KOHINOOR
ENERGY LIMITED

Contents

Corporate Information

Board of Directors

Mr. M. Naseem Saigol
Chairman
Mr. Tatsuo Hisatomi
Chief Executive Officer
Mr. S M Shakeel
Mr. Manabu Iida
Mr. Hidenori Saito
Mr. Yasunori Mizuno
Mr. Ghazanfar Husain Mirza
Nominee of Wartsila Finland Oy

Company Secretary

Mr. Muhammad Asif

Audit Committee

Mr. Hidenori Saito
Chairman
Mr. S M Shakeel
Mr. Manabu Iida
Mr. Yasunori Mizuno

HR & Remuneration Committee

Mr. Hidenori Saito
Chairman
Mr. Tatsuo Hisatomi
Mr. S M Shakeel
Mr. Manabu Iida

Management

Mr. Tatsuo Hisatomi
Chief Executive Officer
Mr. S M Shakeel
Chief Operating 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
Faysal Bank Limited
Bank Alfalah Limited
Askari Bank Limited
AL Baraka Bank (Pakistan) Limited
Meezan Bank
Barclays Bank PLC
MCB Bank Limited
Deutsche Bank

Registered Office

1404, 14th 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

Notice is hereby given that the twentieth Annual General Meeting of shareholders of Kohinoor Energy Limited will be held on October 08, 2013 (Tuesday) at 12:30 afternoon at Registered Office, at 1404, 14th Floor, Green Trust Tower, Blue Area, Islamabad to transact the following business:

1. To confirm minutes of the Annual General Meeting held on October 16, 2012.

2. To receive and adopt the Annual Audited Accounts of the Company for the financial year ended June 30, 2013 alongwith Directors' and Auditors' Reports thereon.

3. To approve final dividend @ 30% i.e. Rs. 3.00 per share as recommended by the Board of Directors in addition to the three interim dividends already paid @20% i.e. Rs. 2.00 per share, @25% i.e. Rs.2.50 per share and @42.5% i.e. Rs.4.25 per share making a total dividend @117.5% i.e. Rs.11.75 per share for the financial year 2012-2013.

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 28, 2013

(Muhammad Asif)
Company Secretary

Notes:

1. The Share Transfer Books of the Company will remain closed from October 02, 2013 to October 09, 2013 (both days inclusive). Transfers received at our Share Registrar Office situated at CORPLINK (PVT) LIMITED Wings Arcade, 1-K, Commercial, Model Town, Lahore upto the close of business hours on October 01, 2013 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 entitled to attend and vote at this meeting may appoint a proxy. Proxies in order to be effective, must be received at Head Office of the Company at Near Tablighi Ijtima, Raiwind Bypass, Lahore, not less than forty-eight hours before the time of the meeting and must be duly stamped, signed and witnessed.

3. The Central Depository Company's Account Holders/Corporate Entities shall also meet the following requirements:

   (i) Attested copies of CNIC 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 CNIC or original passport together with the Account No. and Participant's Id at the time of attending the meeting.

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

Directors' Report

The Directors feel pleasure to present the Annual Report together with the audited financial statements of Kohinoor Energy Limited for the financial year ended June 30, 2013

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

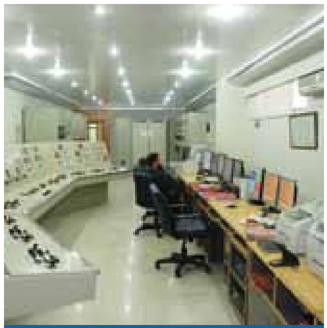
We report that during the year 2012-13 the total sales revenue of the Company surged to Rs. 12.3 billion compared with the sales revenue of Rs. 12.10 billion recorded in the previous financial year. Resultantly the Company posted net profit after tax of Rs. 864 million as against Rs. 847 million earned during the last financial year. The net profits of the Company demonstrated the Earning Per Share (EPS) of Rs. 5.10 as compared to Rs. 5.00 of the previous financial year. The financial results of the Company for the year ended June 30, 2013, are summarized as follows:

	2013	2012
	(Rupees in thousand)	
Profit before taxation	867,718	850,487
Taxation	(3,264)	(3,130)
Profit after taxation	864,454	847,357
Un-appropriated profit brought forward	5,817,196	5,562,945
Available for appropriations	6,681,650	6,410,302
Final Dividend 2011-2012 @15%	254,188	254,188
(Final Dividend 2010-11 @ 15% paid during FY 2011-12)		
Interim Dividend 2012-2013 @20%	338,917	338,918
(Interim Dividend 2011-12 @ 20% paid during FY 2011-12)		
Interim Dividend 2012-13 @ 25%	423,645	–
	1,016,750	593,106
Un-appropriated profit carried forward	5,664,900	5,817,196
Earnings per share Rupees	5.10	5.00

Further we write to reiterate the matter of 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. Consequently WAPDA had withheld Rs. 430.517 million from the invoice of April 2010. Adopting one of the courses as per the Power Purchase Agreement an Expert was appointed who has given his decision / recommendation in favor of the Company. However WAPDA has not accepted the decision / recommendation of the Expert. The Management and the legal counsel is of the opinion that the matter will be settled in Company's favor therefore, consequently the Company has not provided for Rs. 430.517 million in these financial statements.

We also report that due to supply of electricity shorter than the demand, WAPDA has invoiced to the Company the liquidated damages (LDs). The total amount of LDs invoiced by WAPDA is Rs. 378.519 million. We are of the view that since technically the plant was available to deliver electricity as per WAPDA's requirement and the failure to deliver was consequential only to financial constraints caused by default in payments by WAPDA, therefore WAPDA cannot claim the LDs which triggered as a result of its own default. Resultantly we have disputed the said invoices of LDs submitted by WAPDA. Based on the strength of the case, the management and legal counsel of the Company are confident that the matter will be settled in Company's favor therefore no provision has been made in these financial statements.

The Board of Directors, as a matter of satisfaction report that consequent to initiative taken by the new government of Pakistan, Water and Power Development Authority (WAPDA) has made a bulk payment of Rs. 3.504 billion to the Company on June 28, 2013 to clear of the overdue amounts receivables from WAPDA. We feel pleasure to inform you that consequently, so far, WAPDA is timely and regularly making payments of our invoices.



Credit Rating

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term and short-term entity ratings of the Company 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 governance structure of the Company.

Operations

The power complex by running at 66.71% capacity delivered 724,652 MWHs of electricity to WAPDA which is almost same as compared to 726,872 MWHs delivered during the financial year 2011-12. Reiterating about our strategy regarding replacement of new type of retrofit Turbo Chargers we would like to inform you that so for a set of new Turbo Chargers have been installed on one engine. The said equipment is fully giving the desired satisfactory results. All of the remaining sets of Turbo Chargers have been procured and reached at site. We plan to change them one by one by the end of this calendar year. As stated in earlier reports we write to refresh that the new type of retrofit turbo chargers are very effective and economical in maintenance.

We also report that during the financial year under review six engines reaching at 76,000 running hours have been overhauled on account of 8k major maintenance program. The scheduled and preventive maintenance activities have been carried out in accordance with the plans. We report that all of the engines and their auxiliary equipment are in good condition for safe and reliable operations.

We pleasurably report that the Company has successfully qualified the Annual Dependable Capacity Test (ADC), conducted by WAPDA on June 28, 2013. We profoundly state that despite of laps of 17 years of operations the whole power

complex is in excellent condition and resultantly has demonstrated a very high performance of 130.44 MW capacity which is quite higher than the net contractual capacity of 124 MW.

Dividend Distribution

The Board of Directors takes immense pleasure to recommend, to the shareholders of the Company for approval in the ensuing AGM, a final dividend at the rate of Rs. 3.00 per share (i.e. @ 30%) 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 three interim dividends which have already been paid @20% in March 2013, @25% in May 2013 and @42.5% in August 2013, shall make the cumulative dividend distribution for the financial year 2012-2013 to be 117.50%.

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

The Directors state that:

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

Name of Director	Attendance	Name of Director	Attendance
Mr. M. Naseem Saigol	1/4	Mr. Hidenori Saito	3/4
Mr. Tatsuo Hisatomi	1/1	Mr. Yasunori Mizuno	3/3
Mr. Toshio Nakanishi	3/3	Mr. Manabu Iida	0/1
Mr. S M Shakeel	4/4	Mr. Ghazanfar Ali Zaidi	1/1
Mr. Hiroshige Uga	1/3	Mr. Ghazanfar Ali Khan	3/4

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

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

Name of Director	Attendance	Name of Director	Attendance
Mr. Hidenori Saito	3/4	Mr. Ghazanfar Ali Khan	1/1
Mr. S M Shakeel	4/4	Mr. Yasunori Mizuno	3/3
Mr. Manabu Iida	0/1	Mr. Hiroshige Uga	1/3

- During the financial year under review the HR and Remuneration Committee met for one time. All of the members except Mr. Manabu Iida attended the said meeting.

