less than 48 hours before the time for holding the meeting. Proxies of the Members through CDC shall be accompanied with attested copies of their CNIC. In case of corporate entity, the Board's Resolution/power of attorney with specimen signature shall be furnished along with proxy form to the Company. The shareholders through CDC are requested to bring original CNIC, Account Number and Participant Account Number to produce at the time of attending the meeting.

3. Members are requested to notify the Company for change in their addresses, if any.

4. **Submission of copy of CNIC (Mandatory):**

   The Securities and Exchange Commission of Pakistan (SECP) vide their S.R.O. 779 (i) 2011 dated Aug 18, 2011 has directed to print your Computerized National Identity Card (CNIC) number on your dividend warrants and if your CNIC number is not available in our records, your dividend warrant will not be issued / dispatched to you. In order to comply with this regulatory requirement, you are requested to kindly send photocopy of your CNIC to your Participant / Investor Account Services or to us (in case of physical shareholding) immediately to Company's Share Registrar, M/S CORPLINK (PVT) LIMITED

5. Dividend Mandate (Optional):

Under Section 250 of the Companies Ordinance, 1984 a shareholder may, if so desires, direct the Company to pay dividend through his/ her/its bank account. In pursuance of the directions given by the SECP vide Circular Number 18 of 2012 dated June 05, 2012, kindly authorize the company for direct credit of your cash dividend in your bank account (please note that giving bank mandate for dividend payments is optional, in case you do not wish to avail this facility please ignore this notice, dividend will be paid to you through dividend warrant at your registered address). If you want to avail the facility of direct credit of dividend amount in your bank account, please provide following information to Company's Share Registrar, M/S CORPLINK (PVT) LIMITED.

Bank Account Details of Shareholder	
Title of Bank Account	
Bank Account Number	
Bank's name	
Branch name and address	
Cell number of shareholder	
Landline number of shareholder, if any	

It is stated that the above-mentioned information is correct and in case of any change therein, I / we will immediately intimate to the company and the concerned share registrar.

____

Name, signature, folio # and CNIC number of shareholder

Notes:

(1) Those shareholders, who hold shares in book entry form in their CDS accounts, will provide the above dividend mandate information directly to their respective Participant / CDC Investor Account Services Department.

(2) If dividend mandate information has already been provided by you, ignore this request.

6. Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to M/S CORPLINK (PVT) LIMITED, by the first day of Book Closure.

7. Transmission of Annual Financial Statements Through Email (Optional):

In pursuance of the directions given by the SECP vide SRO 787 (I)/2014 dated Sep 08, 2014, those shareholders who desire to receive Annual Financial Statements in future through email instead of receiving the same by Post are advised to give their formal consent along with their valid email address on a standard request form which is available at the Company's website i.e. www.kel.com.pk and send the said form duly signed by the shareholder along with copy of his/her CNIC to the Company's Share Registrar M/s CorpLink (Pvt) Limited.

DIRECTORS' REPORT

KOHINOOR
ENERGY LIMITED

The Board of Directors feels pleasure to present the Annual Report together with the audited financial statements of the Company for the financial year ended June 30, 2016

Principal Activities

The principal business objective of the Company is to own, operate and maintain a furnace oil fired power station with a net capacity of 124 MW (gross capacity of 131.44 MW).

Financial Results

We report that during the year 2015-16, total sales revenue of the Company remained at Rs. 7.28 billion compared to Rs. 11.66 billion in the last financial year. Main reason for the decrease in sales revenues is the decline in fuel oil price. The Company posted net profit after tax of Rs. 695 million as against Rs. 842 million posted during the last financial year. The net profit demonstrated Earning Per Share of Rs. 4.10 as compared to Rs. 4.97 of the last financial year. We would like to report that lesser benefits on account of fuel saving is the main reason of decrease in profits of the Company. The financial results of the Company for the year ended June 30, 2016, are summarized as follows:

		2016	2015
		(Rupees in thousand)	
Profit before taxation		695,661	843,759
Taxation		(445)	(1,283)
Profit after taxation		695,216	842,476
Other comprehensive income / (loss)		(7,985)	9,901
Total comprehensive income for the year		687,231	852,377
Un-appropriated profit brought forward		4,641,886	4,806,261
Available for appropriations		5,329,117	5,658,638
Final Dividend 2014-15 @20% (Final Dividend 2013-14 @ 25% paid during FY 2014-15)		(338,917)	(423,647)
1st Interim Dividend 2015-16 @ 20% (1st Interim Dividend 2014-15@20% paid during FY 2014-15)		(338,917)	(338,917)
2nd Interim Dividend 2015-16 @ 15% (2nd Interim Dividend 2014-15@ 20%paid during FY 2014-15)		(254,188)	(254,188)
		(932,022)	(1,016,752)
Un-appropriated profit carried forward		4,397,095	4,641,886
Earnings per share	Rupees	4.10	4.97

Moreover we would reiterate about the dispute with WAPDA regarding eligibility of indexation on non-escalable component of the capacity purchase price relating to the period subsequent to repayment of foreign currency loan. WAPDA had withheld Rs. 430.517 million from the invoice of April 2010. Both the company and WAPDA by adopting one of the courses pursuant to the Power Purchase Agreement appointed an Expert for mediation. The Expert has given his decision / recommendation in favor of the Company. However WAPDA has not accepted the decision / recommendation of the Expert. More detail is appearing in note 12.1.1 to theses financial statements. The Management and the legal counsel are of the opinion that the matter will be settled in Company's favor if the dispute is referred to the Arbitration. Therefore, the Company has not provided for Rs. 430.517 million in these financial statements.

Based on the advice of the Company's legal counsel, the management believes that there are meritorious grounds to defend the Company's stance in respect of the above mentioned input sales tax claimed by the Company. Consequently, no provision has been made in these financial statements.

We would also like to inform you that WAPDA has imposed Liquidated Damages (LDs) on the company amounting to Rs. 415.44 m (2015: Rs. 402.43 m) during the period from 2011 to 2016. The reasons of LDs are as follows:

i. Rs. 364 million is because of the failure to dispatch electricity due to WAPDA's non-payment of dues on timely basis and consequential inability of the company to make advance payments to its fuel supplier-Pakistan State Oil (PSO), that resulted in inadequate level of electricity production owing to shortage of fuel, and

ii. Rs. 61.44 million is due to incorrect calculations of LDs by WAPDA as while calculating the LDs, certain factors were ignored that were to be considered under the terms of Power Purchase Agreement (PPA).

The Company disputes and rejects the claim on account of LDs because under the terms of the PPA, no LDs can be charged to the company due to the reasons caused solely by the Power Purchaser i.e. WAPDA.

According to legal advisors of the company, there are adequate grounds to defend the claim for such LDs, therefore no provision has been made in these financial statements. It is also pertinent to mention here that recently in a similar case pertaining to 'capacity payments' of other Independent Power Producers (falling under the 1994 and 2002 power policy), the experts gave the decision in favour of Independent Power Producers.

Credit Rating

The credit rating of the Company as awarded by the Pakistan Credit Rating Agency (PACRA) for the long-term and short-term entity ratings of the

Company is same at "AA" (Double A) and "A1+"(A one plus) respectively. The ratings denote a very low expectation of credit risk. They indicate very strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

The ratings reflect robust financial profile of the Company. The ratings recognize the successful management of Operations and Maintenance (O&M) activities in-house and outcome of technically sound management, robust systems and controls and strong management structure of the Company.

Operations

We report that during the financial year under review the power complex operated at 78.12% capacity factor as compared with the previous year's dispatch at 80.73% capacity. As a result the Company delivered 850,945 MWHs of electricity to WAPDA while last year this dispatch was 876,897 MWHs of electricity. During the financial year under review two engines reaching at 92,000 and five engines reaching at 100,000 operational hours have been overhauled under 8k major maintenance program. The scheduled and preventive maintenances have been carried out in accordance with the budgeted numbers. We are pleasurably report that all of the engines and their respective auxiliary equipment are in good condition for safe and reliable operations.

We take pleasure to report that the Company has successfully qualified the Annual Dependable Capacity Test (ADC), conducted by WAPDA on April 29, 2016. We profoundly state that besides the fact of completion of 18 operational years the power plant is in excellent condition. Resultantly it has demonstrated a commendable performance of 129.86 MW capacity, which is quite higher than the net contractual capacity of 124 MW.

Further as we reported earlier that by virtue of an agreement Wartsila Pakistan (Pvt) Limited (Wartsila) had been taking care of 8000 running hours (8k) major maintenance of engines. The management has decided that owing to strengthening of our own technical team the 8k maintenance shall be carried out by our own in-house team. Resultantly the aforesaid agreement with Wartsila has not been extended. In terms of the previous agreement the last payment of Fee for Produced Energy to Wartsila upto 100k running hours shall be due by the 1st week of September, 2016. However there remain three engines which shall be overhauled by Wartsila under the previous agreement, after reaching at 100k running hours by November 2016. The Board is confident that major maintenance by our own team shall bring substantial saving for the Company without compromising on safety and reliability.

Dividend Distribution

The Board of Directors pleasurably recommends to the shareholders of the Company for approval in the ensuing AGM, a final dividend at the rate of Rs 1.75 per share (i.e. @ 17.50%) which will be paid to those shareholders whose names would appear on members' register on the date as mentioned in the notice of AGM. This final dividend, together with two interim dividends which have already been paid @20% in March 2016 and @15% in May 2016, shall make the cumulative dividend distribution for the financial year 2015-16 to be 52.50%.

Statements in compliance to the Code of Corporate Governance (CCG)

The Directors state that:

- The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity;

- Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the Company's ability to continue as a going concern
- The key operating and financial data of last six years is attached to the report
- During the financial year under review the Board of Directors met for five times and the attendance of the directors was as follows:

Name of Director	Attendance	Name of Director	Attendance
Mr. M. Naseem Saigol	0/5	Mr. Manabu Iida	5/5
Mr. Tatsuo Hisatomi	5/5	Mr. Mikihiro Moriya	5/5
Mr. S M Shakeel	5/5	Mr. Muhammad Asad Khan	2/5
Mr. Shinichi Ushijima	1/5		

The Board granted leaves of absence to the board members who could not attend the meeting(s)

- During the financial year under review the Audit Committee meetings held for five times and the attendance of the members was as follows:

Name of Director	Attendance	Name of Director	Attendance
Mr. Mikihiro Moriya	5/5	Mr. Shinichi Ushijima	1/5
Mr. S M Shakeel	5/5	Mr. Manabu Iida	5/5

- During the financial year under review the HR and Remuneration Committee met for two times. All of the members attended the said meetings.
- The Chief Executive Officer, Directors, Chief Financial Officer, Company Secretary and their spouse and minor children have made no sale/purchase of Company's shares during the year July 01, 2015 to June 30, 2016 except spouse of Mr. S M Shakeel who has sold out 300,000 shares of the Company at average price of Rs. 49.64 per share.
- The Company has established Employees Gratuity Fund and registered with the concerned authority. Annual provision has been made on actuarial valuation basis to cover obligation under the scheme for all employees eligible to gratuity benefits irrespective of the qualifying period. The value of the investments of Gratuity Fund as on June 30, 2016 was Rs. 199,401,947
- The Board has formed Audit Committee. It comprises of four members, of whom three are non-executive directors and one is executive director. An independent director is the Chairman of the Committee
- The Board as required by CCG for reporting on trade in shares of the Company, has defined that the expression 'Executive' shall means the CEO, COO, CFO, Head of Internal Audit, Company Secretary and the Managers / Departmental Heads of the Company by whatever name called

Changes in the Board

Further to our earlier reporting to the shareholders we rewrite to inform you that since the last annual general meeting held on October 29, 2015 Mr. Tatsuo Hisatomi has relinquished the office of Chief Executive and in his place the Board has appointed Mr. S M Shakeel as Chief Executive Officer (the CEO) of the Company with effect from April 01, 2016 for the remainder of the term of the outgoing CEO, at a managerial remuneration of Rs. 1.3 million per month. He shall also be entitled for such other benefits, facilities, contributions and increments with effect from April 01, 2016 as per Company's policy.

The Board of Directors wishes to record its appreciation for the valuable services rendered by Mr. Tatsuo Hisatomi as Chief Executive Officer and extends its warm welcome to Mr. S M Shakeel as new CEO of the Company.

Corporate Social Responsibility (CSR)

We pleasurably inform you that supporting to the surrounding community CSR program has remained strategic part of our business approach. We profoundly report that contribution on free medical treatment facility and free education facility for deserving children of the people living in the vicinity of the power plant has remained the focused areas of our CSR program:

a) Medical Facility

The management of your Company paying attention to its social responsibility is providing free medical treatment facility to the deserving people of the vicinity area of the power plant. A competent medical team comprising of qualified Doctor and its staff is serving the patients with full devotion. We report that during the financial year 2015-16 total 14,602 deserving patients have been provided with the free medical treatment at a cost of Rs. 5.712 million.

b) Education Facility

Contributing to another CSR program the Company is providing free education to the deserving children of the vicinity community your Company is playing its role to uplift the society through education. In this regard we would like to inform you that presently 284 students are being educated, of which the earliest batch of students has reached to class 10. The facility includes teaching, and provision of textbooks and uniform to all the students for free of cost. During the year the Company has contributed Rs. 4.518 million on account of education facility,

Auditors

The present statutory auditors of the Company M/s A.F. Ferguson & Co. Chartered Accountants retire and being eligible, offer themselves for reappointment. The Audit Committee and the Board of Directors of the Company have endorsed their re-appointment for shareholders consideration in the forthcoming AGM.

Pattern of Shareholding

A statement of pattern of shareholding and additional information as at June 30, 2016 is annexed to the Annual Report.

Acknowledgement

The Board recognizes and appreciates the valuable shareholders, WAPDA, Private Power and Infrastructure Board, financial institutions and lenders, Wartsila, ABB, Pakistan State Oil and other business partners for their trust, continued support and their confidence extended to the Company. We are also thankful to all of the executives and staff members of the Company for their hard work, dedication and commitment with the Company and we are sure that the same spirit of allegiance will remain continue in the years to come.

For and on behalf of the Board

S M Shakeel
Chief Executive

Lahore
August 30, 2016

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز کمپنی کے آڈٹڈ مالیاتی حسابات کے ساتھ سالانہ رپورٹ برائے مدت مختتمہ 30 جون 2016 خوشی محسوس کرتے ہوئے پیش کرتے ہیں۔

اہم سرگرمیاں

کمپنی کا بنیادی مقصد فرنس آئل سے چلنے والے 124 میگاواٹ کی خالص گنجائش (کل استعداد 131.44 میگاواٹ) بجلی گھر کی ملکیت، اسے چلانا اور اس کی دیکھ بھال کرنا ہے۔

مالی نتائج

ہم آگاہ کرتے ہیں کہ سال 16-2015 کے دوران کمپنی کی کل فروخت آمدن 7.28 بلین روپے رہی جب کہ اس سے پچھلے مالی سال یہ 11.66 بلین روپے تھی۔ فروخت آمدن میں کمی کی اصل وجہ فیول آئل کی قیمت میں کمی ہے۔ کمپنی نے پچھلے مالی سال کے 842 ملین روپے کے مقابلے میں 695 ملین روپے کا خالص بعد از ٹیکس منافع حاصل کیا۔ خالص منافع پچھلے مالی سال کے 4.97 روپے کے مقابلے میں 4.10 روپے فی شیئر آمدنی کو ظاہر کرتا ہے۔ ہم یہ بھی بتانا چاہیں گے کہ ایندھن کی بچت پر کم فوائد، کمپنی کے منافع میں کمی کی بڑی وجہ ہے۔ 30 جون 2016 کو ختم ہونے والے سال کے لیے کمپنی کے مالی نتائج مختصراً اس طرح رہے۔

		2016	2015
		(روپے ہزار میں)	
قبل از ٹیکس منافع		695,661	843,759
ٹیکس		(445)	(1,283)
بعد از ٹیکس منافع		695,216	842,476
دیگر جامع آمدنی / (خسارہ)		(7,985)	9,901
کل جامع آمدنی برائے سال		687,231	852,377
غیر مختص شدہ منافع		4,641,886	4,806,261
		5,329,117	5,658,638
حتمی منافع منقسمہ 15-2014 @20%			
(حتمی منافع منقسمہ 14-2013 @25% مالی سال 15-2014 کے دوران ادا کیا گیا)		(338,917)	(423,647)
پہلا عبوری منافع منقسمہ 16-2015 @20%			
(پہلا عبوری منافع منقسمہ 15-2014 @20% جو مالی سال 15-2014 میں ادا کیا گیا)		(338,917)	(338,917)
دوسرا عبوری منافع منقسمہ 16-2015 @15%			
(دوسرا عبوری منافع منقسمہ 15-2014 @20% جو مالی سال 15-2014 میں ادا کیا گیا)		(254,188)	(254,188)
		(932,022)	(1,016,752)
غیر ادا شدہ منافع		4,397,095	4,641,886
آمدنی فی شیئر	روپے	4.10	4.97

مزید برآں ہم غیر ملکی قرضہ واپسی کے عرصہ سے متعلق Capacity Purchase Price کے غیر توسیع پذیر اجزاء کی انڈیکسیشن کی اہلیت کے بارے میں واپڈا کے ساتھ تنازع کا دوبارہ ذکر کرنا چاہیں گے۔ واپڈا نے اپریل 2010 کی انوائس سے 430.517 ملین روپے روک لیے تھے۔ کمپنی اور واپڈا دونوں نے پاور پرچیز ایگریمنٹ کے مطابق ثالثی کے لیے ایک ماہر مقرر کرنے کا راستہ اختیار کیا۔ اس ماہر نے کمپنی کے حق میں فیصلہ / سفارش دی۔ تاہم واپڈا نے اس ماہر کا فیصلہ / سفارش کو نہیں مانا۔ اس کی مزید تفصیل ان مالیاتی اسٹیٹمنٹس کے نوٹ 12.1.1 میں دی گئی ہے۔ انتظامیہ اور قانونی مشیر کی رائے ہے کہ اگر اس تنازع کو ثالثی کے حوالے کیا گیا تو اس کا تصفیہ کمپنی کے حق میں ہوگا۔ اس لیے کمپنی نے ان مالیاتی اسٹیٹمنٹس میں 430.517 روپے کا حساب نہیں رکھا۔

ہم آپ کو آگاہ کرنا چاہیں گے کہ واپڈا نے 2011 سے 2016 کے دوران کمپنی پر 415.44 ملین روپے

(402.43 ملین روپے :2015) کے لیکویڈیٹڈ ڈیمجز (LDs) عائد کردیے۔ ان LDs کے اسباب درج ذیل ہیں:

i. 364 ملین روپے اس وجہ سے کہ واپڈا کی طرف سے بروقت بنیاد پر ادائیگی نہ ہونے کی وجہ سے بجلی کی ترسیل میں ناکامی ہوئی اور نتیجتاً کمپنی اپنے فیول سپلائر، پاکستان اسٹیٹ آئل (PSO) کو پیشگی ادائیگیاں نہ کرسکی اور نتیجہ یہ نکلا کہ تیل کی کمی کی وجہ سے بجلی کی پیداوار مطلوبہ سطح پر نہ رہ سکی۔

ii. 61.44 ملین روپے، واپڈا کی طرف سے LDs کو غلط طریقے سے شمار کرنے کی وجہ سے ہیں، کیونکہ LDs کو شمار کرتے وقت بعض ایسے عوامل کو نظر انداز کردیا گیا جن پر پاور پرچیز ایگریمنٹ (PPA) کی شرائط کے تحت غور کرنا ضروری تھا۔

کمپنی، LDs کے کھاتے میں دعوے سے اختلاف کرتی اور اسے مسترد کرتی ہے، کیونکہ PPA کی شرائط کے تحت کمپنی سے ایسے اسباب کی بنا پر کوئی LDs وصول نہیں کیے جاسکتے جن کا ذمہ دار صرف پاور پرچیز یعنی واپڈا ہو۔

کمپنی کے قانونی مشیروں کے مطابق اس قسم کے LDs کے دعوے کا دفاع کرنے کی ٹھوس بنیادیں موجود ہیں، اس لیے مالیاتی اسٹیٹمنٹس میں ان کا کوئی ذکر نہیں کیا گیا۔ یہاں یہ ذکر کرنا مناسب ہے کہ حال ہی میں دوسرے انڈیپینڈنٹ پاور پروڈیوسرز (جو 1994 اور 2002 کی پاور پالیسی کے تحت آتے ہیں) "استعدادی ادائیگیوں" کے اسی قسم کے ایک کیس میں ماہرین نے انڈیپینڈنٹ پاور پروڈیوسرز کے حق میں فیصلہ دیا۔

کریڈٹ ریٹنگ

کمپنی کی کریڈٹ ریٹنگ جیسا کہ پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے کمپنی کی طویل المدت اور قلیل المدت entity ریٹنگز طے کی ہیں، اسی طرح سے بالترتیب "AA" (ڈبل اے) اور "A1+" (اے ون پلس) ہیں۔ یہ ریٹنگز کریڈٹ رسک کے نہ ہونے کے برابر خطرے کو ظاہر کرتی ہیں۔ یہ مالیاتی وعدوں کی بروقت پاس داری کی مضبوط گنجائش کی طرف اشارہ کرتی ہیں۔ مستقبل قریب میں یہ گنجائش کسی قابل قدر خطرے سے دوچار ہوتی نظر نہیں آتی۔ یہ ریٹنگز کمپنی کے مضبوط فائنانشل پروفائل کی عکاسی کرتی ہیں۔ یہ ریٹنگز کمپنی کے اندر آپریشنز اینڈ مینٹنس (Q&M) سرگرمیوں کے کامیاب انتظام کا اعتراف اور فنی اعتبار سے مضبوط انتظام، مستحکم سسٹمز اور کنٹرولز اور کمپنی کے طاقت ور انتظامی ڈھانچے کی عکاسی کرتی ہیں۔

آپریشنز

ہم آگاہ کرتے ہیں کہ زیر بحث مالی سال کے دوران پاور کمپلیکس نے 78.12% استعدادی محرک کے طور پر کام کیا جبکہ پچھلے سال کی ترسیل 80.73% کی استعداد پر رہی۔ اس کے نتیجے میں کمپنی نے واپڈا کو 850,945 میگاواٹ بجلی فراہم کی، جبکہ پچھلے سال یہ فراہمی 876,897 میگاواٹ تھی۔ زیر غور مالی سال کے دوران دو انجنوں کو 92,000 اور پانچ انجنوں کو آٹھ ہزار میجر مینٹنس پروگرام کے تحت 100,000 آپریشنل گھنٹے مکمل کرنے پر اوور ہال کیا گیا۔ شیڈیولڈ اور پریونیٹو مینٹنس مقررہ

طریقہء کار کے مطابق کی گئی۔ ہمیں یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ تمام انجن اور معاون آلات، محفوظ اور قابل بھروسہ آپریشنز کے لیے بالکل ٹھیک حالت میں ہیں۔ ہمیں یہ بتاتے ہوئے بھی خوشی ہے کہ ہم نے واپڈا کی طرف سے 29 اپریل، 2016 کو لیے جانے والے سالانہ قابل اعتماد استعطاعت کا کامیاب مظاہرہ کیا۔ ہم کامل یقین کے ساتھ یہ بتا رہے ہیں کہ کارکردگی کے 18 سال مکمل کرنے کے باوجود پاور پلانٹ بہترین حالت میں ہے۔ نتیجتاً اس نے 129.86 میگا واٹ استعداد کی قابل تعریف پرفارمنس کا مظاہرہ کیا جو 124 میگا واٹ کی مجموعی معاہداتی استعداد سے کہیں زیادہ ہے۔

مزید برآں، جیسا کہ ہم پہلے بتا چکے ہیں Wartsila پاکستان (پرائیویٹ) لمیٹڈ (Wartsila) انجنوں کی رننگ آٹھ ہزار گھنٹے کی میجر مینٹی نینس کی دیکھ بھال کرتی رہی ہے۔ انتظامیہ نے فیصلہ کیا ہے کہ ہماری اپنی ٹیکنیکل ٹیم کے مضبوط شکل اختیار کر جانے کے باعث اب آٹھ ہزار مینٹی نینس ہماری اپنی ٹیم کرے گی۔ چنانچہ Wartsila کے ساتھ مذکورہ معاہدے میں توسیع نہیں کی گئی۔ پچھلے معاہدے کی رو سے Wartsila کو ایک سو ہزار رننگ گھنٹے تک پیدا کی جانے والی بجلی کی فیس کی آخری ادائیگی، ستمبر 2016 کے پہلے ہفتے میں واجب الادا تھی۔ تاہم ابھی تین انجن باقی ہیں جن کو Wartsila نومبر 2016 تک ایک سو ہزار رننگ گھنٹے تک پہنچنے کے بعد پچھلے معاہدے کے تحت اوور ہال کرے گا۔ بورڈ کو یقین ہے کہ ہماری اپنی ٹیم کی طرف سے بڑی مینٹی نینس انجام دینے سے، سیفٹی اور بھروسہ متاثر ہوئے بغیر کمپنی کو خاصی بچت ہو گی۔

منافع منقسمہ کی تقسیم

بورڈ آف ڈائریکٹرز خوشی کے ساتھ، کمپنی کے شیئر ہولڈرز کے لیے اگلے سالانہ اجلاس عام میں 1.75 روپے فی شیئر (17.50% کی شرح سے) حتمی منافع منقسمہ کی منظوری کی سفارش کرتا ہے، جو ان شیئر ہولڈرز کو ادا کیا جائے گا جن کے نام اس تاریخ کو جو سالانہ اجلاس عام کے نوٹس میں درج ہو گی، ممبران کے رجسٹر میں موجود ہوں گے۔ دو پچھلے عبوری منافع منقسمہ، جو پہلے ہی مارچ 2016 میں 20% اور مئی 2016 میں 15% کی شرح سے ادا کیے جا چکے ہیں، کو ساتھ ملا کر یہ حتمی منافع منقسمہ جو 16-2015 کے مالی سال کے لیے کل منافع منقسمہ بنے گا، 52.50% ہو جائے گا۔

کوڈ آف کارپوریٹ گورننس کی تعمیل میں رپورٹ

ڈائریکٹرز بیان کرتے ہیں کہ:

- ☆ مالیاتی اسٹیٹمنٹس، جو کمپنی کی انتظامیہ کی طرف سے تیار کیے گئے ہیں، اس کے حالات، آپریشنز کے نتائج، کیش فلوز، اور ایکوئٹی میں تبدیلیوں کی سچائی کے ساتھ عکاسی کرتے ہیں۔
- ☆ کمپنی کے حسابات کو کھاتوں میں مناسب طریقے سے درج کیا گیا ہے۔
- ☆ مالیاتی اسٹیٹمنٹس کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینوں کی بنیاد مناسب اور معقول فیصلوں پر ہے۔
- ☆ مالیاتی اسٹیٹمنٹس کی تیاری میں فائنانشل رپورٹنگ کے بین الاقوامی معیارات، جیسے کہ پاکستان میں قابل اطلاق ہیں کی پابندی کی گئی ہے۔
- ☆ داخلی کنٹرول کے نظام کو موثر طریقے سے نافذ کیا گیا اور اس پر نظر رکھی گئی ہے۔
- ☆ کمپنی کے آگے بڑھنے کی قابلیت کے بارے میں کوئی شبہ نہیں ہے۔
- ☆ پچھلے چھ سال کا آپریٹنگ اور فائنانشل ڈیٹا اس رپورٹ کے ساتھ منسلک ہے۔
- ☆ زیر جائزہ مالی سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس ہوئے اور ڈائریکٹرز کی حاضری اس طرح رہی:

ڈائریکٹر کا نام	حاضری	ڈائریکٹر کا نام	حاضری
جناب نسیم سہگل	0/5	جناب منابوایداء	5/5
جناب تاتسوہیسا ٹومی	5/5	جناب میکی ہیرو موریا	5/5
جناب ایس ایم شکیل	5/5	جناب محمد اسد خان	2/5
جناب شی نیچی اوشی جیما	1/5		

بورڈ نے ان بورڈ ممبرز کی رخصت کی منظوری دی جو اجلاس (اجلاسوں) میں شرکت نہیں ہو سکے۔

☆ زیرِ غور مالی سال کے دوران آڈٹ کمیٹی کے پانچ اجلاس ہوئے اور ممبرز کی حاضری اس طرح رہی:

ڈائریکٹر کا نام	حاضری	ڈائریکٹر کا نام	حاضری
جناب میکی ہیرو موریا	5/5	جناب شی نیچی اوشی جیما	1/5
جناب ایس ایم شکیل	5/5	جناب منابوایداء	5/5

☆ زیرِ غور مالی سال کے دوران ایچ آر اور مشاہرہ کمیٹی کے دو اجلاس ہوئے، جن میں تمام ارکان شریک ہوئے۔