- 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, 2012 to June 30, 2013 except Mr. Tatsuo Hisatomi, Mr. Manabu Iida and Mr. Ghazanfar Husain Mirza after joining the Board purchased 500 qualification shares each from Mr. Toshio Nakanishi, Mr. Hiroshige Uga and Mr. Ghazanfar Ali Khan the outgoing directors, respectively. During the FY 2012-2013 the Kohinoor Energy Limited-Employees Gratuity Fund has purchased 388,500 shares of the Company at an average price of Rs. 24.83 per share and Mr. Ghazanfar Ali Zaidi the GMT (an executive) has purchased 30,500 shares of the Company at an average price of Rs. 22.93 per share.

- The Company has established Employees Gratuity Fund and has got registered with the concerned authority. Annual provision has been made on the basis of actuarial valuation 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, 2013 was Rs. 112,630,237

- 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

Since the last annual general meeting held on October 16, 2012 Mr. Toshio Nakanishi the CEO/Director, Mr. Hiroshige Uga and Mr. Ghazanfar Ali Khan (nominee of Wartsila Finland Oy) have relinquished the offices of CEO/Directors of the Company and in their places Mr. Tatsuo Hisatomi as Chief Executive/Director and Mr. Manabu Iida and Mr. Ghazanfar Husain Mirza (nominee of Wartsila Finland Oy) have respectively joined the Board of Directors of the Company.

Further to earlier reporting to the shareholders, we rewrite to inform you that Mr. Hisatomi has been appointed as CEO of the Company with effect from April 01, 2013 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, 2013 as per Company's policy.

The Board of Directors wishes to record its appreciation for the valuable services rendered by the outgoing Chief Executive and Directors and extends its warm welcome to the newly appointed Chief Executive and Directors.

Corporate Social Responsibility (CSR)

The Board feels pleasure to inform you that supporting to the surrounding community in terms of CSR has


remained strategic part of our business approach. We pleasurably report that contributing on free medical treatment facility, and free education for children of the people living in the vicinity of the power plant we have supported the society as follows:

Medical Facility

The management of your Company paying its attention to social responsibility is passionately extending free medical facility to the deserving people of the vicinity area of the plant. A dedicated medical team consisting of a qualified doctor in association with experienced medical staff is serving the community. It is commendable to mention that during the financial year 2012-13 14,453 patients have been provided with the medical treatment at a cost of Rs. 4.2 million.

Education Facility

We profoundly state that in addition to the health program the management of your Company is eagerly active in uplifting the literacy standard of the neighboring community of the power plant. The education facility includes teaching, and provision of textbooks and uniform to all the students for free of cost. So far total 280 students are studying at class-1 to class-7. During the year the FY 2012-13 the Company has contributed Rs. 2.7 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, 2013 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, Pakistan State Oil and other suppliers 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

Lahore
August 28, 2013

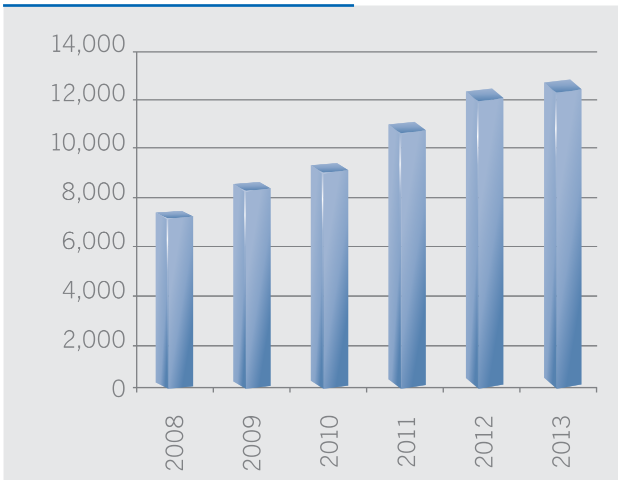
Tatsuo Hisatomi
Chief Executive

Financial Data

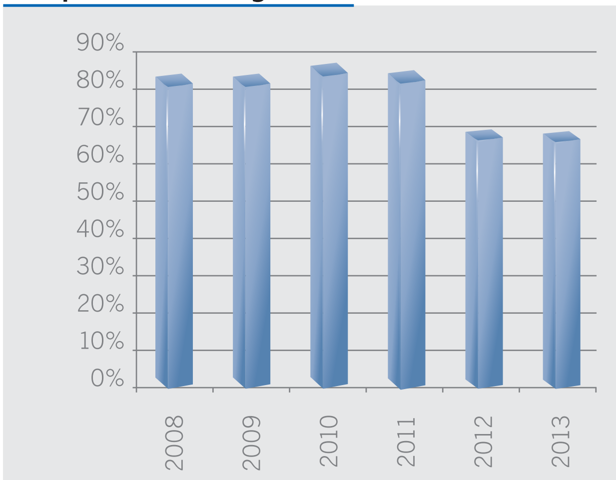
	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009	2007-2008
DISPATCH LEVEL (%)	**66.71%**	**66.92%**	**81.78%**	**82.81%**	**80.33%**	**81.19%**
DISPATCH (MWH)	**724,652**	**726,872**	**888,287**	**899,545**	**872,630**	**881,894**
REVENUE (Rs. 000)						
ENERGY FEE	11,318,483	11,225,331	10,060,183	8,468,638	6,950,971	6,260,816
CAPACITY FEE	1,029,826	894,583	841,906	998,756	1,383,370	1,127,041
TOTAL REVENUE	**12,348,309**	**12,119,914**	**10,902,089**	**9,467,394**	**8,334,341**	**7,387,857**
COST OF SALES	10,960,843	10,820,646	10,010,742	8,629,255	7,239,966	6,432,159
GROSS PROFIT	**1,387,466**	**1,299,268**	**891,347**	**838,139**	**1,094,375**	**955,698**
PROFITABILITY (Rs. 000)						
PROFIT/(LOSS) BEFORE TAX	867,718	850,487	641,920	707,315	918,241	659,693
PROVISION FOR INCOME TAX	3,264	3,130	12,456	20,023	13,185	5,000
PROFIT/(LOSS) AFTER TAX	**864,454**	**847,357**	**629,464**	**687,292**	**905,056**	**654,693**
FINANCIAL POSITION (Rs. 000)						
NON CURRENT ASSETS	3,977,086	4,057,197	4,151,288	4,167,689	4,376,297	4,608,052
CURRENT ASSETS	3,988,281	6,317,713	4,986,082	3,329,102	2,544,811	2,745,322
LESS CURRENT LIABILITIES	577,224	2,863,128	1,879,839	445,077	217,768	792,525
NET WORKING CAPITAL	**3,411,057**	**3,454,585**	**3,106,243**	**2,884,025**	**2,327,043**	**1,952,797**
CAPITAL EMPLOYED	7,388,143	7,511,782	7,257,531	7,051,714	6,703,340	6,560,849
LESS LONG TERM LOANS	28,657	-	-	-	-	-
SHARE HOLDERS EQUITY	**7,359,486**	**7,511,782**	**7,257,531**	**7,051,714**	**6,703,340**	**6,560,849**
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	6,681,650	6,410,302	5,986,592	5,696,046	5,771,319	5,289,910
APPROPRIATION / DIVIDENDS	1,016,750	593,106	423,647	338,918	762,565	423,647
UNAPPROPRIATED PROFIT BROUGHT FORWARD	5,664,900	5,817,196	5,562,945	5,357,128	5,008,754	4,866,263
	7,359,486	7,511,782	7,257,531	7,051,714	6,703,340	6,560,849
SHARE PRICES AS ON JUNE 30,	**37.48**	**20.62**	**16.50**	**26.49**	**29.00**	**27.15**
EARNING PER SHARE	5.10	5.00	3.71	4.06	5.34	3.86
RATIOS:						
RETURN ON ASSETS	0.11	0.08	0.07	0.09	0.13	0.09
PRICE EARNING RATIO	7.35	4.12	4.44	6.53	5.43	7.03
BREAK UP VALUE PER SHARE OF Rs. 10 EACH	43.43	44.33	42.83	41.61	39.56	38.72
CURRENT RATIO	6.91	2.21	2.65	7.48	11.69	3.46
NET PROFIT/(LOSS) TO SALES (%AGE)	7.00%	6.99%	5.77%	7.26%	10.86%	8.86%

Performance Overview

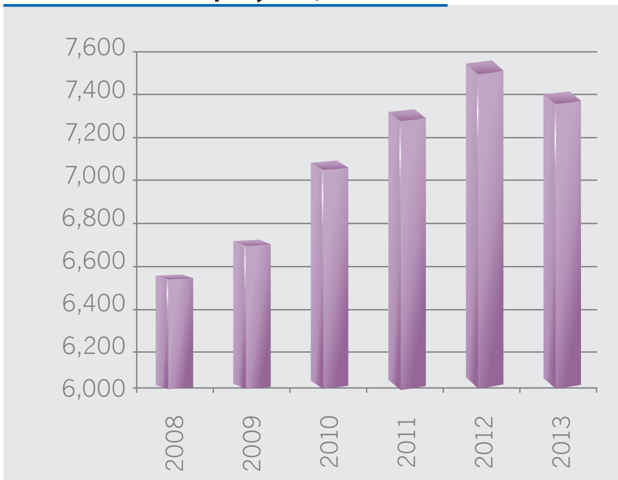
"Turnover" (Rupees in Million)



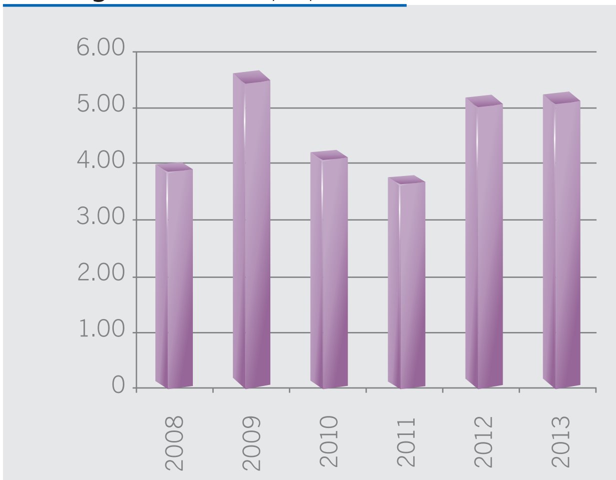
"Despatch Percentage"



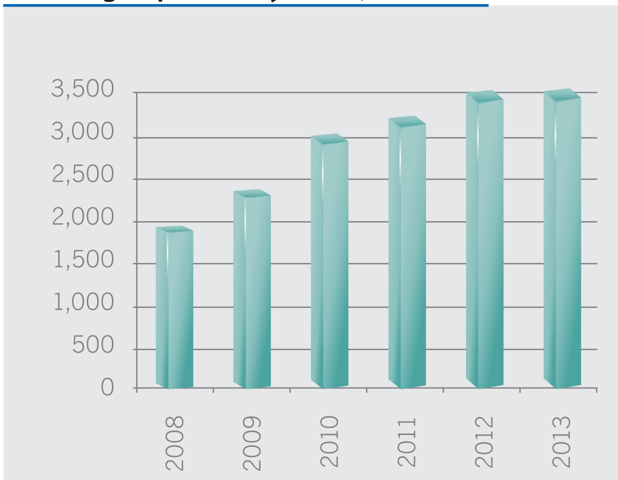
"Shareholders Equity" (Rupees in Million)



"Earning Per Share" (Rupees per Share)



"Working Capital Anaylsis" (Rupees in Million)



Statement of Compliance

With The Code Of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No 35 of listing regulations of Karachi, Lahore and Islamabad Stock Exchanges 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	2
Executive Directors	2
Non-Executive Directors	3

The independent directors meet the criteria of independence under clause i (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.

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 member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. Casual vacancies occurring on the board on April 01, 2013 and August 28, 2013 were filled up by the board of directors within the same day.

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.

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 appropriately recorded and circulated.

9. The board arranged a training program 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 is 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 of four members, of whom three are non-executive and one is the executive director. 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 of four members, of whom two are non-executive and two are executive directors and the Chairman of the committee is non-executive independent director. Thus the non-executive members of the Committee in terms of voting power are in majority.

18. The board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and is 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 exchanges

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

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

For and on behalf of the Board

Tatsuo Hisatomi
Chief Executive

Lahore
August 28, 2013

Review Report

To The Members On Statement Of Compliance With Best Practices Of Code Of Corporate Governance

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. 35 of the Karachi, Lahore and Islamabad Stock Exchanges, 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.

Regulation 35 (x) of the Listing Regulations 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, 2013.

A.F. Ferguson & Co.
Chartered Accountants

Amer Raza Meer
Partner

Lahore
August 28, 2013

Auditors' Report to the Members

We have audited the annexed balance sheet of Kohinoor Energy Limited as at June 30, 2013 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, 2013 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.

(e) We draw attention to note 12.1 to the financial statement, 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 28, 2013

Amer Raza Meer
Partner

Balance Sheet

	Note	2013	2012
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
170,000,000 (2012: 170,000,000) ordinary shares of Rs 10 each		1,700,000	1,700,000
Issued, subscribed and paid up capital			
169,458,614 (2012: 169,458,614) ordinary shares of Rs 10 each	5	1,694,586	1,694,586
Unappropriated profit		5,664,900	5,817,196
		7,359,486	7,511,782
Long term financing - secured	6	28,657	–
CURRENT LIABILITIES			
Staff retirement benefits	7	8,753	22,320
Finances under mark up arrangements - secured	8	316,408	2,594,732
Current Portion of Long term financing	9	14,178	–
Trade and other payables	10	163,814	145,555
Accrued finance cost	11	8,853	17,025
Provision for taxation		65,218	83,496
		577,224	2,863,128
CONTINGENCIES AND COMMITMENTS	12		
		7,965,367	10,374,910

Chief Executive

As At June 30, 2013

	Note	2013	2012
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	13	3,956,137	4,038,254
Intangible assets	14	3,608	4,296
Long term loans and deposits	15	17,341	14,647
		3,977,086	4,057,197
CURRENT ASSETS			
Stores, spares and loose tools	16	434,588	414,178
Stock in trade	17	294,106	195,050
Trade debts	18	2,158,228	5,177,717
Loans, advances, deposits, prepayments and other receivables	19	515,584	392,071
Cash and bank balances	20	585,775	138,697
		3,988,281	6,317,713
		7,965,367	10,374,910

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, 2013

	Note	2013	2012
		(Rupees in thousand)	
Sales	21	12,348,309	12,119,914
Cost of sales	22	(10,960,843)	(10,820,646)
Gross profit		1,387,466	1,299,268
Administrative expenses	23	(224,976)	(198,092)
Other income	24	15,362	8,944
Profit from operations		1,177,852	1,110,120
Finance costs	25	(310,134)	(259,633)
Profit before taxation		867,718	850,487
Taxation	26	(3,264)	(3,130)
Profit for the year		864,454	847,357
Earnings per share	33	5.10	5.00

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, 2013

	Note	2013	2012
		(Rupees in thousand)	
Profit for the year		864,454	847,357
Other comprehensive income		–	–
Total comprehensive income for the year		864,454	847,357

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, 2013

	Note	2013	2012
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	27	4,239,276	91,978
Employee benefits paid		(28,281)	(17,913)
Mark up on borrowings paid		(315,115)	(244,890)
Taxes paid		(21,542)	(22,098)
Net cash generated from /(used in) operating activities		3,874,338	(192,923)
Cash flows from investing activities			
Purchase of property, plant and equipment		(111,141)	(200,066)
Advances given for capital expenditure	13.2	(85,871)	–
Interest/mark-up income received		4,548	4,451
Net (decrease)/ increase in long term loans and deposits		(2,693)	817
Proceeds from sale of property, plant and equipment		20,749	18,738
Net cash used in investing activities		(174,408)	(176,060)
Cash flows from financing activities			
Dividend paid		(1,017,361)	(591,822)
Long Term Loan acquired during the year		42,833	–
Net cash used in financing activities		(974,528)	(591,822)
Net increase/(decrease) in cash and cash equivalents		2,725,402	(960,805)
Cash and cash equivalents at the beginning of the year		(2,456,035)	(1,495,230)
Cash and cash equivalents at the end of the year	28	269,367	(2,456,035)

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, 2013

	Share capital	Un-appropriated profit	Total
		(Rupees in thousand)	
Balance as on June 30, 2011	1,694,586	5,562,945	7,257,531
Final dividend for the year ended June 30, 2011 at the rate of Rs 1.50 per share	–	(254,188)	(254,188)
Interim dividend for the year ended June 30, 2012 at the rate of Rs 2.00 per share	–	(338,918)	(338,918)
Total comprehensive income for the year	–	847,357	847,357
Balance as on June 30, 2012	1,694,586	5,817,196	7,511,782
Final dividend for the year ended June 30, 2012 at the rate of Rs 1.50 per share	–	(254,188)	(254,188)
Interim dividend for the year ended June 30, 2013 at the rate of Rs 2.00 per share	–	(338,917)	(338,917)
Interim dividend for the year ended June 30, 2013 at the rate of Rs 2.50 per share	–	(423,645)	(423,645)
Total comprehensive income for the year	–	864,454	864,454
Balance as on June 30, 2013	1,694,586	5,664,900	7,359,486

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

Chief Executive

Director

Notes to and Forming Part

Of The Financial Statements For The Year Ended June 30, 2013

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 Karachi, Islamabad and Lahore Stock Exchanges. 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 of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by 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 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 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

Following are the amendments that are applicable for accounting periods beginning on or after January 1, 2012:

- IAS 1 (amendment), 'Financial statement presentation' regarding other comprehensive income is effective for periods starting from or on July 1, 2012. It requires entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. This amendment does not have a material impact on the company's financial statements.