☆ یکم جولائی 2015 سے 30 جون 2016 کے سال کے دوران چیف ایگزیکٹو آفیسر، ڈائریکٹرز، چیف فائنانشل آفیسر، کمپنی سیکرٹری، ان کی بیگمات اور نابالغ بچوں نے کمپنی کے شیئرز کی کوئی خرید/فروخت نہیں کی، ماسوائے بیگم ایس ایم شکیل، جنھوں نے 49.64 روپے فی شیئر کی اوسط قیمت پر کمپنی کے 300,000 شیئرز فروخت کیے۔

☆ کمپنی نے ایمپلائز گریچوئٹی فنڈ قائم کیا اور اسے متعلقہ اتھارٹی کے پاس رجسٹر کرایا۔ سالانہ تخصیص اصل ویلیویشن بنیاد پر کی گئی تاکہ اس اسکیم کے تحت ان تمام ملازمین کی ذمہ داری پوری کی جا سکے جو کوالیفائنگ مدت سے قطع نظر گریچوئٹی کے فوائد کا حق رکھتے ہیں۔

30 جون 2016 کو گریچوئٹی فنڈ میں سرمایہ کاری کی قیمت 199,401,947 روپے تھی۔

☆ بورڈ نے آڈٹ کمیٹی قائم کی ہے۔ یہ چار ممبران پر مشتمل ہے، جن میں سے تین نان ایگزیکٹو ڈائریکٹرز ہیں اور ایک ایگزیکٹو ڈائریکٹر ہے۔ ایک غیر جانبدار ڈائریکٹر اس کمیٹی کا چیئرمین ہے۔

☆ بورڈ نے، جیسا کہ کمپنی کے اندر شیئرز کی خرید و فروخت کے بارے میں اطلاع دینے کے لیے CCG کا تقاضا ہے، یہ تشریح کی ہے کہ لفظ "ایگزیکٹو" کا مطلب CEO, COO, ہیڈ آف انٹرنل آڈٹ، کمپنی سیکرٹری، اور کمپنی کے منیجرز/شعبہ جاتی سربراہ ہوں گے خواہ انھیں کسی بھی نام سے پکارا جائے۔

بورڈ میں تبدیلیاں

اپنے شیئر ہولڈرز کو اس سے پہلے کی اطلاع کے علاوہ ہم آپ کو ایک بار پھر آگاہ کرتے ہیں کہ 29 اکتوبر 2015 کو منعقد ہونے والے سالانہ اجلاس عام کے بعد جناب تاتسوہیسا ٹومی نے چیف ایگزیکٹو کا عہدہ چھوڑ دیا ہے اور بورڈ نے ان کی جگہ جناب ایس ایم شکیل کو سبکدوش ہونے والے سی ای او کی بقیہ مدت کے لیے 1.3 ملین روپے ماہانہ کے managerial مشاہرے پر یکم اپریل 2016 سے کمپنی کا چیف ایگزیکٹو آفیسر (CEO) مقرر کیا ہے۔ وہ کمپنی کی پالیسی کے مطابق یکم اپریل 2016 سے دیگر فوائد، سہولتوں کنٹری بیوشنز اور اضافوں کے بھی مستحق ہوں گے۔

جناب تاتسوہیسا اٹومی نے چیف ایگزیکٹو آفیسر کی حیثیت سے جو گراں قدر خدمات انجام دیں، بورڈ آف ڈائریکٹرز ان کو سراہتا ہے اور کمپنی کے نئے CEO کی حیثیت سے جناب ایس ایم شکیل کا پرجوش خیر مقدم کرتا ہے۔

کارپوریٹ سماجی ذمہ داریاں (CSR)

ہم آپ کو بخوشی آگاہ کرتے ہیں کہ آس پاس رہنے والی آبادی کی مدد CSR پروگرام ہمارے کاروباری انداز فکر کا اہم حصہ رہا ہے۔ ہم یہ اطلاع دیتے ہیں کہ بجلی گھر کے قرب و جوار میں رہنے والوں کو علاج معالجے کی مفت سہولت اور مستحق بچوں کی مفت تعلیم ہمارے CSR پروگرام کی توجہ کا محور رہی ہے۔

a) طبی سہولت

آپ کی کمپنی کی انتظامیہ اپنی سماجی ذمہ داری پر توجہ دیتے ہوئے بجلی گھر کے آس پاس کے علاقے کے مستحق لوگوں کو مفت علاج معالجے کی سہولت فراہم کر رہی ہے۔ کوالیفائیڈ ڈاکٹر اور اسٹاف پر مشتمل ایک باصلاحیت میڈیکل ٹیم پورے خلوص کے ساتھ مریضوں کی خدمت کر رہی ہے۔ ہم آگاہ کرتے ہیں کہ مالی سال 16-2015 کے دوران 5.712 ملین روپے سے 14,602 مستحق مریضوں کا علاج معالجہ کیا گیا۔

b) تعلیمی سہولت

ایک اور CSR پروگرام میں معاونت کرتے ہوئے آپ کی کمپنی آس پاس کی آبادی کے مستحق بچوں کو مفت تعلیم فراہم کر رہی ہے اور اس طرح تعلیم کے ذریعے معاشرے کی ترقی میں اپنا کردار ادا کر رہی ہے۔ اس ضمن میں ہم آپ کو آگاہ کرنا چاہیں گے کہ اس وقت 384 اسٹوڈنٹس کو تعلیم دی جا رہی ہے، جن میں سے طلبہ کا سب سے پہلا بیچ 10 ویں جماعت میں پہنچ گیا ہے۔ اس سہولت میں تمام طلبہ کو مفت تدریس، نصابی کتب اور یونیفارم کی فراہمی شامل ہے۔ کمپنی نے سال کے دوران تعلیمی سہولت کی مد میں 4.518 ملین روپے خرچ کیے۔

آڈیٹرز

کمپنی کے موجودہ قانونی آڈیٹرز میسرز اے ایف فرگوسن اینڈ کمپنی چارٹرڈ اکاؤنٹینٹس ریٹائر ہو رہے ہیں، انھوں نے مستحق ہونے کے ناطے خود کو دوبارہ تقرر کے لیے پیش کیا ہے۔ کمپنی کی آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے سالانہ اجلاس عام میں شیئر ہولڈرز کے معاملات کے بارے میں ان کے تقرر کی منظوری دے دی ہے۔

شیئر ہولڈنگ کا پیٹرن

اسٹیٹمنٹ آف پیٹرن آف شیئر ہولڈنگ اور اضافی معلومات، جیسا کہ 30 جون 2016 کو تھیں، سالانہ رپورٹ کے ساتھ منسلک ہیں۔

اظہار تشکر

بورڈ، گراں قدر شیئر ہولڈرز، واپڈا، پرائیویٹ پاور اینڈ انفرااسٹرکچر بورڈ، مالیاتی اداروں اور لینڈرز، Wartsila، □□□، پاکستان اسٹیٹ آئل (PSO) اور دوسرے کاروباری ساتھیوں کے اعتماد، مسلسل حمایت، اور کمپنی پر ان کے بھروسے کا اعتراف اور تعریف کرتا ہے۔ ہم کمپنی کے تمام ایگزیکٹیوز، اور اسٹاف ممبرز کی انتھک محنت اور کمپنی کے ساتھ ان کے خلوص اور لگن پر شکر گزار ہیں اور ہمیں یقین ہے کہ آنے والے برسوں میں بھی وفاداری کا یہ جذبہ برقرار رہے گا۔

لاہور	برائے اور از طرف بورڈ
30 اگست، 2016	ایس ایم شکیل
	چیف ایگزیکٹو

Human Resource Management

Employees are our vital and most valuable assets. We have created a favorable work environment that encourages innovation and creativity. We have also set up a scalable recruitment and human resources management process, which enables us to attract and retain high caliber employees.

Providing the best food and the opportunities for intellectual and physical fitness of the employees are keys of our success. The human resource is passed through various technical and management training programs, workshops and seminars for enhancing their skills. The outstanding employees and the departments are recognized with various awards. Annual family festivals, sending employees on hajj and arranging sports gala programs are in place for building fully integrated and strengthened team at KEL.

CONTRIBUTION TO SOCIAL RESPONSIBILITY (CSR)

In terms of our CSR program, the uplifting of literacy rate and improving health of the surrounding community of the plant, has remained priority areas for the management of the Company.

Medical Facility

The management of the Company, passionately extending free medical facility to the deserving people of the vicinity area of the plant. The facility includes qualified doctor's consultancy and quality medicines for free of cost. The patients requiring special medical treatments are also referred to hospitals on Company's account. On average annually more than 4.50 million rupees are being spent on account of such free medical facility.

Education facility

Playing a role in nation building we are having another part of the social welfare program that is free education facility for the deserving children living in the neighboring areas of the plant. The facility includes providing textbooks and stationary, uniform, and transportation for free of cost. We take immense pleasure to report that the children started from pre-nursery level have reached to class tenth. We feel profound in such investment to the society.

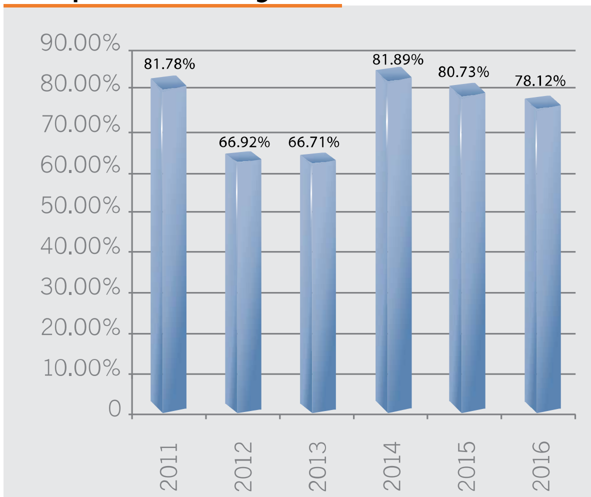
FINANCIAL DATA

	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
DISPATCH LEVEL (%)	**78.12%**	**80.73%**	**81.89%**	**66.71%**	**66.92%**	**81.78%**
DISPATCH (MWH)	**850,945**	**876,897**	**889,521**	**724,652**	**726,872**	**888,287**
REVENUE (Rs. 000)						
ENERGY FEE	6,209,568	10,578,874	13,905,992	11,318,483	11,225,331	10,060,183
CAPACITY FEE	1,074,368	1,082,190	1,052,174	1,029,826	894,583	841,906
TOTAL REVENUE	7,283,936	11,661,064	14,958,166	12,348,309	12,119,914	10,902,089
COST OF SALES	6,174,928	10,292,710	13,379,179	10,960,657	10,820,646	10,010,742
GROSS PROFIT	1,109,008	1,368,354	1,578,987	1,387,652	1,299,268	891,347
PROFITABILITY (Rs. 000)						
PROFIT/(LOSS) BEFORE TAX	695,661	843,759	1,071,618	868,083	850,487	641,920
PROVISION FOR INCOME TAX	445	1,283	3,054	3,264	3,130	12,456
PROFIT/(LOSS) AFTER TAX	695,216	842,476	1,068,564	864,819	847,357	629,464
OTHER COMPREHENSIVE INCOME / (LOSS)	(7,985)	9,901	7,814	(13,594)	-	-
FINANCIAL POSITION (Rs. 000)						
NON CURRENT ASSETS	3,908,948	4,141,922	4,324,055	4,069,071	4,076,717	4,151,288
CURRENT ASSETS	4,880,224	4,818,886	5,856,887	3,896,296	6,298,193	4,986,082
LESS CURRENT LIABILITIES	2,697,491	2,593,739	3,490,374	605,832	2,878,507	1,879,839
NET WORKING CAPITAL	2,182,733	2,225,147	2,366,513	3,290,464	3,419,686	3,106,243
CAPITAL EMPLOYED	6,091,581	6,367,069	6,690,568	7,359,535	7,496,403	7,257,531
LESS LONG TERM LOANS	-	30,597	189,721	28,657	-	-
SHARE HOLDERS EQUITY	6,091,681	6,336,472	6,500,847	7,330,878	7,496,403	7,257,531
REPRESENTED BY (Rs. 000)						
SHARE CAPITAL	1,694,586	1,694,586	1,694,586	1,694,586	1,694,586	1,694,586
UNAPPROPRIATED PROFIT BEFORE APPROPRIATION	5,329,117	5,658,638	6,712,670	6,653,042	6,410,302	5,986,592
APPROPRIATION / DIVIDENDS	932,022	1,016,752	1,906,409	1,016,750	593,106	423,647
EFFECT OF RETROSPECTIVE CHANGE IN ACCOUNTING POLICY					15,379	
UNAPPROPRIATED PROFIT BROUGHT FORWARD	4,397,095	4,641,886	4,806,261	5,636,292	5,801,817	5,562,945
	6,091,681	6,336,472	6,500,847	7,330,878	7,496,403	7,257,531
SHARE PRICES AS ON JUNE 30,	41.20	50.50	41.42	37.48	20.62	16.50
EARNING PER SHARE	4.10	4.97	6.31	5.10	5.00	3.71
RATIOS:						
RETURN ON ASSETS	0.08	0.09	0.10	0.11	0.08	0.07
PRICE EARNING RATIO	10.05	10.16	6.57	7.34	4.12	4.44
BREAK UP VALUE PER SHARE OF Rs. 10 EACH	35.95	37.39	38.36	43.26	44.24	42.83
CURRENT RATIO	1.81	1.86	1.68	6.43	2.19	2.65
NET PROFIT/(LOSS) TO SALES (%AGE)	9.54%	7.22%	7.14%	7.00%	6.99%	5.77%

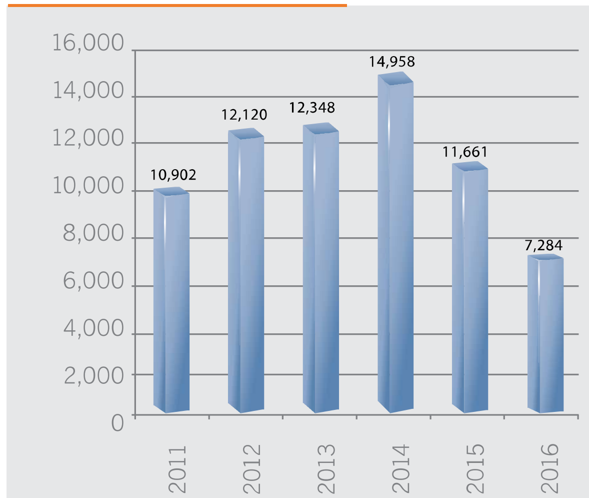
PERFORMANCE OVERVIEW

KOHINOOR ENERGY LIMITED

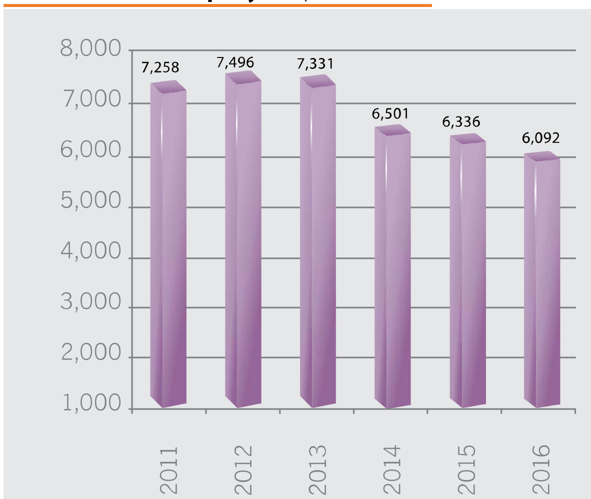
"Despatch Percentage"