- IAS 12 (amendment), 'Income Taxes' regarding the measurement of the deffered tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale is effective for periods starting from or on January 2012. As a result of this amendment SIC-21 would no longer apply to investment properties carried at fair value, and it also incorporates into IAS-12 remaining guidance in SIC-21, which is withdrawn accordingly. This amendment does not have a material impact on the company's financial statements.

2.2.2 Standards, amendments and interpretations to existing standards applicable to the company not yet effective

The following amendments and interpretations to existing standards have been published and are mandatory for the company's accounting periods beginning on or after their respective effective dates:

- 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:

	2013	2012
	(Rupees in thousand)	
De-recognition of property, plant and equipment	(3,677,642)	(3,856,840)
Recognition of lease debtor	612,368	644,057
Decrease in unappropriated profit at the beginning of the year	(3,212,783)	(3,211,416)
Increase / (decrease) in profit for the year	147,509	(1,367)
Decrease in unappropriated profit at the end of the year	(3,065,274)	(3,212,783)

- IAS 19, 'Employee benefits' was amended in June 2011 and applicable for accounting period begining on or after January 1, 2013. The impact will be as follows: to eliminate the corridor approach and recognise all actuarial gains and losses in OCI as they occur; to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). This is not expected to have a material impact on company's financial statements.

- The following amendments and interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after their respective dates:

Standards or interpretation:	Effective date (accounting periods beginning on or after)
- IFRS 7, 'Financial Instruments: Disclosure	January 01, 2013
- IFRS 9, 'Financial Instruments	January 01, 2015
- IFRS 10, 'Consolidated financial information	January 01, 2013
- IFRS 12, ' Disclosures of interest in other entities	January 01, 2013
- IFRS 13, ' Fair value measurements	January 01, 2013
- IAS 32, ' Financial instruments: Presentation	January 01, 2013
- IAS 27,' Separate financial statements	January 01, 2013
- IAS 28,' Associates and joint ventures	January 01, 2013
- IAS 32, ' Financial instruments: Presentation, on offsetting financial assets and financial liabilities	January 01, 2014
- Annual improvements 2011; IFRS 1, 'First time adoption'. IAS 1, 'Financial statement presentation'. IAS 16, 'Property plant and equipment'. IAS 32, 'Financial instruments; Presentation'. IAS 34, Interim financial reporting'	January 01, 2013

2.2.3 Standards, amendments and interpretations to published standards effective in the current period not relevant to the company

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after July 1, 2012 are considered not to be relevant or to have any significant impact on the company's financial reporting and operations.

2.2.4 Standards, amendments and interpretations to existing standards that are not relevant to the company and not yet effective

Standards or Interpretation:	Effective date (accounting periods beginning on or after)
- IFRS 11, 'Joint arrangements	January 01, 2013
- IFRS 1, 'First time adoption on government loans	January 01, 2013

3. Basis of measurement

3.1 These financial statements have been prepared under the historical cost convention, modified by capitalisation 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) Provision for taxation

The company takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the company's view differs from the view taken by the income tax department at the assessment stage and where the company considers that its view on items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

c) 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 retirement 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, 2013 and the actual return on plan assets during the year was Rs. 16.283 million (2012: Rs 6.892 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 Method, using the following significant assumptions, is used for valuation of this scheme:

-	Discount rate	10.5% per annum
-	Expected rate of increase in salary level	9.5% per annum
-	Expected rate of return	13% per annum

The company is expected to contribute Rs. 18.329 million to the gratuity fund in the next financial year.

The company's policy with regard to actuarial gains/losses is to follow minimum recommended approach under 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 capitalised in previous years and interest 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 13.1 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, 2013 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 amortised 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 recognised 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 recognised 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 amortisation and any identified impairment loss. Intangible assets are amortised using the straight line method over its estimated useful life at the annual rate mentioned in note 14.

Amortisation on additions to intangible assets is charged from the month in which an asset is available for use while no amortisation 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/amortisation and are tested annually for impairment. Assets that are subject to depreciation/amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised 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.

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 realisable value. Furnace oil is valued at lower of cost based on FIFO and net realisable value.

Net realisable 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 in the balance sheet.

All financial assets are recognised at the time when the company becomes a party to the contractual provisions of the instrument. Regular purchases and sales of investments are recognised on trade-date – the date on which the company commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all 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 amortised 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 recognised 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 recognised 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 recognised at the time when the company becomes a party to the contractual provisions of the instrument.

A financial liability is derecognised 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 recognised amount and the company intends either to settle on a net basis or to realise the assets and to settle the liabilities simultaneously.

4.11 Trade debts and other receivables

Trade debts and other receivables are recognised initially at invoice value, which approximates fair value, and subsequently measured at amortised 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 debtors, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade debt is impaired. The provision is recognised 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 recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised 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 capitalised 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 recognised initially at fair value and subsequently measured at amortised 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 recognised 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 recognised 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 recognised on transmission of electricity to WAPDA, whereas on account of capacity is recognised when due. Profit on deposits with banks is recognised 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 recognised in the profit and loss account.

4.19 Dividend

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

5. Issued, subscribed and paid up capital

2013	2012		2013	2012
(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 (2012: 33,891,722) ordinary shares of the company are held by an associated undertaking, Toyota Tsusho Corporation.

6. Long term finance

		2013	2012
		(Rupees in thousand)	
Islamic finance under musharka agreement	- note 6.1	42,835	–
Less: current portion shown under current liabilities	- note 9	(14,178)	–
		28,657	–

6.1

Lender	Mark up Rate	Number of Installments	Repayment commencement date	Maturity Date
Al-Baraka Bank Limited	3 month KIBOR + 1.10% per annum	12 quarterly installments	15-Jun-13	15-Mar-16

This loan is secured by first parri passu charge over all fixed assets of the company, including Land & Building, to the extent of Rs. 667 million.

7. Staff retirement benefits

		2013	2012
		(Rupees in thousand)	
Gratuity	- note 7.1	1,234	14,097
Leave salary		7,519	8,223
		8,753	22,320

	2013	2012
	(Rupees in thousand)	

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

	2013	2012
Present value of defined benefit obligation	142,472	102,589
Fair value of plan assets	(112,630)	(73,114)
Unrecognised actuarial losses	(28,608)	(15,378)
Liability as at June 30	1,234	14,097
Net liability as at July 1	14,097	6,100
Charge to profit and loss account	16,500	15,185
Contribution by the company	(29,363)	(7,188)
Liability as at June 30	1,234	14,097

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

	2013	2012
Present value of defined benefit obligation as at July 1	102,589	81,806
Current service cost	12,302	11,525
Interest cost	13,337	11,453
Benefits paid	(6,129)	(1,150)
Experience loss	20,373	(1,045)
Present value of defined benefit obligation as at June 30	142,472	102,589

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

	2013	2012
Fair value as at July 1	73,114	59,673
Expected return on plan assets	9,505	7,188
Contribution by the company	29,363	8,354
Benefits paid	(6,129)	(1,150)
Experience gain	6,777	(951)
Fair value as at June 30	112,630	73,114

Plan assets comprise of cash and bank balances.

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:

	2013	2012	2011	2010	2009
			(Rupees in thousand)		
As at June 30					
Present value of defined benefit obligation	145,075	102,589	81,806	69,756	54,265
Fair value of plan assets	112,630	73,114	59,673	53,788	37,512
Loss	32,445	29,475	22,133	15,968	16,753
Experience adjustment arising on obligation losses	20,373	(1,045)	1,634	450	183
Experience adjustment arising on plan assets (losses) / gain	6,777	(951)	(369)	244	2,393

		2013	2012
		(Rupees in thousand)	

8. Finances under mark up arrangements - secured

Finances under mark up arrangements - secured	- note 8.1	316,408	2,594,732

8.1 Short term running finances available from commercial banks under mark up arrangements amount to Rs 4,515 million (2012: Rs 3,755 million). The aggregate running finances are secured by a joint pari passu charge on the current assets of the company. The rates of mark up range from 9.88% to 14.74% 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.

		2013	2012
		(Rupees in thousand)	

9. Current Portion of Long term financing

Long term financing secured	- note 6	14,178	-
		14,178	-

10. Trade and other payables

Trade creditors	- note 10.1	35,382	23,339
Accrued liabilities		2,961	2,677
Withholding tax payable		2,943	91
Workers' profit participation fund	- note 10.2	43,354	42,360

	2013	2012
	(Rupees in thousand)	
Workers' welfare fund	47,138	29,783
Sales tax payable and FED payable	16,883	30,084
Unclaimed dividend	10,457	11,068
Other payables	4,696	6,153
	163,814	145,555

10.1 Trade creditors include amount due to related parties of Rs Nil (2012: Rs 0.059 million).

10.2 Workers' Profit Participation Fund (WPPF)

		2013	2012
		(Rupees in thousand)	
Opening balance		42,360	32,096
Provision for the year	- note 19.2	43,386	42,363
		85,746	74,459
Less: Payments made during the year		42,392	32,099
Closing balance		43,354	42,360

11. Accrued finance cost

	2013	2012
Mark-up accrued on finances under mark-up arrangement	8,853	17,025

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 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 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 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 has 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 has 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 have imposed liquidated damages (after taking into account forced outage allowance stipulated under the terms of Power Purchase Agreement) on account of short supply of electricity by the Company, which was due to cash flow constraints of the Company as a result of default by WAPDA in making timely payments. Currently, liquidated damages invoiced by WAPDA is Rs. 378.519 Million .The Company disputes and rejects any claim on account of liquidated damages that is or may be raised by WAPDA on the premise that its failure to dispatch electricity was due to WAPDA's nonpayment of dues on timely basis to the Company and consequential inability of the Company to make advance payments to its fuel supplier (PSO) that resulted in inadequate level of electricity production owing to shortage of fuel. According to legal advice available with the Company, there are adequate grounds to defend any claim by WAPDA for such liquidated damages since these conditions were imposed on the Company by WAPDA due to circumstances beyond its control. The ultimate outcome of the matter cannot presently be determined, and consequently, no provision for such liquidated damages has been made in these financial statements.

12.1.3 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 180 million (June 30, 2012: Rs 155 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, 2012: Rs 2.15 million).

12.2 Commitments

(i) Letters of credit other than capital expenditure Rs 11.721 million (June 30, 2012: Rs 10.19 million).

(ii) Letters of credit for capital expenditure Rs. 309.089 million (June 30, 2012: Rs Nil million).

13. Property, plant and equipment

		2013	2012
		(Rupees in thousand)	
Operating fixed assets	- note 13.1	3,870,266	4,036,054
Capital work-in-progress	- note 13.2	85,871	2,200
		3,956,137	4,038,254

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										
Year ended June 30, 2013										
Opening net book value (NBV)	94,552	314,449	3,592,156	2,022	31	9,113	679	222	22,829	4,036,054
Transfers	-	-	-	(567)	567	-	-	-	-	-
Additions (at cost)	-	622	80,134	560	660	2,072	251	100	28,942	113,340
Disposals (at NBV)	(1,343)	-	-	-	-	-	-	-	(8,412)	(9,755)
Depreciation charge	-	(21,051)	(239,841)	(378)	(79)	(1,784)	(596)	(101)	(5,542)	(269,373)
	93,209	294,020	3,432,449	1,637	1,179	9,401	334	221	37,817	3,870,266
As at June 30, 2013										
Cost	93,209	622,471	7,131,762	7,158	3,918	24,358	51,168	9,253	64,282	8,007,577
Accumulated depreciation	–	(328,451)	(3,699,313)	(5,521)	(2,739)	(14,957)	(50,834)	(9,032)	(26,465)	(4,137,311)
Net book value (NBV)	93,209	294,020	3,432,449	1,637	1,179	9,401	334	221	37,817	3,870,266
Depreciation rate % per anum	-	4%	6%-10%	10%	10%	10%	10%-35%	10%	20%	
Net carrying value basis										
Year ended June 30, 2012										
Opening net book value (NBV)	99,590	343,943	3,599,599	2,496	99	8,459	2,566	429	26,674	4,083,856
Additions (at cost)	-	-	239,410	-	-	2,187	-	-	3,253	244,850
Disposals (at NBV)	(5,038)	(8,083)	-	-	-	-	-	-	(1,344)	(14,465)
Depreciation charge	-	(21,411)	(246,853)	(474)	(68)	(1,533)	(1,887)	(207)	(5,754)	(278,187)
Closing net book value (NBV)	94,552	314,449	3,592,156	2,022	31	9,113	679	222	22,829	4,036,054
Gross carrying value basis										
As at June 30, 2012										
Cost	94,552	621,847	7,051,628	7,220	2,691	22,286	50,976	9,153	51,811	7,912,164
Accumulated depreciation	-	(307,398)	(3,459,472)	(5,198)	(2,660)	(13,173)	(50,297)	(8,931)	(28,982)	(3,876,110)
Net book value (NBV)	94,552	314,449	3,592,156	2,022	31	9,113	679	222	22,829	4,036,054
Depreciation rate % per anum	-	4%	6%-10%	10%	10%	10%	10%-35%	10%	20%	

13.1.1 The cost of fully depreciated assets which are still in use as at June 30,2013 is Rs.281.25 million(2012:Rs.187.325 million)

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

		2013 (Rupees in thousand)	2012
Cost of sales	- Note 22	262,627	270,294
Administrative expenses - Depreciation	- Note 23	6,719	7,868
Administrative expenses - Community welfare expenses	- Note 23	27	27
		269,373	278,189

13.1.3 Disposal of operating fixed assets

Detail of fixed assets sold during the year is as follows: **2013** **(Rupees in thousand)**

Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposals
Vehicles	**Employees**					
	Mr. Jamshed Manzoor	1,390	1,112	278	1,075	Negotiation
	Mr. Faisal Bhatti	1,753	888	865	1,350	-do-
	Mr. Rizwan Haider	1,415	566	849	849	-do-
	Miss Mehwish Gulzar	1,534	1,227	307	1,250	-do-
	Mr. Zia-ul-Hassan	471	239	233	430	-do-
	Mr. Rahmatulllah	1,927	848	1,079	1,525	-do-
	Mr. Tauqeer Ahmad	1,436	977	460	1,270	-do-
	Outsiders					
	EFU General Insurance	2,157	86	2,071	2,105	Insurance Claim
	EFU General Insurance	886	225	662	870	-do-
	Mr. Asif Butt	1,753	1,075	678	1,300	Negotiation
	Mr. Liaqat Ali	1,750	816	933	1,334	-do-
Land	**Outsiders**					
	Mrs Tahira Naseem Gul	1,343	-	1,343	7,378	-do-
Office Appliances - Photo Copier	**Outsiders**					
	Professional Document Solution	55	55	-	13	-do-

Detail of fixed assets sold during the year is as follows: 2012

Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposals
Vehicles	**Employees**					
	Saghir Hussain	846	462	384	783	Negotiation
	Saghir Hussain	735	372	362	830	-do-
	Outsiders					
Land	Muhammad Aslam	1,065	469	596	1,125	-do-
	Outsiders					
	Wingate School System	5,038	-	5,038	5,040	-do-
	Outsiders					
Building	Wingate School System	10,954	2,871	8,083	10,960	-do-

Net book Value of all other assets disposeed off during the year was less than Rs. 50,000 each.