"Turnover" (Rupees in Million)

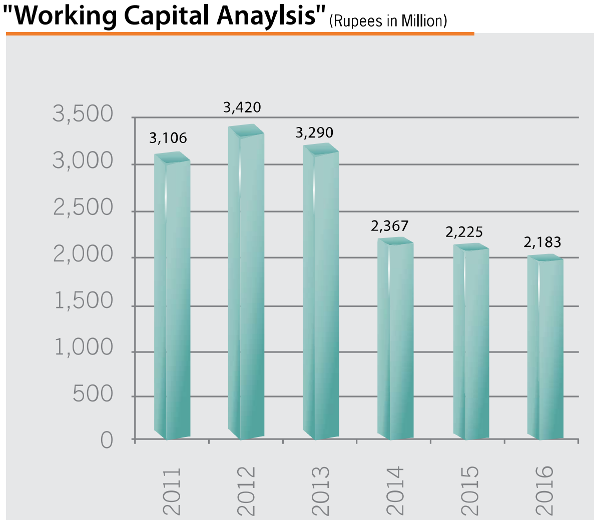


"Shareholders Equity" (Rupees in Million)

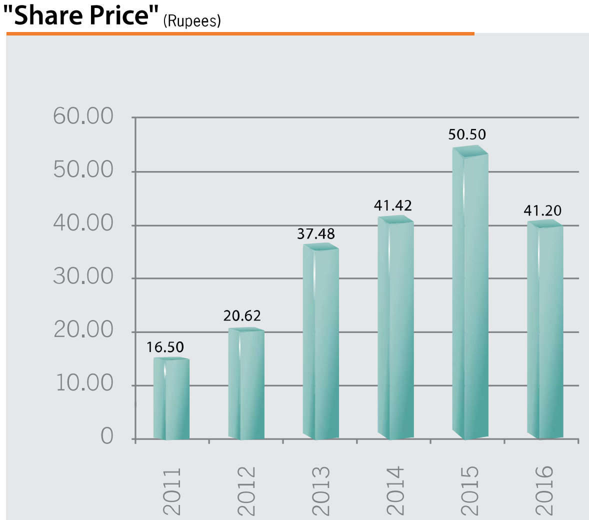


"Earning Per Share" (Rupees per Share)

"Working Capital Anaylsis" (Rupees in Million)



"Share Price" (Rupees)



Statement of Compliance with the Code of Corporate Governance

Name of Company: Kohinoor Energy Limited **Year ended: June 30, 2016**

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No 5.19 of listing regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes

Category Names	No. of Directors
Independent Directors	1
Executive Directors	1
Non-Executive Directors	5

The independent directors meets the criteria of independence under clause 5.19.1.(b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
.
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
.
4. No casual vacancy occurring on the board during the Financial Year.

5. 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.

6. 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.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.

8. 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 and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The board arranged training programs for its directors during the year.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.

13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the CCG.

15. The board has formed an Audit Committee. It comprises four Members, of whom three are non-executive directors, one is executive director and the chairman of the committee is an independent director.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The board has formed an HR and Remuneration Committee. It comprises four Members, of three are non-executive directors, one is executive director and the chairman of the committee is an independent director.

18. 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.

19. 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, 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.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.

23. We confirm that all other material principles enshrined in the CCG have been complied with.

for and on behalf of the Board

S M Shakeel
Chief Executive

Lahore
August 30, 2016

REVIEW REPORT

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Kohinoor Energy Limited to comply with the Listing Regulation No. 5.19 of the Pakistan Stock Exchange, where the company is listed.

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, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the company personnel and review of various documents prepared by the company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

The Code requires the company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price, recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before 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 best practices contained in the Code of Corporate Governance as applicable to the company for the year ended June 30, 2016.

A.F. Ferguson & Co.
Chartered Accountants

Lahore
August 30, 2016

Engagement Partner: Amer Raza Mir

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Kohinoor Energy Limited ("the Company") as at June 30, 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion:

  (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

  (ii) the expenditure incurred during the year was for the purpose of the Company's business; and

  (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, 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, 2016 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, 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.

Emphasis of Matter

We draw attention to notes 12.1.1 and 12.1.2 to the financial statements, which describes the uncertainty regarding the outcome of certain claims by WAPDA, which have been disputed by the Company. Our opinion is not qualified in respect of this matter.

A.F. Ferguson & Co.
Chartered Accountants

Lahore
August 30, 2016

Engagement Partner: Amer Raza Mir

BALANCE SHEET

	Note	2016	2015
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
170,000,000 (June 2015: 170,000,000) ordinary shares of Rs. 10 each		1,700,000	1,700,000
Issued, subscribed and paid up capital			
169,458,614 (June 2015: 169,458,614) ordinary shares of Rs. 10 each	5	1,694,586	1,694,586
Un-appropriated profit		4,397,095	4,641,886
		6,091,681	6,336,472
LONG TERM FINANCING -SECURED	6	–	30,597
CURRENT LIABILITIES			
Employee benefits	7	28,603	10,865
Short term finances - secured	8	2,473,983	2,245,901
Current portion of long term financing	9	30,413	128,649
Trade and other payables	10	149,664	195,328
Accrued finance cost	11	14,828	11,664
Provision for taxation - net		–	1,332
		2,697,491	2,593,739
CONTINGENCIES AND COMMITMENTS	12		
		8,789,172	8,960,808

Chief Executive

AS AT JUNE 30, 2016

KOHINOOR ENERGY LIMITED

	Note	2016	2015
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	3,893,564	4,124,770
Intangible assets	14	5,776	2,534
Long term loans and deposits	15	9,608	14,618
		3,908,948	4,141,922
CURRENT ASSETS			
Stores, spares and loose tools	16	380,265	402,034
Stock in trade	17	158,854	237,548
Trade debts	18	3,607,405	3,551,810
Loans, advances, deposits, prepayments and other receivables	19	685,350	485,259
Cash and bank balances	20	33,615	142,235
Advance tax - net receivable		14,735	–
		4,880,224	4,818,886
		8,789,172	8,960,808

The annexed notes 1 to 37 form an integral part of these financial statements.

Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016	2015
		(Rupees in thousand)	
Sales	21	7,283,936	11,661,064
Cost of sales	22	(6,174,928)	(10,292,710)
Gross profit		1,109,008	1,368,354
Administrative expenses	23	(274,268)	(265,258)
Other income	24	1,390	3,784
Profit from operations		836,130	1,106,880
Finance costs	25	(140,469)	(263,121)
Profit before taxation		695,661	843,759
Taxation	26	(445)	(1,283)
Profit for the year		695,216	842,476
Earnings per share	33	4.10	4.97

Appropriations have been reflected in the statement of changes in equity.

The annexed notes 1 to 37 form an integral part of these financial statements.

Chief Executive **Director**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2016

KOHINOOR ENERGY LIMITED

	2016	2015
	(Rupees in thousand)	
Profit for the year after taxation	695,216	842,476
Items that may be reclassified subsequently to profit or loss	–	–
Items that will not be reclassified subsequently to profit or loss:		
Other comprehensive income		
Re-measurement of staff gratuity fund	(7,985)	9,901
Total comprehensive income for the year	687,231	852,377

The annexed notes 1 to 37 form an integral part of these financial statements.

Chief Executive | **Director**

CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016	2015
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	27	1,019,553	2,387,511
Employee benefits paid		(22,352)	(38,168)
Mark up on borrowings paid		(137,305)	(278,686)
Taxes paid		(16,512)	(26,469)
Net cash generated from operating activities		843,384	2,044,188
Cash flows from investing activities			
Purchase of property, plant and equipment including intangibles		(137,880)	(159,165)
Interest/mark-up income received		388	1,016
Net decrease in long term loans and deposits		5,010	2,614
Proceeds from sale of property, plant and equipment		11,843	5,305
Net cash used in investing activities		(120,639)	(150,230)
Cash flows from financing activities			
Dividend paid		(930,614)	(1,016,299)
Net long term loans repaid during the year		(128,833)	(119,553)
Net cash used in financing activities		(1,059,447)	(1,135,852)
Net (decrease) / increase in cash and cash equivalents		(336,702)	758,106
Cash and cash equivalents at the beginning of the year		(2,103,666)	(2,861,772)
Cash and cash equivalents at the end of the year	28	(2,440,368)	(2,103,666)

The annexed notes 1 to 37 form an integral part of these financial statements.

Chief Executive **Director**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2016

KOHINOOR ENERGY LIMITED

	Share Capital	Un-appropriated Profit	Total
		(Rupees in thousand)	
Balance as on July 1, 2014	1,694,586	4,806,261	6,500,847
Final dividend for the year ended June 30, 2014 at the rate of Rs. 2.50 per share	–	(423,647)	(423,647)
Interim dividend for the year ended June 30, 2015 at the rate of Rs. 2.00 per share	–	(338,917)	(338,917)
Interim dividend for the year ended June 30, 2015 at the rate of Rs. 1.50 per share	–	(254,188)	(254,188)
Total comprehensive income for the year	–	852,377	852,377
Balance as on June 30, 2015	1,694,586	4,641,886	6,336,472
Final dividend for the year ended June 30, 2015 at the rate of Rs. 2.00 per share	–	(338,917)	(338,917)
Interim dividend for the year ended June 30, 2016 at the rate of Rs. 2.00 per share	–	(338,917)	(338,917)
Interim dividend for the year ended June 30, 2016 at the rate of Rs. 1.50 per share	–	(254,188)	(254,188)
Total comprehensive income for the year	–	687,231	687,231
	1,694,586	4,397,095	6,091,681

The annexed notes 1 to 37 form an integral part of these financial statements.

Chief Executive

Director

1. Legal status and nature of business

Kohinoor Energy Limited (the company) was incorporated in Pakistan on April 26, 1994 as a public limited company under the Companies Ordinance, 1984. The company is listed on the Pakistan Stock Exchange. The principal activities of the company are to own, operate and maintain a power plant of 124 MW capacity in Lahore and to sell the electricity produced therefrom to a sole customer, the Pakistan Water and Power Development Authority (WAPDA) under a Power Purchase Agreement (PPA), for a term of 30 years which commenced from June 19, 1997. The registered office of the company is located in Islamabad.

2. Basis of preparation

2.1 These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984 (the Ordinance) and the approved accounting standards as applicable in Pakistan. Approved accounting standards comprise such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Ordinance, provisions of and directives issued under the Ordinance. Wherever the requirements of the Ordinance or directives issued by the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of IFRS or IFAS, the requirements of the Ordinance or the requirements of the said directives shall prevail.

2.2 Standards, interpretations and amendments to published approved accounting standards

2.2.1 Standards, amendments and interpretations to published standards effective in current year and applicable / relevant to the Company's operations

There are no standards, amendments and interpretations to existing standards that are becoming effective in current year and applicable / relevant to the company's operations.

2.2.2 Standards, amendments and interpretations to existing standards effective in current year but not applicable / relevant to the Company's operations

Standards or Interpretation	Effective Date (accounting periods beginning on or after)
IFRS 10, 'Consolidated Financial Statements'	January 1, 2015
IFRS 11, 'Joint Arrangements'	January 1, 2015
IFRS 12, 'Disclosure of Interests in Other Entities'	January 1, 2015
IFRS 13, 'Fair Value Measurement'	January 1, 2015

2.2.3 Standards, amendments and interpretation to existing standards that are not yet effective but applicable / relevant to the Company's operations

	Effective Date (accounting periods beginning on or after)
Disclosure Initiative - Amendments to IAS 1, 'Presentation of Financial Statements'	January 1, 2016
Clarification of Acceptable Methods of Depreciation and Amortization - Amendments to IAS 16, 'Property, Plant and Equipment' and IAS 38, 'Intangible Assets'	January 1, 2016
IFRS 15, 'Revenue from Contracts with Customers'	January 1, 2018
IFRS 9, 'Financial Instruments'	January 1, 2018
IFRS 16, 'Leases'	January 1, 2019
IAS 7, 'Statement of Cash Flows'	January 1, 2017
Annual Improvements to IFRSs 2012-2014 Cycle: IAS 19, 'Employee Benefits' and IAS 34, 'Interim Financial Reporting'	January 1, 2016

IFRIC 4, 'Determining Whether an Arrangement Contains a Lease' is applicable for periods beginning on or after January 01, 2006, however, Independent Power Producers (IPPs), whose letter of intent has been signed on or before June 30, 2010, have been exempted from its application by the Securities and Exchange Commission of Pakistan (SECP). This interpretation provides guidance on determining whether arrangements that do not take the legal form of a lease should, nonetheless, be accounted for as a lease in accordance with International Accounting Standard (IAS) 17, 'Leases'.

Consequently, the company is not required to account for a portion of its Power Purchase Agreement (PPA) with Water and Power Development Authority (WAPDA) as a lease under IAS - 17. If the company were to follow IFRIC - 4 and IAS - 17, the effect on the financial statements would be as follows:

	2016	2015
	(Rupees in thousand)	
De-recognition of property, plant and equipment	(3,650,727)	(3,876,500)
Recognition of lease debtor	507,760	544,296
Decrease in un-appropriated profit at the beginning of the year	(3,332,204)	(3,448,860)
Increase in profit for the year	189,237	116,656
Decrease in un-appropriated profit at the end of the year	(3,142,967)	(3,332,204)

2.2.4 Standards, amendments and interpretations to existing standards that are not yet effective and not applicable / relevant to the Company's operations

Standards or Interpretation	Effective Date (accounting periods beginning on or after)
Agriculture: Bearer Plants - Amendments to IAS 16, 'Property, Plant and Equipment' and IAS 41, 'Agriculture'	January 1, 2016
Equity Method in Separate Financial Statements - Amendments to IAS 27, 'Separate Financial Statements'	January 1, 2016
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10, 'Consolidated Financial Statements' and IAS 28, 'Investments in Associates and Joint Ventures'	January 1, 2016
IFRS 11 (Amendment), 'Joint Arrangements'	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
Investment Entities: Applying the Consolidation Exception - Amendments to IFRS 10, 'Consolidated Financial Statements', IFRS 12, 'Disclosure of Interests in Other Entities' and IAS 28, 'Investments in Associates and Joint Ventures'	January 1, 2016
Annual Improvements to IFRSs 2012-2014 Cycle: IFRS 5, 'Non-Current Assets Held for Sale and Discontinued Operations', IFRS 7, 'Financial Instruments: Disclosures'	January 1, 2016
IAS 12, 'Income Taxes'	January 1, 2017

3. Basis of measurement

3.1 These financial statements have been prepared under the historical cost convention, modified by capitalization of exchange differences in previous years, except for revaluation of certain financial instruments at fair value and recognition of certain employee retirement benefits at present value.