	2013	2012
	(Rupees in thousand)	

13.2 Capital work-in-progress

	2013	2012
Plant and machinery	–	2,200
Advances to suppliers - considered good	85,871	–
	85,871	2,200

12. Intangible assets

	Computer software	Others	Total
		(Rupees in thousand)	
Net carrying value basis			
Year ended June 30, 2013			
Opening net book value (NBV)	3,464	832	4,296
Amortisation charge	634	55	688
Closing net book value (NBV)	2,830	777	3,608
Gross carrying value basis			
As at June 30, 2013			
Cost	18,276	1,000	19,276
Accumulated amortisation	15,446	223	15,668
Net book value (NBV)	2,830	777	3,608
Amortisation rate % per annum	6.25 - 10	5.56	
Net carrying value basis			
Year ended June 30, 2012			
Opening net book value (NBV)	2,322	888	3,210
Additions at cost	1,774	-	1,774
Amortisation charge	632	56	688
Closing net book value (NBV)	3,464	832	4,296
Gross carrying value basis			
As at June 30, 2012			
Cost	18,276	1,000	19,276
Accumulated amortisation	14,812	168	14,980
Net book value (NBV)	3,464	832	4,296
Amortisation rate % per annum	6.25 - 10	5.56	

		2013	2012
		(Rupees in thousand)	

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

Administrative expenses	- note 23	688	688
		688	688

14.2 The cost of fully amortised assets which are still in use as at June 30, 2013 is Rs 11.284 million (2012: Rs 11.284 million)

15. Long term loans and deposits

		2013	2012
		(Rupees in thousand)	
Loans to employees - considered good			
- Executives	- note 15.1	17,463	7,105
- Others	- note 15.1	11,544	16,712
Loan to others - secured	- note 15.1.1	–	400
		29,007	24,217
Less: Current portion included in current assets			
- Loans to employees - executives	- note 15.1	7,229	2,648
- Loans to employees - others	- note 15.1	5,102	7,187
- Loan to others - secured	- note 15.1.1	–	400
		12,331	10,235
		16,676	13,982
Security deposits		665	665
		17,341	14,647

15.1 These represent interest free loans to executives and other employees for purchase of residential plot, construction of house, purchase of motor cars, motor cycles etc and are repayable in monthly installments over a period of 24 to 60 months. Loans for purchase of residential plots and construction of house are secured against staff retirement benefits of employees. Loans for purchase of motor cars and motor cycles are secured by registration of motor cars in the name of the company and open transfer letters signed by the employees in the case of motor cycles.

15.1.1 This represents an interest free loan issued to a contract employee of the company for improvements at his residential house and purchase of car. This loan is secured by charge over residential property duly registered with the housing society and the car is registered in the name of the company. The loans are repayable in monthly installments over a period of 36 months and 60 months respectively.

	2013	2012
	(Rupees in thousand)	

15.2 Reconciliation of carrying amount of loans to executives

	2013	2012
Opening balance	7,105	6,514
Disbursements	11,857	4,170
Employees promoted as executives	5,406	2,408
	24,368	13,092
Less: Repayments	6,905	5,987
Closing balance	17,463	7,105

15.3 The maximum amount outstanding at the end of any month from executives aggregated Rs 18.576 million (2012: Rs 9.027 million).

	2013	2012
	(Rupees in thousand)	

16. Stores, spares and loose tools

		2013	2012
Stores		8,998	14,409
Spares including in transit Rs. Nil (2012: Rs Nil)		438,985	413,181
Loose tools		794	777
		448,777	428,367
Less : Provision for obsolete items	- note 16.2	14,189	14,189
		434,588	414,178

16.1 Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

	2013	2012
	(Rupees in thousand)	

16.2 Provision for obsolete stores and spares

	2013	2012
Opening balance	14,189	9,264
Provision for the year	–	4,925
Closing balance	14,189	14,189

17. Stock in trade

	2013	2012
Furnace oil	288,455	186,185
Diesel	661	888
Lubricating oil	4,990	7,977
	294,106	195,050

		2013	2012
		(Rupees in thousand)	

18. Trade debts

		2013	2012
Trade receivables from WAPDA - secured			
- Considered good		2,158,228	5,177,717
- Considered doubtful		–	–
	- note 18.1	2,158,228	5,177,717
Less: Provision for doubtful debts	- note 18.2	–	–
		2,158,228	5,177,717

18.1 This includes an overdue amount of Rs 599.88 million (2012: Rs 4,029.039 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 interest free, however, a penal mark-up at the rate of six months treasury bill plus 2% per annum is charged in case the amounts are not paid within due dates. The penal mark-up rate charged during the year ranges from 11.5% to 14% per annum.

18.2 Provision for doubtful debts

	2013	2012
	(Rupees in thousand)	
Opening balance	–	6,966
Written off during the year	–	(6,966)
Closing balance	–	–

18.3 Included in it is an amount of Rs. Nil (2012:Rs.Nil)

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

		2013	2012
Current portion of long term loans to 'employees'	- note 15	12,331	9,836
Current portion of long term loans to 'others'	- note 15	–	400
Advances - considered good			
- To employees	- note 19.1	3,259	2,529
- To suppliers		357,455	273,707
Prepayments		2,202	1,075
Profit receivable on bank deposits		105	282
Claims recoverable from WAPDA for pass through items:			
- Workers' Profit Participation Fund	- note 19.2	85,721	74,459
- Workers' Welfare Fund	- note 19.2	47,137	29,783
Other receivables - considered good		7,374	–
		515,584	392,071

19.1 Included in advances to employees are amounts due from executives Rs 1.927 million (2012: Rs 1.6 million).

19.2 Workers' Profit Participation Fund (WPPF) and Workers' Welfare Fund (WWF)

		WPPF		WWF	
		2013	**2012**	**2013**	**2012**
			(Rupees in thousand)		
Opening balance		74,459	67,462	29,783	12,838
Provision for the year	- note 10.2	43,358	42,363	17,354	16,945
		117,817	109,825	47,137	29,783
Less: Receipts during the year		32,096	35,366	-	-
Closing balance		85,721	74,459	47,137	29,783

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

		2013	**2012**
		(Rupees in thousand)	
Balance at banks on:			
Current accounts		347,452	25,928
Special account related to dividend payable		5,786	947
Savings accounts	- note 20.1	231,565	110,686
		584,803	137,561
Cash in hand		972	1,136
		585,775	138,697

20.1 The balance in savings bank accounts bear mark-up at rates ranging from 5.00% to 11.00% per annum (2012: 6% to 11% per annum).

21. Sales

		2013	**2012**
		(Rupees in thousand)	
Energy purchase price	- Note 21.1	11,318,483	11,225,331
Capacity purchase price		1,029,826	894,583
		12,348,309	12,119,914

21.1 Energy purchase price is exclusive of sales tax of Rs 1,769.122 million (2012: Rs 1,751.768 million).

		2013	2012
		(Rupees in thousand)	

22. Cost of sales

Raw material consumed		10,068,115	10,071,392
Salaries, wages and benefits	- note 22.1	141,912	124,245
Fee for Produce of Energy (FPE)		60,913	55,261
Stores and spares consumed		329,269	213,429
Depreciation on operating fixed assets	- note 13.1	262,627	270,294
Fee and subscription		1,560	1,285
Insurance		47,568	46,197
Travelling, conveyance and entertainment		10,138	8,723
Repairs and maintenance		18,085	15,365
Communication charges		2,012	1,354
Electricity consumed in-house		4,576	1,480
Environmental Expenses - O&M		1,659	1,773
Miscellaneous		12,409	9,848
		10,960,843	10,820,646

22.1 Salaries, wages and other benefits

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

Current service cost	6,274	6,043
Interest cost for the year	6,802	6,005
Expected return on plan assets	(4,847)	(4,380)
Recognition of loss	186	295
	8,415	7,963

In addition to the above, salaries, wages and other benefits include Rs 5.878 million (2012: Rs 8.128 million) in respect of accumulating compensated absences.

		2013	2012
		(Rupees in thousand)	

23. Administrative expenses

Salaries, wages and benefits	- note 23.1	133,783	112,814
Printing and stationery		41	88
Communication charges		1,901	1,957
Depreciation on operating fixed assets	- note 13.1	6,719	7,868
Amortisation on intangible assets	- note 14.1	688	688
Insurance		2,622	2,659
Travelling, conveyance and entertainment		24,584	19,574
Repairs and maintenance		7,899	8,659
Legal and professional charges	- note 23.2	6,758	9,467
Community welfare expenses		6,921	6,011
Donations	- note 23.3	1,200	403
Rents, rates and taxes		3,108	3,328
Fee and subscription		2,726	2,648
Security Expenses		4,572	3,693
Environmental Expenses		7,902	6,149
Miscellaneous	- note 23.4	13,550	12,086
		224,976	198,092

23.1 Salaries, wages and other benefits

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

	2013	2012
	(Rupees in thousand)	
Current service cost	6,028	5,482
Interest cost for the year	6,535	5,448
Expected return on plan assets	(4,657)	(3,974)
Recognition of loss	179	266
	8,085	7,222

In addition to above, salaries, wages and other benefits include Rs 6.139 million (2012: Rs 6.919 million) in respect of accumulating compensated absences.

	2013	2012
	(Rupees in thousand)	
23.2 Legal and professional charges include the following		
in respect of auditors' services for:		
Statutory audit	1,140	1,100
Half yearly review and sundry services	515	275
Out of pocket expenses	208	187
	1,863	1,562

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

23.4 Includes an amount of Rs 0.21 Million (2012: Rs 0.121 million) on account of advertisement expenses of Red Communication Arts (Private) Limited, a related party.

23.5 Employees of the company

	2013	2012
Number of employees	139	140
Average Number of employees	139	141

24. Other income

	2013	2012
	(Rupees in thousand)	
Income from financial assets:		
Income on bank deposits	4,370	4,669
Income from non-financial assets:		
Profit on disposal of property, plant and equipment	10,992	4,275
	15,362	8,944

	2013	2012
	(Rupees in thousand)	

25. Finance cost

	2013	2012
Mark up on finances under mark up arrangements - secured	306,943	255,273
Bank guarantee and commission	1,137	624
Exchange loss	1,620	3,129
Others	434	607
	310,134	259,633

26. Taxation

This represents the provision for current taxation for the year.

26.1 Tax charge reconciliation

	2013	2012
Profit before tax	867,718	850,487
Tax @ 35% (2012: 35%)	303,701	297,670
Tax effect of exempt income referred to in note 4.1	(300,437)	(295,085)
Others	–	545
Tax charge	3,264	3,130

27. Cash generated from operations

	2013	2012
Profit before taxation	867,718	850,487
Adjustment for:		
- Depreciation on property, plant and equipment	269,373	278,189
- Amortisation on intangible assets	688	688
- Gain on disposal of property, plant and equipment	(10,992)	(4,275)
- Income on bank deposits	(4,371)	(4,670)
- Employee retirement benefits	14,714	29,734
- Finance cost	306,943	255,273
Profit before working capital changes	1,444,073	1,405,426
Effect on cash flow due to working capital changes		
- (Increase) / Decrease in stores and spares	(20,410)	45,018
- (Increase) in inventory	(99,056)	(71,573)
- Decrease / (Increase) in trade debts	3,019,489	(1,281,696)
- (Increase) in loans, advances, deposits, prepayments and other receivables	(123,690)	(20,221)
- Increase in trade and other payables	18,870	15,024
	2,795,203	(1,313,448)
	4,239,276	91,978

28. Cash and cash equivalents

	2013	2012
Cash and bank balances	585,775	138,697
Finances under mark up arrangements	(316,408)	(2,594,732)
	269,367	(2,456,035)

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 including alternate directors and executives of the company is as follows:

	Chief Executive		Executive Directors	Non Executive Directors	Executive Directors	Non Executive Directors	Executives	
	2013	2012	2013		2012		2013	2012
	(Rupees in thousand)							
Managerial remuneration and allowances	10,068	7,049	9,681	12,875	12,433	11,036	38,019	24,003
Housing	4,526	3,167	4,352	5,789	5,586	4,962	17,053	10,746
Retirement benefits	1,500	1,050	1,442	-	1,852	822	6,118	3,849
Medical expenses	-	-	54	-	68	-	1,063	1,713
Bonus	3,172	2,093	3,883	2,765	3,692	2,850	16,636	6,515
Utilities	1,006	704	967	1,286	1,241	1,103	3,790	2,388
Club expenses	166	102	65	-	132	-	520	372
Others	4,441	1,850	5,355	5,072	7,837	4,553	19,327	13,934
	24,879	16,015	25,799	27,787	32,840	25,326	102,526	63,520
Number of persons	1**	1	1	1	2	1	34	22

**During the year CEO Mr. Toshio Nakanishi was replaced by Mr. Tatsuo Hisatomi as on April 2, 2013.

The company also provides the Chief Executive with residential house and 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 1 directors is Rs 0.02 million (2012: Rs 0.100 million).

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 30. Other significant transactions with related parties are as follows:

		2013	2012
		(Rupees in thousand)	
Description			
Relationship with the company	Nature of transaction		
i. Other related party	Purchase / Sale of goods and services	362	13,216
ii. Post retirement benefit plan	Expense charged	16,500	15,185

All transactions with related parties are carried out on commercial terms and conditions. Interest is charged between related parties on the basis of mutually agreed terms.

31. Capacity and production

	2013 MWH	2012 MWH
Installed capacity (Based on 8,760 hours)	1,086,240	1,086,240
Actual energy delivered	724,652	726,872

Under utilisation of available capacity is due to less demand and delayed Payments 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.

Risk management is carried out by the finance department under the principles and policies approved by the Board of Directors (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.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument 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 United States Dollar (USD), Euro and Great Britain Pound (GBP). Currently, the company's foreign exchange risk exposure is restricted to the amounts receivable / payable from / to the foreign entities. The company's exposure to currency risk is as follows:

	2013	2012
Trade and other payables - Euro	-	51,705

The following significant exchange rates were applied during the year:

Rupees per Euro		
Average rate	125.84	122.00
Reporting date rate	128.90	120.35

If the functional currency, at reporting date, had fluctuated by 5% against the USD , Euro and GBP with all other variables held constant, the impact on profit after taxation for the year would have been Rs Nil (2012: Rs 0.311 million) higher / lower, mainly as a result of exchange gains / losses on translation of foreign exchange denominated financial instruments. 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:

	2013	2012
	(Rupees in thousand)	
Fixed rate instruments		
Financial assets		
Bank balances - savings accounts	231,565	110,686
Net exposure	231,565	110,686

	2013	2012
	(Rupees in thousand)	
Floating rate instruments		
Financial assets		
Trade debts - overdue	599,883	4,029,039
Financial liabilities		
Long term finance - secured	(42,835)	–
Finances under mark up arrangements - secured	(316,408)	(2,594,732)
Net exposure	240,640	1,434,307

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. 3,592.43 thousands (2012: Rs. 25,947.32 thousands) 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:

	2013	2012
	(Rupees in thousand)	
Long term loans and deposits	17,341	14,649
Trade debts	2,158,228	5,177,717
Loans, advances, deposits, prepayments and other receivables	152,668	114,760
Balances with banks	584,803	137,561
	2,913,040	5,444,687

The age of trade receivables as at balance sheet date is as follows:

	2013	2012
	(Rupees in thousand)	

The age of trade receivables

	2013	2012
- Not past due	1,558,344	1,235,830
- Past due 0 - 180 days	169,367	3,424,516
- Past due 181 - 365 days	-	86,854
- 1 - 2 years	-	-
- More than 2 years	430,517	430,517
	2,158,228	5,177,717

The movement in provision for impairment of receivables is as follows:

	2013	2012
Opening balance	-	6,966
Written off during the year	-	(6,966)
Closing balance	-	-

(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:

	Rating Short term	Long term	Rating Agency	2013	2012
				(Rupees in thousand)	
WAPDA	Not Available			2,291,086	5,281,960
Banks					
Bank Alfalah Limited	A1+	AA	PACRA	3,260	4,956
Standard Chartered Bank	A1+	AAA	PACRA	6,725	60,722
Faysal Bank Limited	A1+	AA	PACRA	14,584	3,241
MCB Bank Limited	A1+	AAA	PACRA	4	106
Askari Commercial Bank	A1+	AA	PACRA	213,172	40,755
Deutsche Bank	A-1	AA	Standard and Poors	12	13
Barclays Bank	A-1	A	Standard and Poors	154	907
Meezan Bank	A-1+	AA	JCR-VIS	5,424	915
Al-Baraka Bank	A-1	A	JCR-VIS	341,470	25,000
				2,875,891	5,418,575

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, 2013, the company had Rs 4,515 million available borrowing limits from financial institutions and Rs 576.128 million cash and bank balances.