The company's significant accounting policies are stated in note 4. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies the management considers critical because of their complexity, judgment of estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving a higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

a) Retirement benefits

The company uses the valuation performed by an independent actuary as the present value of its retirement benefit obligations. The valuation is based on assumptions as mentioned in note 4.2.

b) Useful lives and residual values of property, plant and equipment

The company reviews the useful lives of property, plant and equipment on regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

4. Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Taxation

Current

The profits and gains of the company derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. However, full provision is made in the profit and loss account on income from sources not covered under the above clause at current rates of taxation after taking into account, tax credits and rebates available, if any.

Deferred

Deferred tax has not been provided in these financial statements as the company's management believes that the temporary differences will not reverse in the foreseeable future due to the fact that the profits and gains of the company derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

4.2 Employee benefits

The main features of the schemes operated by the company for its employees are as follows:

a) Defined benefit plans

The company operates an approved funded defined benefit gratuity scheme for all employees according to the terms of employment subject to a minimum qualifying period of service. The contribution to the fund is made on the basis of actuarial valuation to cover obligations under the scheme for all employees eligible to gratuity benefits. The latest actuarial valuation for the scheme was carried out as at June 30, 2016 and the actual return on plan assets during the year was Rs. 12.03 million (2015: Rs. 24.45 million). The actual return on plan assets represents the difference between the fair value of plan assets at beginning of the year and end of the year after adjustments for contributions made by the company as reduced by benefits paid during the year.

Projected Unit Credit (PUC) Actuarial Cost Method, using the following significant assumptions, is used for valuation of this scheme:

– Discount rate	9.00% per annum (2015: 10.50% per annum)
– Expected rate of increase in salary level	8.00% per annum (2015: 9.5% per annum)

The company accounts for actuarial gains / losses immediately in other comprehensive income in accordance with IAS-19 "Employee Benefits".

b) Accumulating compensated absences

Provisions are made annually to cover the obligation for accumulating compensated absences and are charged to profit and loss account.

4.3 Property, plant and equipment

4.3.1 Operating fixed assets

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss. Cost in relation to certain plant and machinery comprises historical cost, exchange differences capitalized in previous years and borrowing cost referred to in note 4.14.

Depreciation on all operating fixed assets is charged to profit on the straight line method so as to write off the cost of an asset over its estimated useful life at the annual rates mentioned in note 14.1 after taking into account their residual values.

The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted if the impact on depreciation is significant. The company's estimate of the residual value of its operating fixed assets as at June 30, 2016 has not required any adjustment as its impact is considered insignificant.

Depreciation on additions to operating fixed assets is charged from the month in which the asset is available for use, while no depreciation is charged for the month in which the asset is disposed off.

The net exchange difference relating to an asset, at the end of each year, is amortized in equal installments over its remaining useful life.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4.5).

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

4.3.2 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

4.4 Intangible assets

Expenditure incurred to acquire intangible assets is stated at cost less accumulated amortization and any identified impairment loss. Intangible assets are amortized using the straight line method over its estimated useful life at the annual rate mentioned in note 14.

Amortization on additions to intangible assets is charged from the month in which an asset is available for use while no amortization is charged for the month in which the asset is disposed off.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4.5).

4.5 Impairment of non-financial assets

Assets that have an indefinite useful life, for example land, are not subject to depreciation / amortization and are tested annually for impairment. Assets that are subject to depreciation / amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

4.6 Leases

The company is the lessee:

4.6.1 Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit on a straight line basis over the lease term.

4.7 Stores, spares and loose tools

Usable stores and spares are valued principally at moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon. Provision for slow moving stores is created based on management's best estimate.

4.8 Stock-in-trade

Stock-in-trade except for those in transit and furnace oil are valued principally at lower of moving average cost and net realizable value. Furnace oil is valued at lower of cost based on First in First Out (FIFO) basis and net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make a sale.

4.9 Investments

Investments intended to be held for less than twelve months from the reporting date or to be sold to raise operating capital, are included in current assets. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

4.10 Financial instruments

4.10.1 Financial assets

The company classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. 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.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or 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.

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. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise loans, advances, deposits and other receivables and cash and cash equivalents at the balance sheet.

All financial assets are recognized at the time when the company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognized on trade-date – the date on which the company commits to purchase or sell the asset. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit and loss account. Financial assets are de-recognized when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortized cost using the effective interest rate method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the profit and loss account in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in the profit and loss account as part of other income when the company's right to receive payments is established.

The company assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. If any such evidence exists, the recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognized as expense in the income statement. Impairment testing of trade debts and other receivable is described in note 4.11.

4.10.2 Financial liabilities

All financial liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument.

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit and loss account.

4.10.3 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when there is a legally enforceable right to set off the recognized amount and the company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.11 Trade debts and other receivables

Trade debts and other receivables are recognized initially at invoice value, which approximates fair value, and subsequently measured at amortized cost using the effective interest method, less provision for doubtful debts. A provision for doubtful debts is established when there is objective evidence that the company will not be able to collect all the amount due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade debt is impaired. The provision is recognized in the profit and loss account. When a trade debt is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the profit and loss account.

4.12 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

4.13 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the profit and loss account over the period of the borrowings using the effective interest method. Finance costs are accounted for on an accrual basis and are reported under accrued finance costs to the extent of the amount remaining unpaid.

4.14 Borrowing costs

Borrowing costs incurred for the construction of any qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use. Other borrowing costs are expensed in the profit and loss account in the period in which they arise.

4.15 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

4.16 Provisions

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

4.17 Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the company and the revenue can be measured reliably.

Revenue on account of energy is recognized on transmission of electricity to WAPDA, whereas on account of capacity is recognized when due. Profit on deposits with banks is recognized on a time proportion basis by reference to the amounts outstanding and the applicable rates of return.

4.18 Foreign currency transactions and translation

a) Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the profit and loss account.

4.19 Dividend

Dividend distribution to the company's members is recognized as a liability in the period in which the dividends are approved.

5. Issued, subscribed and paid up capital

2016	2015		2016	2015
(Number of shares)			(Rupees in thousand)	
130,352,780	130,352,780	Ordinary shares of Rs. 10 each fully paid in cash	1,303,528	1,303,528
39,105,834	39,105,834	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	391,058	391,058
169,458,614	169,458,614		1,694,586	1,694,586

5.1 33,891,722 (2015: 33,891,722) ordinary shares of the company are held by an associated undertaking, Toyota Tsusho Corporation.

5.2 There was no movement in share capital during the year ended June 30, 2016.

6. Long Term Financing -Secured

		2016	2015
		(Rupees in thousand)	
Islamic finance under musharka agreement	- note 6.1	30,413	159,246
Less: current portion shown under current liabilities	- note 9	(30,413)	(128,649)
		–	30,597

6.1

Lender	Mark-up rate	Number of Installments	Repayment start date of earliest tranche	Maturity date of the final tranche
Al-Baraka Bank Limited	3 month KIBOR + 1.10% per annum	12 quarterly installments for each tranche of loan	15-Jun-13	12-Sep-16

This loan represents Islamic finance obtained under musharka agreement and is secured by first pari passu charge over all fixed assets of the company, including Land & Building, to the extent of Rs. 667 million (2015: Rs. 667 million).

		2016	2015
		(Rupees in thousand)	

7. Employee benefits

		2016	2015
Gratuity	- note 7.1	20,092	(130)
Leave salary		8,511	10,995
		28,603	10,865

7.1 This represents staff gratuity and the amounts recognized in the balance sheet are as follows:

	2016	2015
Present value of defined benefit obligation	219,494	178,242
Fair value of plan assets	(199,402)	(178,372)
Net (Asset) / Liability as at June 30	20,092	(130)
Net liability as at July 1	(130)	32,512
Charge to profit and loss account	21,237	3,378
Contribution by the company	(9,000)	(26,119)
Re-measurement chargeable to other comprehensive income	7,985	(9,901)
Net (Asset) / Liability as at June 30	20,092	(130)

The movement in the present value of defined benefit obligation is as follows:

	2016	2015
Present value of defined benefit obligation as at July 1	178,242	160,436
Current service cost	15,808	15,628
Past service cost / (credit)	10,298	(14,876)
Interest cost	18,497	21,651
Benefits paid	–	(119)
Gains and losses arising on plan settlements	(4,164)	–
Remeasurements	1,129	–
Experience loss	(316)	(4,478)
Present value of defined benefit obligation as at June 30	219,494	178,242

The movement in fair value of plan assets is as follows:

	2016	2015
Fair value as at July 1,	178,372	127,924
Interest income on plan assets	19,202	19,025
Contribution by the company	9,000	26,119
Benefits paid	–	(119)
Return on plan assets excluding interest income	(7,172)	5,423
	199,402	178,372

7.2 Plan Assets of the Fund

The breakup of Plan assets of the Fund is as follows:

	2016 (Rupees in thousand)	%	2015 (Rupees in thousand)	%
Investment in bonds and term deposits	104,885	53%	51,162	29%
Investment in equity shares of the company	15,952	8%	19,619	11%
Investment in other shares	27,079	14%	–	0%
Investment in units in mutual funds	50,090	24%	78,586	44%
Cash and bank / receivables	1,396	0.7%	29,006	16%
	199,402	100%	178,373	100%

7.3 Sensitivity Analysis of the Fund

The impact of change in discount rates and salary increases on year end defined benefit obligation is as follows:

	2016	2015
	(Rupees in thousand)	
Discount rate + 1%	196,929	159,472
Discount rate - 1%	245,712	200,141
Salary increase + 1%	246,098	200,482
Salary increase - 1%	196,199	158,853

The present value of defined benefit obligation, the fair value of plan assets and the surplus or deficit of the gratuity fund are as follows:

	2016	2015	2014	2013	2012
			(Rupees in thousand)		
As at June 30					
Present value of defined benefit obligation	219,494	178,242	160,436	142,472	102,589
Fair value of plan assets	199,402	178,372	127,924	112,630	73,114
Surplus / (Loss)	(20,092)	130	(32,512)	(29,842)	(29,475)
Experience adjustment arising on obligation losses	(813)	(4,478)	(8,046)	20,373	(1,045)
Experience adjustment arising on plan assets (losses) / gain	(7,172)	5,423	(232)	6,777	(951)

		2016	2015
		(Rupees in thousand)	

8. Short term finances - secured

- Under mark up arrangements	- note 8.1	1,690,585	1,302,159
- Under arrangements permissible under shariah	- note 8.1	783,398	943,742
		2,473,983	2,245,901

8.1 Out of total available short term finances amounting to Rs. 5,610 million (2015: Rs. 5,110 million) finances available from Islamic banks under Islamic arrangements amount to Rs. 3,000 million. The rates of mark up for finances under mark-up arrangement ranged from 6.41% to 8.26% per annum (2015: 7.05% to 9.25% per annum) and for finances under arrangement permissible under shariah ranged from 6.46% to 8.22% per annum (2015: 7.13% to 7.46% per annum) on the balances outstanding. The security and other agreements, negotiable instruments and documents to be executed by the company in favour of the bank shall be in the form and substance satisfactory to the bank. The company shall execute or cause to be executed all such instruments, deeds or documents, which the bank may in its sole discretion require.

8.2 Out of the aggregate running finances availed by the company, Rs. 5,510 million are secured by joint pari passu charge on the current assets of the company.

8.3 Of the aggregate facility of Rs 405 million (2015: Rs 525 million) for opening letters of credit and Rs 342 million (2015: Rs 340 million) for guarantees, the amounts utilised as at June 30, 2016 were Rs 6 million (2015: Rs 39 million) and Rs 184.15 million (2015: Rs 182.15 million) respectively.

		2016	2015
		(Rupees in thousand)	

9. Current portion of long term financing

Long term financing secured	- note 6	30,413	128,649

10. Trade and other payables

Trade creditors	- note 10.1	18,255	39,265
Accrued liabilities		3,475	3,367
Withholding tax payable		4,589	4,805
Workers' profit participation fund	- note 10.2	2,783	42,188
Workers' welfare fund	- note 10.3	99,358	85,445
Unclaimed dividend		14,949	13,541
Other payables		6,255	6,717
		149,664	195,328

10.1 Trade creditors include amount due to related parties of Rs. 0.064 million (2015: Rs. 0.039 million).

		2016	2015
		(Rupees in thousand)	

10.2 Movement in Workers' Profit Participation Fund is as follows:

Opening balance		42,188	53,577
Provision for the year	- note 19.2	34,783	42,188
		76,971	95,765
Less: Payments made during the year		(74,188)	(53,577)
Closing balance		2,783	42,188

10.3 Movement in Workers' Welfare Fund is as follows:

Opening balance		85,445	68,570
Provision for the year	- note 19.3	13,913	16,875
		99,358	85,445
Less: Payments made during the year		–	–
Closing balance		99,358	85,445

10.4 The management has created provision for Workers' Welfare Fund (WWF) in line with the Honourable Sindh High Court's decision pertaining to eligibility of WWF. The matter is however subjudice before the Honourable Supreme Court of Pakistan. The final decision of the Court will not have any effect on the Company's profit and loss account as WWF is a pass through item recoverable from WAPDA under the Power Purchase Agreement (PPA).

	2016	2015
	(Rupees in thousand)	

11. Accrued finance cost

Mark-up accrued on finances under mark-up arrangements and long term financing	14,828	11,664

12. Contingencies and commitments

12.1 Contingencies

12.1.1 During year ended June 30, 2010, WAPDA disputed the eligibility of indexation of non-escalable component (NEC) of the capacity purchase price relating to the period subsequent to the repayment of foreign currency loan taking the stance that under the Power Purchase Agreement (PPA) indexation is allowed until the repayment of foreign currency loan, and since the loan was fully repaid in September, 2008, therefore no indexation was to be allowed from September, 2008 onwards (Dispute 1). WAPDA had earlier paid Rs. 430.517 million relating to the period from September, 2008 to September, 2009 but subsequently withheld this amount in June, 2010 against the invoices of April, 2010 (Dispute 2).