The following are the contractual maturities of financial liabilities as at June 30, 2013:

	Carrying amount	Less than one year	One to five years	More than five years
	(Rupees in thousand)			
Long term finance - secured	42,835	14,178	28,657	-
Finances under mark up arrangements	316,408	316,408	-	-
Trade and other payables	70,379	70,379	-	-
Accrued finance cost	8,853	8,853	-	-
	438,475	409,818	28,657	-

The following are the contractual maturities of financial liabilities as at June 30, 2012:

	Carrying amount	Less than one year	One to five years	More than five years
	(Rupees in thousand)			
Finances under mark up arrangements	2,594,732	2,594,732	-	-
Trade and other payables	73,321	73,321	-	-
Accrued finance cost	17,025	17,025	-	-
	2,685,078	2,685,078	-	-

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	
	2013	2012	2013	2012	2013	2012
	(Rupees in thousand)					
Assets as per balance sheet						
Long term loans and deposits	-	-	17,341	14,647	17,341	14,647
Trade debts	-	-	2,158,228	5,177,717	2,158,228	5,177,717
Loans, advances, deposits, prepayments and other receivables	-	-	152,668	114,760	152,668	114,760
Cash and bank balances	-	-	584,803	137,561	584,803	137,561
	-	-	2,913,040	5,444,685	2,913,040	5,444,685

	Financial liabilities at amortised cost	
	2013	2012
	(Rupees in thousand)	
Liabilities as per balance sheet		
Long term finance - secured	42,835	–
Finances under mark up arrangements	316,408	2,594,732
Trade and other payables	70,379	73,321
Accrued finance cost	8,853	17,025
	438,475	2,685,078

32.4 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 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 company's strategy, which is unchanged from last year, is to maintain a gearing ratio of 30% debt and 70% equity. The gearing ratio as at June 30, 2013 and June 30, 2012 is as follows:

		2013	2012
		(Rupees in thousand)	
Long term Borrowings	- note 6	28,657	
Short term Borrowings including current portion of long term borrowings - note 8 & note 9		330,586	2,594,732
Less: Cash and bank balances - note 18		585,775	138,697
Net debt		(226,532)	2,456,035
Total equity		7,359,485	7,511,782
Total capital		7,132,953	9,967,817
Gearing ratio	Percentage	0%	25%

		2013	2012

33. Earnings per share

33.1 Basic earnings per share

Net profit for the year	Rupees in thousand	864,454	847,357
Weighted average number of ordinary shares	Number	169,458,614	169,458,614
Earnings per share	Rupees	5.10	5.00

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, 2013 and June 30, 2012 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 28, 2013 by the Board of Directors of the company.

35. Events after the balance sheet date

The Board of Directors have proposed an interim and final dividend for the year ended June 30, 2013 of Rs 4.25 and Rs. 3.0 (2012: Rs 1.5) per share respectively, amounting to Rs 720.199 million and Rs. 508.376 million (2012: Rs 254.188 million) at their meetings held on July 10, 2013 and August 28, 2013 respectively for approval of the members at the Annual General Meeting to be held on October 8, 2013. These financial statements do not reflect this dividend payable.

36. Corresponding figures

Corresponding figures have been re-arranged, where necessary, for the purposes of better presentation, however no significant rearrangements have been made during the year.

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, 2013

NO. OF SHAREHOLDERS	SHAREHOLDING FROM	SHAREHOLDING TO	TOTAL SHARES HELD
99	1	100	3,132
134	101	500	49,593
128	501	1,000	112,858
225	1,001	5,000	709,862
96	5,001	10,000	762,073
33	10,001	15,000	429,965
27	15,001	20,000	500,950
16	20,001	25,000	382,782
15	25,001	30,000	426,075
8	30,001	35,000	258,940
10	35,001	40,000	379,914
2	40,001	45,000	88,000
16	45,001	50,000	795,500
5	50,001	55,000	261,500
2	55,001	60,000	120,000
5	60,001	65,000	314,720
1	65,001	70,000	66,500
3	70,001	75,000	222,000
2	75,001	80,000	160,000
2	80,001	85,000	168,375
2	85,001	90,000	178,000
14	95,001	100,000	1,397,500
2	100,001	105,000	207,882
1	105,001	110,000	109,000
1	130,001	135,000	132,820
1	140,001	145,000	141,500
3	145,001	150,000	450,000
1	150,001	155,000	152,500
3	195,001	200,000	600,000
1	210,001	215,000	214,000
2	245,001	250,000	495,239
1	250,001	255,000	255,000
1	270,001	275,000	271,500
1	275,001	280,000	276,769
1	280,001	285,000	285,000
1	295,001	300,000	300,000
2	305,001	310,000	616,029
1	365,001	370,000	370,000
1	385,001	390,000	388,500
1	400,001	405,000	404,500
1	420,001	425,000	425,000
1	460,001	465,000	465,000
1	480,001	485,000	484,881
2	495,001	500,000	1,000,000
1	525,001	530,000	530,000
1	550,001	555,000	550,250
1	625,001	630,000	627,750
1	650,001	655,000	655,000
1	695,001	700,000	700,000
1	755,001	760,000	758,500
1	840,001	845,000	840,395
1	930,001	935,000	934,600
3	995,001	1,000,000	3,000,000
1	1,010,001	1,015,000	1,011,500
1	1,070,001	1,075,000	1,071,257
1	1,485,001	1,490,000	1,487,250

1	1,495,001	1,500,000	1,500,000
1	1,620,001	1,625,000	1,620,892
1	1,970,001	1,975,000	1,975,000
1	2,235,001	2,240,000	2,239,500
1	2,495,001	2,500,000	2,500,000
1	3,385,001	3,390,000	3,389,171
1	4,245,001	4,250,000	4,250,000
1	4,780,001	4,785,000	4,784,500
1	4,995,001	5,000,000	5,000,000
1	6,900,001	6,905,000	6,902,999
1	7,900,001	7,905,000	7,902,999
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
905			169,458,614

Categories of Shareholders	No. of Shareholder	Share held	Percentage
Directors, Chief Executive Officer, and their spouse and minor childern	8	22,032,770	13.0019
*Associated Companies, undertakings and related parties	6	83,453,719	49.2473
NIT and ICP	1	1,071,257	0.6322
Banks Development Financial Institutions Non Banking Financial Institutions	11	13,928,858	8.2196
Insurance Companies	3	1,318,269	0.7779
Modarabas and Mutual Funds	10	10,400,239	6.1373
General Public	808	28,005,710	16.5266
Others (to be specified)			
Investment Companies	1	187	0.0001
Pension Funds	1	24,282	0.0143
Others Companies	22	3,624,322	2.1388
Joint Stock Companies	27	2,199,450	1.2979
Foreign Companies	7	3,399,551	2.0061
	905	169,458,614	100.0000
*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, 2013

Sr. No.	Name	No. of Sheres 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	22,029,619	13.0000
	Mutual Funds:		
1	CDC - TRUSTEE AKD INDEX TRACKER FUND (CDC)	16,000	0.0094
2	CDC - TRUSTEE AKD OPPORTUNITY FUND (CDC)	627,750	0.3704
3	CDC - TRUSTEE AL MEEZAN MUTUAL FUND (CDC)	150,000	0.0885
4	CDC - TRUSTEE MEEZAN BALANCED FUND (CDC)	75,000	0.0443
5	CDC - TRUSTEE MEEZAN ISLAMIC FUND (CDC)	700,000	0.4131
6	CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND (CDC)	75,000	0.0443
7	CDC - TRUSTEE PICIC GROWTH FUND (CDC)	4,784,500	2.8234
8	CDC - TRUSTEE PICIC INVESTMET FUND (CDC)	2,239,500	1.3216
9	CDC - TRUSTEE PICIC STOCK FUND (CDC)	245,239	0.1447
10	GOLDEN ARROW SELECTED STOCKS FUND LIMITED (CDC)	1,487,250	0.8776
	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. MANABU IIDA	500	0.0003
6	MR. HIDENORI SAITO	500	0.0003
7	MR. YASUNORI MIZUNO	500	0.0003
8	MR. GHAZANFAR ALI KHAN	500	0.0003
	Executives:		
	Syed Ghazanfar Ali Zaidi	30,500	0.0180
	Public Sector Companies & Corporations:	-	-
	Banks, Development Finance Institutions, Non Banking Finance Intitutions, Insurance Companies, Modarabas and Mutual Funds:	15,271,409	9.0119
	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	MR. TATSUO HISATOMI	0	500
2	MR. MANABU IIDA	0	500
3	MR. YASUNORI MIZUNO	0	500
4	MR. GHAZANFAR ALI KHAN	0	500

KOHINOOR ENERGY LIMITED

Proxy Form

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 twentieth Annual General Meeting of the Company to be held on October 08, 2013 at 12:30 afternoon and/or at any adjournment thereof.

As witness my/our hand(s) this ____________________ day of ____________________ 2013

signed by ____

in the presence of ____

Signed by the said

____

Witness:		Witness:		
Name	____________________	Name	____________________	**Revenue Stamps**
CNIC No.	____________________	CNIC No.	____________________	
Address	____________________	Address	____________________	
	____________________		____________________	
	____________________		____________________	

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.