The management of the company is of the view that under the terms of the PPA (i) the company is entitled to the continued indexation of the NEC after repayment of foreign currency loans; and (ii) the invoice receiving party may serve a dispute notice to the other party at any time prior to 180 days of receipt of such invoice. Since the invoices for the period from September 2008 to September 2009 were not disputed within the prescribed period of 180 days therefore WAPDA has waived its right to seek revision of such invoices in terms of section 9.7 (d) of the PPA.

Article XV of PPA requires that if a dispute arises the matter shall be decided by (i) mutual discussions, failing which (ii) through mediation by an expert and as a last resort through (iii) arbitration. The company's initial views were to refer the disputed matter to arbitration under the Rules of Arbitration of the International Chamber of Commerce to expedite the resolution of the dispute. However, during the year ended 30 June 2011, the Management of the company referred the matter to the expert. Consequently an expert was engaged with the consent of both the parties. The expert had given his decision / recommendation on December 30, 2011 which states that the adjustment of Rs. 430.517 million is unlawful, therefore, WAPDA is required to pay this amount to the company.

WAPDA had not accepted the decision / recommendation of the Expert (on Dispute 2) .The Management of the company and legal advisor is of the opinion that the matter will be settled in company's favour and consequently the company has not provided for Rs. 430.517 million in these financial statements.

12.1.2 WAPDA has imposed Liquidated Damages (LDs) on the company amounting to Rs. 415.44 million (2015: Rs. 402.43 million) during the period from 2011 to 2016. The reasons of LDs are as follows:

i. Rs. 364 million is because of the failure to dispatch electricity due to WAPDA's non-payment of dues on timely basis and consequential inability of the company to make advance payments to its fuel supplier - Pakistan State Oil (PSO), that resulted in inadequate level of electricity production owing to shortage of fuel, and ;

ii. Rs. 61.44 million is due to incorrect calculations of LDs by WAPDA as while calculating the LDs, certain factors were ignored that were to be considered under the terms of Power Purchase Agreement (PPA).

The Company disputes and rejects the claim on account of LDs because under the terms of the PPA, no LDs can be charged to the Company due to the reasons caused solely by the Power Purchaser i.e. WAPDA.

According to legal advisors of the company, there are adequate grounds to defend the claim for such LDs, therefore no provision has been made in these financial statements.

It is also pertinent to mention here that recently in a similar case pertaining to 'capacity payments' of other Independent Power Producers (falling under the 1994 and 2002 power policy), the experts gave the decision in favour of Independent Power Producers.

12.1.3 A sales tax demand of Rs 505.41 million was raised against the company through order dated August 29, 2014 by the Assistant Commissioner Inland Revenue ('ACIR') by disallowing input sales tax for the tax periods from August 2009 to June 2013. Such amount was disallowed on the grounds that the revenue derived by the company on account of 'capacity purchase price' was against a non-taxable supply and thus, the entire amount of input sales tax claimed by the company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy purchase price' admissible to the company. Against the aforesaid order, the company preferred an appeal before the Commissioner Inland Revenue (Appeals) ('CIR(A)') who vide its order dated November 6, 2014, upheld the

ACIR's order on the issue regarding apportionment of input sales tax with the caveat that tax demand pertaining to period of show cause notice beyond the limitation of five years cannot be sustained and reduced from the tax demand. Subsequently, the company preferred an appeal before the Appellate Tribunal Inland Revenue ('ATIR'). Additionally, the company had filed an application with the Lahore High Court seeking a stay in recovery of tax arrears, default surcharge and penalty. The Lahore High Court, in its order dated December 31, 2014, stayed the recovery of the tax demand along with default surcharge and penalty till adjudication by the ATIR, subject to deposit of Rs. 10 million with the Tax Department which the company duly submitted on January 7, 2015. The ATIR vide its order dated May 4, 2015, upheld the CIR(A)'s order on the issue regarding apportionment of input sales tax. Thereafter, the company has filed an appeal against the decision of ATIR in the Lahore High Court wherein the same is pending adjudication. Stay of recovery of tax arrears, default surcharge and penalty has been granted till the next hearing before the Lahore High Court.

Based on the advice of the company's legal counsel, management believes that there are meritorious grounds to defend the company's stance in respect of the above mentioned input sales tax claimed by the company. Consequently, no provision has been made in these financial statements.

12.1.4 The company has issued the following guarantees in favour of:

(i) Water and Power Development Authority (WAPDA) on account of liquidated damages, in case the Company fails to make available electricity to WAPDA on its request, amounting to Rs. 182 million (June 30, 2015: Rs. 180 million).

(ii) Sui Northern Gas Pipelines Limited on account of payment of dues against gas sales etc., amounting to Rs 2.15 million (June 30, 2015: Rs 2.15 million).

12.2 Commitments

(i) Letters of credit / Bank contracts other than capital expenditure are Rs. 8.65 million (June 30, 2015: Rs. 18.24 million).

(ii) Letters of credit / Bank contracts for capital expenditure Rs. Nil (June 30, 2015: 42.23 million).

		2016	2015
		(Rupees in thousand)	
13. Property, plant and equipment			
Operating fixed assets	- note 13.1	3,852,559	4,079,514
Capital work-in-progress	- note 13.2	41,005	45,256
		3,893,564	4,124,770

13.1 Property, plant and equipment

(Rupees in thousand)

	Freehold land	Buildings on freehold land	Plant and machinery	Office appliances and equipment	Laboratory equipment	Electric appliances and equipment	Computers	Furniture and fixtures	Vehicles	Total
Net carrying value basis (NBV)										
Year ended June 30, 2016										
Opening balance	93,209	252,528	3,681,324	1,173	4,687	10,491	1,204	120	34,778	4,079,514
Additions (at cost)	–	2,300	116,029	425	–	2,774	562	–	16,200	138,290
Disposals	–	–	–	–	–	–	–	–	(10,841)	(10,841)
Write-offs	–	–	(6,450)	–	–	–	–	–	–	(6,450)
Depreciation charge	–	(21,135)	(315,624)	(404)	(556)	(2,214)	(843)	(42)	(7,136)	(347,954)
Closing balance	93,209	233,693	3,475,279	1,194	4,131	11,051	923	78	33,001	3,852,559
Gross carrying value basis										
As at June 30, 2016										
Cost	93,209	625,458	8,039,791	5,239	5,561	27,757	48,105	7,884	61,488	8,914,492
Accumulated depreciation	–	(391,765)	(4,564,512)	(4,045)	(1,430)	(16,706)	(47,182)	(7,806)	(28,487)	(5,061,933)
Net book value (NBV)	93,209	233,693	3,475,279	1,194	4,131	11,051	923	78	33,001	3,852,559
Depreciation rate % per annum	–	4% - 6%	5% -20%	10%	10%	10%	10% - 33%	10%	20%	
Net carrying value basis (NBV)										
Year ended June 30, 2015										
Opening balance	93,209	273,632	3,802,591	1,570	3,991	12,342	1,093	163	34,347	4,222,938
Additions (at cost)	–	–	181,997	–	1,196	774	767	–	10,040	194,774
Disposals	–	–	–	–	–	–	–	–	(2,432)	(2,432)
Write-offs	–	–	(9,127)	–	–	–	–	–	–	(9,127)
Depreciation charge	–	(21,104)	(294,137)	(397)	(500)	(2,625)	(656)	(43)	(7,177)	(326,639)
Closing balance	93,209	252,528	3,681,324	1,173	4,687	10,491	1,204	120	34,778	4,079,514
Gross carrying value basis										
As at June 30, 2015										
Cost	93,209	623,158	7,936,305	4,814	5,561	24,983	47,543	7,884	66,414	8,809,871
Accumulated depreciation	–	(370,630)	(4,254,981)	(3,641)	(874)	(14,492)	(46,339)	(7,764)	(31,636)	(4,730,357)
Net book value (NBV)	93,209	252,528	3,681,324	1,173	4,687	10,491	1,204	120	34,778	4,079,514
Depreciation rate % per annum	–	4% - 6%	5% - 20%	10%	10%	10%	10% - 33%	10%	20%	

13.1.1 The cost of fully depreciated assets which are still in use as at June 30, 2016 is Rs. 289.1 million (2015: Rs. 273.8 million).

13.1.2 The depreciation charge for the year has been allocated as follows:

		2016	2015
		(Rupees in thousand)	
Cost of sales	- Note 23	340,194	318,839
Administrative expenses - Depreciation	- Note 24	7,733	7,772
Community expenses	- Note 24	27	28
		347,954	326,639

13.1.3 Disposal of operating fixed assets

Detail of fixed assets sold during the year is as follows:

2016 (Rupees in thousand)

Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposals
Vehicles	Employees					
	Mr. S M Shakeel	5,404	2,594	2,810	2,810	Company policy
	Mr. Ghazanfar Ali Ziadi	5,403	2,593	2,810	2,810	-do-
	Mr. Faisal Bhatti	2,153	1,034	1,119	1,120	-do-
	Mr. Muhammad Ashraf	2,105	1,010	1,095	1,094	-do-
	Mr. Arif Malik	642	308	334	334	-do-
	Outsiders					
	Mr. Naveed Akhter Khan	5,418	2,745	2,673	3,675	Negotiation

Detail of fixed assets sold during the year is as follows:

2015 (Rupees in thousand)

Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposals
Vehicles	Employees					
	Mr. Amanullah Qaiser	532	248	284	425	Negotiation
	Mr. Rehmat Ullah	1,839	1,202	637	1,300	-do-
	Mr. Abdul Rauf Irfan	1,458	875	583	1,200	-do-
	M. Waqas Ahmad	1,436	1,149	287	1,250	-do-
	Mr. Zia-Ul-Hassan	735	588	147	636	-do-
	Mr. Sheraz Ul Haq	948	455	493	493	Book Value

No other assets have been disposed off during the year.

		2016	2015
		(Rupees in thousand)	

13.2 Capital work-in-progress

		2016	2015
Plant and machinery parts under installation		–	8,429
Stores held for capitalization	- note 13.3	41,005	36,827
		41,005	45,256

13.3 This amount represents the mechanical store items including cylinder liners, coupling flexible sets, piston crowns and piston skirts which are held for capitalization.

14. Intangible assets

	Computer software	Others	Total
		(Rupees in thousand)	
Net carrying value basis			
Year ended June 30, 2016			
Opening net book value (NBV)	1,867	667	2,534
Additions at cost	3,841	–	3,841
Amortization charge	(544)	(55)	(599)
	5,164	612	5,776
Gross carrying value basis			
As at June 30, 2016			
Cost	22,117	1,000	23,117
Accumulated amortization	(16,953)	(388)	(17,341)
Net book value (NBV)	5,164	612	5,776
Amortization rate % per annum	6.25% - 10%	5.56%	
Net carrying value basis			
Year ended June 30, 2015			
Opening net book value (NBV)	2,298	722	3,020
Additions at cost	–	–	–
Amortization charge	(431)	(55)	(486)
Closing net book value (NBV)	1,867	667	2,534
Gross carrying value basis			
As at June 30, 2015			
Cost	18,276	1,000	19,276
Accumulated amortization	(16,409)	(333)	(16,742)
Net book value (NBV)	1,867	667	2,534
Amortization rate % per annum	6.25% - 10%	5.56%	

		2016	2015
		(Rupees in thousand)	

14.1 The amortization charge for the year has been allocated as follows:

		2016	2015
Administrative expenses	- note 23	599	486

14.2 The cost of fully amortized assets which are still in use as at June 30, 2016 is Rs 13.30 million (2015: Rs 13.30 million).

15. Long term loans and deposits

		2016	2015
		(Rupees in thousand)	
Loans to employees - considered good			
- Executives	- note 15.1	22,435	22,883
- Others	- note 15.1	3,540	4,798
		25,975	27,681
Less: Current portion included in current assets			
- Loans to employees - executives	- note 15.1	(14,340)	(11,278)
- Loans to employees - others	- note 15.1	(2,722)	(2,480)
		(17,062)	(13,758)
		8,913	13,923
Security deposits		695	695
		9,608	14,618

15.1 These represent interest free loans to executives and other employees for purchase of residential plot, construction of house, purchase of motorcars, motorcycles etc. and are repayable in monthly instalments over a period of 18 to 36 months. Loans for purchase of residential plots and construction of house are secured against staff retirement benefits of employees. Loans for purchase of motorcars and motorcycles are secured by registration of motorcars in the name of the company and open transfer letters signed by the employees in the case of motorcycles.

15.2 Reconciliation of carrying amount of loans to executives

	2016	2015
	(Rupees in thousand)	
Opening balance	22,883	23,491
Disbursements	15,260	10,984
Employees promoted as executives	1,340	1,958
	39,483	36,433
Less: Repayments	(17,048)	(13,550)
Closing balance	22,435	22,883

15.3 The maximum amount outstanding at the end of any month from executives aggregated Rs. 22.60 million (2015: Rs. 25.32 million).

		2016	2015
		(Rupees in thousand)	

16. Stores, spares and loose tools

		2016	2015
Stores		9,960	8,117
Spares (including in transit: Nil (2015: Nil))		383,713	407,263
Loose tools		730	792
		394,403	416,172
Less : Provision for obsolete items	- note 16.1	(14,138)	(14,138)
		380,265	402,034

16.1 Provision for obsolete stores and spares

	2016	2015
Opening balance	14,138	14,138
Provision for the year	–	–
Closing balance	14,138	14,138

17. Stock in trade

	2016	2015
Furnace oil	153,344	228,605
Diesel	632	641
Lubricating oil	4,878	8,302
	158,854	237,548

18. Trade debts

		2016	2015
Trade receivables from WAPDA - secured			
- Considered good		3,607,405	3,551,810
- Considered doubtful		–	–
	- note 18.1	3,607,405	3,551,810
Less: Provision for doubtful debts	- note 18.2	–	–
		3,607,405	3,551,810

18.1 This includes an overdue amount of Rs. 2,824.27 million (2015: Rs. 2,443.30 million) receivable from WAPDA. The trade debts are secured by a guarantee from the Government of Pakistan under the Implementation Agreement. These are in the normal course of business and are interest free, however, a penal mark-up at the rate of Base Rate plus 2% per annum is charged in case the amounts are not paid within due dates, the Base Rate being the State Bank of Pakistan's Reverse Repo Rate. The penal mark-up rate charged during the year ranged from 8.25% to 9% (2015: 9% to 12%) per annum.

18.2 No provision has been made against doubtful debts during the current year and the preceding years.

19. Loans, advances, deposits, prepayments and other receivables

		2016	2015
		(Rupees in thousand)	
Current portion of long term loans to 'employees'	- note 15	17,062	13,758
Advances - considered good			
- To employees	- note 19.1	4,001	3,590
- To suppliers		398,657	199,589
Prepayments		2,100	5,427
Claims recoverable from WAPDA for pass through items:			
- Workers' Profit Participation Fund	- note 19.2	130,548	95,765
- Workers' Welfare Fund	- note 19.3	99,358	85,445
Sales tax receivable		33,624	11,538
Other receivables - considered good		–	70,147
		685,350	485,259

19.1 Included in advances to employees are interest free amounts due from executives Rs. 3.66 million (2015: Rs. 2.68 million).

		2016	2015
		(Rupees in thousand)	
19.2 Movement in Workers' Profit Participation Fund is as follows:			
Opening balance		95,765	53,577
Provision for the year	- note 10.2	34,783	42,188
		130,548	95,765
Less: Receipts during the year		–	–
Closing balance	- note 19.4	130,548	95,765
19.3 Movement in Workers' Welfare Fund is as follows:			
Opening balance		85,445	68,570
Provision for the year	- note 10.3	13,913	16,875
		99,358	85,445
Less: Receipts during the year		–	–
Closing balance	- note 19.4	99,358	85,445

19.4 Under section 14.2(a) of Part III of Schedule 6 to the Power Purchase Agreement (PPA) with WAPDA, payments to Workers' Profit Participation Fund and Workers' Welfare Fund are recoverable from WAPDA as a pass through item.

20. Cash and bank balances

		2016	2015
		(Rupees in thousand)	
Balance at banks on:			
Current accounts		265	37,656
Saving accounts			
- Under interest / mark up arrangements	- note 20.1	11,336	52,609
- Under arrangements permissible under shariah	- note 20.1	20,028	50,409
		31,364	103,018
		31,629	140,674
Cash in hand		1,986	1,561
		33,615	142,235

20.1 The balance in savings bank accounts under interest / markup up arrangements bear mark-up at rates ranging from 3.75% to 4.50% per annum (2015: 4.50% to 7.00% per annum) and balance in accounts under arrangements permissible under shariah bear profit at the rates ranging from 2.61% to 4.00% per annum (2015: 2.92% to 4.5%).

21. Sales

		2016	2015
		(Rupees in thousand)	
Energy purchase price	- Note 21.1	6,209,568	10,578,874
Capacity purchase price		1,074,368	1,082,190
		7,283,936	11,661,064

21.1 Energy purchase price is exclusive of sales tax of Rs. 1,031.94 million (2015: Rs. 1,772.43 million).

22. Cost of sales

		2016	2015
		(Rupees in thousand)	
Raw material consumed		5,280,068	9,347,299
Salaries, wages and benefits	- note 22.1	199,119	165,450
Fee for Produce of Energy (FPE)		45,643	79,697
Stores and spares consumed		213,474	282,046
Depreciation on operating fixed assets	- note 13.1	340,194	318,839
Fee and subscription		2,072	1,898
Insurance		38,675	39,986
Travelling, conveyance and entertainment		11,570	12,347
Repairs and maintenance		15,259	16,699
Communication charges		2,303	1,987
Electricity consumed in-house		2,353	1,083
Environmental expenses - operation & maintenance		1,178	1,593
Assets written-off		6,450	9,128
Advances written-off		–	364
Contracted services		11,538	9,965
Miscellaneous		5,032	4,329
		6,174,928	10,292,710

	2016	2015
	(Rupees in thousand)	

22.1 Salaries, wages and other benefits

Salaries, wages and other benefits include following in respect of gratuity:

	2016	2015
Current service cost	8,378	8,283
Past service cost / (credit)	5,458	(7,885)
Interest cost for the year	9,803	11,475
Expected return on plan assets	(10,177)	(10,083)
	13,462	1,790

In addition to the above, salaries, wages and other benefits include a charge of Rs. 5.43 million (2015: Rs. 7.05 million) in respect of provision for leave encashment.

23. Administrative expenses

		2016	2015
		(Rupees in thousand)	
Salaries, wages and benefits	- note 23.1	161,785	152,204
Communication charges		2,518	2,358
Depreciation on operating fixed assets	- note 13.1	7,733	7,772
Amortization on intangible assets	- note 14.1	599	486
Insurance		3,681	4,171
Travelling, conveyance and entertainment		29,555	32,732
Repairs and maintenance		6,764	8,356
Legal and professional charges	- note 23.2	4,845	5,357
Community welfare expenses		10,231	9,607
Donations	- note 23.3	2,500	2,500
Rents, rates and taxes		4,387	3,975
Fee and subscription		4,527	3,052
Security expenses		6,704	5,631
Environmental expenses		10,852	9,602
Contracted services		10,683	8,890
Miscellaneous	- note 23.4	6,904	8,565
		274,268	265,258

23.1 Salaries, wages and other benefits

Salaries, wages and other benefits include following in respect of gratuity:

	2016	2015
Current service cost	7,430	7,345
Past service cost / (credit)	4,840	(6,991)
Interest cost for the year	8,693	10,176
Expected return on plan assets	(9,025)	(8,942)
Gains and losses arising on plan settlements	(4,164)	–
	7,774	1,588

In addition to above, salaries, wages and other benefits include a charge of Rs. 5.43 million (2015: Rs. 7.05 million) in respect of provision for leave encashment.

	2016	2015
	(Rupees in thousand)	

23.2 Legal and professional charges include the following:

	2016	2015
In respect of auditors' services for:		
- statutory audit	1,360	1,300
- half yearly review and sundry services	503	416
- out of pocket expenses	199	351
	2,062	2,067

23.3 None of the directors and their spouses has any interest in the donee.

23.4 Includes an amount of Rs. 0.39 Million (2015: Rs. 0.22 million) on account of advertisement expenses of Red Communication Arts (Private) Limited, a related party.

23.5 Employees of the company

	2016	2015
Number of employees	137	136
Average number of employees	137	136

	2016	2015
	(Rupees in thousand)	

24. Other income

		2016	2015
Income on bank deposits	- note 24.1	388	911
Profit on disposal of property, plant and equipment		1,002	2,873
		1,390	3,784

24.1 Income on bank deposits

	2016	2015
Income on bank deposits under mark-up arrangement	334	824
Income on bank deposits under arrangement permissible under shariah	54	87
	388	911

25. Finance cost

	2016	2015
Mark up on finances under mark up arrangements - secured	138,919	261,461
Bank guarantee and commission	1,091	1,102
Others	459	558
	140,469	263,121

26. Taxation

This represents the provision for current taxation for the year. No provision for taxation on reserves of the company and super tax imposed under Finance Act 2015 has been made since the profits and gains of the company derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

26.1 Tax charge reconciliation

	2016	2015
	(Rupees in thousand)	
Profit before tax	695,661	843,759
Tax @ 32% (2015: 33%)	222,612	278,440
Tax effect of exempt income referred to in note 4.1	(222,167)	(277,157)
Tax charge	445	1,283

27. Cash generated from operations

	2016	2015
Profit before taxation	695,661	843,759
Adjustment for:		
- Depreciation on property, plant and equipment	347,954	326,639
- Amortisation on intangible assets	599	486
- Fixed assets written-off during the period	6,450	9,127
- Gain on disposal of property, plant and equipment	(1,002)	(2,873)
- Income on bank deposits	(388)	(911)
- Charge for employee benefits	32,105	17,467
- Finance cost on borrowings	140,469	263,121
Profit before working capital changes	1,221,848	1,456,815
Effect on cash flow due to working capital changes:		
- Decrease / (Increase) in stores and spares	21,769	(16,826)
- Decrease / (Increase) in inventory	78,694	57,916
- Decrease / (Increase) in trade debts	(55,595)	1,046,641
- (Increase) / Decrease in loans, advances, deposits, prepayments and other receivables	(200,091)	(129,293)
- (Decrease) / Increase in trade and other payables	(47,072)	(27,742)
	(202,295)	930,696
	1,019,553	2,387,511

28. Cash and cash equivalents

	2016	2015
Cash and bank balances	33,615	142,235
Finances under mark up arrangements	(2,473,983)	(2,245,901)
	(2,440,368)	(2,103,666)

29. Remuneration of Chief Executive, Directors and Executives

29.1 The aggregate amount charged in the financial statements for the year for remuneration, including certain benefits, to the Chief Executive, full time working directors, non-executive director and executives of the company is as follows:

	Chief Executive		Executive Director	Non-Executive Director	Executive Director	Non-Executive Director	Executives	
	2016	2015	2016		2015		2016	2015
	(Rupees in thousand)							
Managerial remuneration and allowances	10,068	10,068	7,261	12,875	9,681	12,875	69,443	58,694
Housing	4,526	4,526	3,264	5,789	4,352	5,789	31,194	26,360
Retirement benefits	1,773	1,500	–	–	1,442	–	12,290	9,723
Medical expenses	45	15	101	–	203	–	4,171	2,880
Bonus	6,777	5,477	4,850	–	6,517	–	37,409	30,254
Utilities	1,006	1,006	725	1,286	967	1,286	6,932	5,858
Club expenses	82	110	53	–	76	–	396	464
Others	8,367	7,064	7,468	6,736	9,308	6,739	47,625	33,758
	32,644	29,766	23,722	26,686	32,546	26,689	209,460	167,991
Number of persons	2	1	1	1	1	1	69	58

The company also provides some of the Directors and Executives with free transport and residential telephones.

29.2 Remuneration to other directors

Aggregate amount charged in the financial statements for the year for fee to directors is Nil (2015: Nil).

30. Transactions with related parties

The related parties comprise associated undertakings, other related companies, key management personnel and post retirement benefit plan. 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 and remuneration of key management personnel is disclosed in note 29. Other significant transactions with related parties are as follows:

Relationship with company	Nature of transaction	2016	2015
		(Rupees in thousand)	
i) Associated Undertakings and other related parties	Purchase of services	389	307
	Purchase of goods	64	45
	Sale of goods	1,010	3,118
	Dividend paid	310,363	338,578
ii) Key management personnel	Dividend paid	226,316	244,574
iii) Post retirement benefit plan	Expense charged	21,237	3,378

All transactions with related parties are carried out on mutually agreed terms and conditions.

31. Capacity and production

	2016	2015
	MWh	
Installed capacity (Based on 8,784 hours (2015 : 8,760 hours))	1,089,216	1,086,240
Actual energy delivered	850,945	876,897

Under utilisation of available capacity is due to low demand by WAPDA.

32. Financial risk management

32.1 Financial risk factors

The company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance. The Board of Directors (the Board) exercises oversight of the company's risk management programme.

Risk management is carried out by the finance department under the principles and policies approved by the Board. The Board provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies. The finance department prepares monthly and quarterly management accounts. Quarterly management accounts are scrutinized by the Board and variances from the budgets are investigated. Quantitative and qualitative analyses are carried out to measure risk exposures and to develop strategies for managing these risks. These analyses include ratio analysis and trend analysis over financial and non-financial measures of performance.

a) Market risk

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The company is exposed to currency risk arising from various currency exposures, primarily with respect to the Euro (EUR). Currently, the company's foreign exchange risk exposure is restricted to the amounts receivable / payable from / to the foreign entities. At the balance sheet date, no amounts were receivable / payable to the foreign entities.

The following significant exchange rates were applied during the year:

	2016	2015
Rupees per Euro		
Average rate	115.58	132.82
Reporting date rate	116.31	113.79

If the functional currency, at reporting date, had fluctuated by 5% against and Euro with all other variables held constant, the impact on profit after taxation for the year would have been Nil (2015: Nil) higher / lower. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

ii) Other price risk

Other price risk represents 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), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The company is not exposed to any significant equity price risk since there are no investments in equity securities. The company is also not exposed to commodity price risk since it has a diverse portfolio of commodity suppliers.

iii) Interest rate risk

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

The company has no significant long-term interest-bearing assets. The company's interest rate risk arises from long term and short term borrowings. Borrowings obtained at variable rates expose the company to cash flow interest rate risk.

At the balance sheet date, the interest rate profile of the company's interest bearing financial instruments was:

	2016	2015
	(Rupees in thousand)	
Fixed rate instruments		
Financial assets		
Bank balances - savings accounts	30,037	100,419
Net exposure	30,037	100,419
Floating rate instruments		
Financial assets		
Trade debts - overdue	2,824,272	2,443,304
Financial liabilities		
Long term finance - secured	(30,413)	(159,246)
Short term finances - secured	(2,473,983)	(2,245,901)
Net exposure	319,876	38,157

Fair value sensitivity analysis for fixed rate instruments

The company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates on finances under mark up arrangements, at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit after tax would have been Rs. 16.02 million (2015: Rs. 28.30 million) higher/lower, mainly as a result of higher/lower interest expense on floating rate finances.

b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from deposits with banks and other receivables.

i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2016	2015
	(Rupees in thousand)	
Long term loans and deposits	9,608	14,618
Trade debts	3,607,405	3,551,810
Loans, advances, deposits, prepayments and other receivables	280,575	276,653
Balances with banks	31,629	140,674
	3,929,217	3,983,755
The age of trade receivables as at balance sheet date is as follows:		
- Not past due	783,133	1,108,506
- Past due 0 - 180 days	1,792,236	1,566,101
- Past due 181 - 365 days	70,962	97,900
- 1 - 2 years	189,471	179,420
- More than 2 years	771,603	599,883
	3,607,405	3,551,810
The movement in provision for impairment of receivables is as follows:		
Opening balance	–	–
Written off during the year	–	–
Closing balance	–	–

The trade debts are secured by a guarantee from the Government of Pakistan under the Implementation Agreement.

ii) Credit quality of major financial assets

The credit quality of major financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Short Term	Long Term	Rating Agency	2016	2015
				(Rupees in thousand)	
Trade debts					
WAPDA		Not available		3,607,405	3,551,810
Other receivables					
WAPDA		Not available		229,906	181,210
Banks					
Bank Alfalah Limited	A1+	AA	PACRA	–	50,001
Standard Chartered Bank	A1+	AAA	PACRA	1	36,863
MCB Bank Limited	A1+	AAA	PACRA	–	4
Askari Commercial Bank	A1+	AA+	JCR-VIS	10,852	1,223
Meezan Bank	A1+	AA	JCR-VIS	–	792
NIB Bank Limited	A1+	AA-	PACRA	264	4
Habib Bank Limited	A1+	AAA	JCR-VIS	20,025	409
United Bank Limited	A1+	AAA	JCR-VIS	6	–
Al-Baraka Bank	A1	A	PACRA	481	51,378
				3,868,940	3,873,694

After giving due consideration to the strong financial standing of the banks and Government guarantee in case of WAPDA, management does not expect non-performance by these counter parties on their obligations to the company. Accordingly, the credit risk is minimal.

c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At June 30, 2016, the company had Rs. 5,510 million available borrowing limits from financial institutions and Rs. 33.62 million cash and bank balances.

The following are the contractual maturities of financial liabilities as at June 30, 2016:

	Carrying amount	Less than one year	One to five years	More than five years
			(Rupees in thousand)	
Long term finance - secured	30,413	30,413	–	–
Finances under mark up arrangements	2,473,983	2,473,983	–	–
Trade and other payables	42,952	42,952	–	–
Accrued finance cost	14,828	14,828	–	–
	2,562,176	2,562,176	–	–

The following are the contractual maturities of financial liabilities as at June 30, 2015:

	Carrying amount	Less than one year	One to five years	More than five years
			(Rupees in thousand)	
Long term finance - secured	159,246	128,649	30,597	–
Finances under mark up arrangements	2,245,901	2,245,901	–	–
Trade and other payables	62,890	62,890	–	–
Accrued finance cost	11,664	11,664	–	–
	2,479,701	2,449,104	30,597	–

32.2 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

32.3 Financial instruments by categories

	At fair value through profit and loss		Loans and receivables		Total	
	2016	2015	2016	2015	2016	2015
			(Rupees in thousand)			
Assets as per balance sheet						
Long term loans and deposits	–	–	9,608	14,618	9,608	14,618
Trade debts	–	–	3,607,405	3,551,810	3,607,405	3,551,810
Loans, advances, deposits, prepayments and other receivables	–	–	280,575	276,653	280,575	276,653
Cash and bank balances	–	–	31,629	140,674	31,629	140,674
	–	–	3,929,217	3,983,755	3,929,217	3,983,755

	Financial liabilities at amortized cost	
	2016	2015
	(Rupees in thousand)	
Financial liabilities as per balance sheet		
Long term finance - note 6	30,413	159,246
Finances under mark-up arrangements	2,473,983	2,245,901
Trade and other payables	42,952	62,890
Accrued finance cost	14,828	11,664
	2,562,176	2,479,701

32.4 Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Specific valuation techniques used to value financial instruments include:
- 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 (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As of reporting date, there were no Level 1, 2 or 3 assets or liabilities during prior or current year.

32.5 Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders through repurchase of shares, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the company monitors the capital structure on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings including current and non-current borrowings, less cash and bank balances as disclosed in note 20. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt. The gearing ratio as at June 30, 2016 and June 30, 2015 is as follows:

	2016	2015
	(Rupees in thousand)	
Long term finance - note 6	–	30,597
Short term Borrowings including current portion of long term finance - note 8 & note 9	2,504,396	2,374,550
Less: Cash and bank balances - note 20	(33,615)	(142,235)
Net debt	2,470,781	2,262,912
Total equity	6,091,681	6,336,472
Total capital	8,562,462	8,599,384
Gearing ratio %	28.9%	26.3%

33. Earnings per share

33.1 Basic earnings per share

		2016	2015
Net profit for the year	**Rupees in thousand**	695,216	842,476
Weighted average number of ordinary shares	**Number**	169,458,614	169,458,614
Earnings per share	**Rupees**	4.10	4.97

33.2 Diluted earnings per share

A diluted earnings per share has not been presented as the company does not have any convertible instruments in issue as at June 30, 2016 and June 30, 2015 which would have any effect on the earnings per share if the option to convert is exercised.

34. Date of authorization for issue

These financial statements were authorised for issue on August 30, 2016 by the Board of Directors of the company.

35. Events after the balance sheet date

The Board of Directors have proposed a final dividend for the year ended June 30, 2016 of Rs. 1.75 (2015: Rs. 2.00) per share, amounting to Rs. 296.553 million (2015: Rs. 338.917 million) at their meeting held on August 30, 2016 for approval of the members at the Annual General Meeting to be held on October 19, 2016. These financial statements do not reflect this dividend payable.

36. Corresponding figures

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. However, no significant re-arrangements have been made.

37. General

Figures have been rounded off to the nearest thousand of Rupees unless otherwise specified.

Chief Executive **Director**

PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2016

NO. OF SHAREHOLDERS	SHAREHOLDING FROM	SHAREHOLDING TO	TOTAL SHARES HELD
131	1	100	3,850
234	101	500	97,491
213	501	1,000	197,294
388	1,001	5,000	1,182,836
167	5,001	10,000	1,334,895
56	10,001	15,000	729,820
33	15,001	20,000	616,250
30	20,001	25,000	700,282
25	25,001	30,000	714,100
9	30,001	35,000	294,500
17	35,001	40,000	658,713
3	40,001	45,000	128,000
23	45,001	50,000	1,144,000
6	50,001	55,000	314,500
6	55,001	60,000	348,250
8	60,001	65,000	511,000
8	65,001	70,000	546,500
4	70,001	75,000	292,000
4	75,001	80,000	313,500
3	80,001	85,000	250,375
1	85,001	90,000	87,500
1	90,001	95,000	91,500
9	95,001	100,000	898,000
5	100,001	105,000	511,782
2	105,001	110,000	219,000
2	115,001	120,000	235,500
1	120,001	125,000	123,500
1	125,001	130,000	127,000
2	135,001	140,000	273,500
2	140,001	145,000	284,000
2	145,001	150,000	296,500
2	155,001	160,000	320,000
1	185,001	190,000	187,820
4	195,001	200,000	800,000
1	200,001	205,000	205,000
2	210,001	215,000	428,000
1	240,001	245,000	241,500
1	245,001	250,000	250,000
1	250,001	255,000	255,000
1	260,001	265,000	260,700
1	270,001	275,000	271,500
3	275,001	280,000	832,269
2	295,001	300,000	599,500
1	345,001	350,000	350,000
1	385,001	390,000	388,500
1	395,001	400,000	400,000
1	480,001	485,000	484,881
2	495,001	500,000	1,000,000
1	525,001	530,000	530,000
1	630,001	635,000	632,500
1	650,001	655,000	655,000
1	755,001	760,000	757,000
1	770,001	775,000	771,000
1	870,001	875,000	873,000
1	875,001	880,000	876,257
1	1,105,001	1,110,000	1,107,501
1	1,175,001	1,180,000	1,175,895
1	1,495,001	1,500,000	1,500,000
1	1,800,001	1,805,000	1,800,392
1	2,000,001	2,005,000	2,005,000
1	2,265,001	2,270,000	2,267,500

1	2,495,001	2,500,000	2,500,000
1	3,365,001	3,370,000	3,368,100
1	3,385,001	3,390,000	3,389,171
1	4,245,001	4,250,000	4,250,000
1	4,995,001	5,000,000	5,000,000
2	7,900,001	7,905,000	15,805,998
1	10,135,001	10,140,000	10,135,351
2	14,125,001	14,130,000	28,253,241
1	27,110,001	27,115,000	27,113,378
1	33,890,001	33,895,000	33,891,722
1,447			169,458,614

Categories of shareholders	No. of Shareholder	Share held	Percentage
Directors, Chief Executive Officers, and their spouse and minor childern	8	22,032,770	13.0019
*Associated Companies, undertakings and related parties. (Parent Company)	3	61,393,600	36.229
NIT and ICP		–	–
Banks Development Financial Institutions	6	10,390,258	6.1314
Non Banking Financial Institutions.			
Insurance Companies	4	2,328,269	1.3739
Modarabas and Mutual Funds	4	1,902,757	1.1228
General Public	1,356	60,037,845	35.4292
Others (to be specified)			
Investment Companies	2	500,187	0.2952
Pension Funds	2	166,782	0.0984
Others Companies	22	3,363,322	1.9847
Joint Stock Companies	32	3,918,273	2.3122
Foreign Companies	8	3,424,551	2.0209
	1,447	169,458,614	100
*Includes Foreign Shareholders holding 10% or more	2	61,005,100	36.0000

Catagories of Shareholding required under Code of Coprorate Governance (CCG)
As on june 30, 2016

Sr. No.	Name	No. of Shares Held	Percentage
	Associated Companies, Undertakings and Related Parties:		
1	TOYOTA TSUSHO CORPORATION	33,891,722	20.0000
2	TOMEN POWER (SINGAPORE) (PVT) LIMITED	27,113,378	16.0000
3	TRUSTEE KOHINOOR ENERGY LTD EMPLOYEES GRATUTITY FUND (CDC)	388,500	0.2293
4	MR. AND MRS. AZAM SAIGOL (CDC)	22,029,619	13.0000
	Mutual Funds:		
1	CDC - TRUSTEE AL MEEZAN MUTUAL FUND (CDC)	104,500	0.0617
2	CDC - TRUSTEE MEEZAN ISLAMIC FUND (CDC)	873,000	0.5152
3	CDC - TRUSTEE NATIONAL INVSTMENT (UNIT) TRUST (CDC)	876,257	0.5171
	Directors, CEO and their Spouse and Minor Children:		
1	MR. M. NASEEM SAIGOL (CDC)	14,126,621	8.3363
2	MRS. SEHYR SAIGOL W/O MR. M. NASEEM SAIGOL (CDC)	7,902,999	4.6637
3	MR. S M SHAKEEL	650	0.0004
4	MR. TATSUO HISATOMI	500	0.0003
5	MR. SHINICHI USHIJIMA	500	0.0003
6	MR. MANABU IIDA	500	0.0003
7	MR. MIKIHIRO MORIYA	500	0.0003
8	MR. MUHAMMAD ASAD KHAN	500	0.0003
	Executives:		
	SYED GHAZANFAR ALI ZAIDI (CDC)	36,500	0.0215
	Public Sector Companies & Corporations:	–	–
	Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:	12,934,309	7.6327
	Shareholders holding five percent or more voting intrest in the listed company:		
1	TOYOTA TSUSHO CORPORATION	33,891,722	20.0000
2	TOMEN POWER (SINGAPORE) (PVT) LIMITED.	27,113,378	16.0000
3	MR. M. NASEEM SAIGOL (CDC)	14,126,621	8.3363
4	MR. M. AZAM SAIGOL (CDC)	14,126,620	8.3363
5	NATIONAL BANK OF PAKISTAN. (CDC)	10,135,500	5.9811

All trades in the shares of the listed company, carried out by its Directors, CEO, CFO, Company

Secretary and their spouses and minor children:

S. No.	NAME	SALE	PURCHASE
1	MRS. ALIYA SHAKEEL SPOUSE OF MR. S M SHAKEEL (CDC)	300,000	

PROXY FORM

KOHINOOR ENERGY LIMITED

Ledger Folio/CDC A/C No. ______________________ Shares Held ______________________

I/We ____

of ______________________ being member(s) of Kohinoor Energy Limited

hereby appoint ____

of ______________________ or failing him ______________________

of ______________________ as my/our Proxy in my/our absence to attend and vote

for me/us and on my/our behalf at the twenty third Annual General Meeting of Kohinoor Energy Limited to be

held on October 19, 2016 at 11:30 A.M. and/or at any adjournment thereof.

As witness my/our hand(s) this ______________ day of ______________ 2016

signed by ____

in the presence of ____

Signed by the said

____

Witness: ______________________
Name ______________________
CNIC No. ______________________
Address ______________________
____

Witness: ______________________
Name ______________________
CNIC No. ______________________
Address ______________________
____

Revenue Stamps

Notes:

A member entitled to attend and vote at this meeting may appoint a proxy. Proxies, in order to be effective, must be received at Head Office/Shares Department of the Company situated at plant site Near Tablighi Ijtima, Raiwind Bypass, Lahore not less than forty-eight hours before the time for holding the meeting and must be duly stamped, signed and witnessed.

For CDC Account Holders/Corporate Entities
In addition to the above, the following requirements be met :

(i) Attested copies of NIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form
(ii) In case of a corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) alongwith proxy form to the Company
(iii) The proxy shall produce his original NIC or original passport at the time of attending the meeting.

تشکیل نیابت داری

KOHINOOR ENERGY LIMITED

عام حصص بمطابق شیئر رجسٹرڈ/فولیو نمبر

سی ڈی سی کا شراکتی آئی ڈی نمبر

میں/ہم --

ساکن --

بطور کوہ نور انرجی لمیٹڈ کے رکن و حامل ---

ساکن --- یا بصورت دیگر ----------------------

ساکن ----------------------------- کو اپنی جگہ، بروز بدھ 19 اکتوبر 2016 کو صبح گیارہ بج کر تیس منٹ (11:30) پر رجسٹرڈ دفتر، 301، تیسری منزل، گرین ٹرسٹ ٹاور، بلیوایریا اسلام آباد میں کوہ نور انرجی لمیٹڈ کے منعقد یا ملتوی ہونے والے تیئسواں سالانہ اجلاس عام میں رائے دہندگی کے لیے اپنا نمائندہ مقرر کرتا/ کرتی ہوں۔

دستخط مورخہ .... ستمبر 2016

گواہی:

1۔ دستخط	2۔ دستخط	-/5 روپے کا محصول ٹکٹ
نام	نام	
پتہ	پتہ	
کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	کمپیوٹرائزڈ قومی شناختی کارڈ نمبر	

دستخط ....

(دستخط کمپنی کے پاس دستخط کے نمونہ کے مطابق ہوں)

کمپیوٹرائزڈ قومی شناختی کارڈ نمبر/ پاسپورٹ نمبر ....

ضروری:

(i) پراکسیز کے موثر ہونے کے لیے لازم ہے کہ وہ اجلاس سے 48 گھنٹے قبل کمپنی کو موصول ہوں۔ نیابت دار کا کمپنی کا رکن ہونا ضروری نہیں ہے سی ڈی سی کے حصص یافتگان اور ان کے نمائندوں سے التماس ہے کہ وہ اپنے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ کاپی پراکسی فارم کے ساتھ کمپنی میں جمع کرائیں۔

(ii) پراکسی کو اجلاس کے وقت اپنا اصل قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔

(iii) کارپوریٹ اینٹٹی کی صورت میں ڈائریکٹرز کی قرارداد/ پاور آف اٹارنی معہ نامزد فرد کے دستخط کا نمونہ (اگر پہلے فراہم نہ کئے گئے ہوں) پراکسی فارم کے ہمراہ کمپنی کو پیش کرنے ہوں گے۔