CONTENTS

KOHINOOR ENERGY LIMITED

Corporate Information

Board of Directors

Mr. M. Naseem Saigol
Chairman
Mr. Tatsuo Hisatomi
Chief Executive Officer
Mr. S M Shakeel
Mr. Hidenori Saito
Mr. Manabu Iida
Mr. Yasunori Mizuno
Mr. Muhammad Asad Khan
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
Bank Alfalah Limited
Askari Bank Limited
AL Baraka Bank (Pakistan) Limited
Meezan Bank
Habib Bank Limited
NIB Bank

Registered Office

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

Project/Head Office

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

Shares Registrar

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

Lahore Office

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

Website

www.kel.com.pk

Notice of Annual General Meeting

Notice is hereby given that the twenty first Annual General Meeting of shareholders of Kohinoor Energy Limited will be held on September 16, 2014 (Tuesday) at 11:30am at Registered Office, at 301, 3rd Floor, Green Trust Tower, Blue Area, Islamabad to transact the following business:

1. To confirm minutes of the Annual General Meeting held on October 08, 2013.

2. To receive and adopt the Annual Audited Accounts of the Company for the financial year ended June 30, 2014 alongwith Directors' and Auditors' Reports thereon.

3. To approve final dividend @25% i.e. Rs. 2.50 per share, as recommended by the Board of Directors in addition to the two interim dividends already paid @20% each i.e. Rs. 4.00 per share, making a total dividend @65% i.e. Rs. 6.50 per share for the financial year 2013-2014.

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 21, 2014

(Muhammad Asif)
Company Secretary

Notes:

1. The Share Transfer Books of the Company will remain closed from September 10, 2014 to September 16, 2014 (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 September 9, 2014 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.

KOHINOOR ENERGY LIMITED

Directors' Report

The Board of Directors feels pleasure to present the Annual Report together with the audited financial statements of the Company for the financial year ended June 30, 2014

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 because of the high dispatch levels during the year, total sales revenue of the Company has been increased to Rs. 14.96 billion as compared with Rs. 12.348 billion recorded in the last financial year. The Company earned a profit after tax of Rs. 1,069 million as compared with Rs. 865 million earned in the last financial year. The financial results have demonstrated the Earnings Per Share of Rs.6.31 against Rs.5.10 of the previous year. It would relevant to mention that efficient operations in combination with increase in dispatch of electricity and less maintenance cost are the main reasons which attributed to the increase in profits for the year. The financial results of the Company for the year ended June 30, 2014, are summarized as follows:

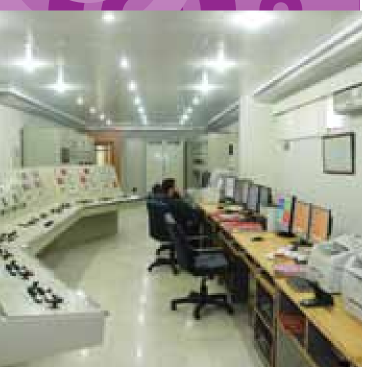
		2014	2013
		(Rupees in thousand)	
Profit before taxation		1,071,618	868,083
Taxation		(3,054)	(3,264)
Profit after taxation		1,068,564	864,819
Other comprehensive income / (loss)		7,814	(13,594)
Total comprehensive income for the year		1,076,378	851,225
Un-appropriated profit brought forward-Restated		5,636,292	5,801,817
Available for appropriations		6,712,670	6,653,042
3rd Interim Dividend 2012-13 @42.50%		(720,199)	–
Final Dividend 2012-13 @30% (Final Dividend 2011-12 @ 15% paid during FY 2012-13)		(508,376)	(254,188)
1st Interim Dividend 2013-14 @ 20% (1st Interim Dividend 2012-13 @20% paid during FY 2012-13)		(338,917)	(338,917)
2nd Interim Dividend 2013-14 @ 20% (2nd Interim Dividend 2012-13 @25% paid during FY 2012-13)		(338,917)	(423,645)
		(1,906,409)	(1,016,750)
Un-appropriated profit carried forward		4,806,261	5,636,292
Earnings per share	Rupees	6.31	5.10

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

We also explain that due to supply of electricity shorter than the demand, WAPDA has invoiced to the Company the liquidated damages (LDs). Currently the total amount of LDs invoiced by WAPDA is Rs. 385.834 million. We are of the view that since technically the plant was available to deliver electricity as per WAPDA's demand and the failure to deliver was consequential only to financial constraints caused by nonpayment of dues to the Company on timely basis and which resulted into inability of the Company to make advance payments to the fuel supplier, therefore WAPDA cannot impose and 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.

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 management structure of the Company.

Operations

During the financial year under review the power complex operated at 81.89% as compared with the previous year's dispatch at 66.71% capacity. Resultantly the Company delivered 889,521 MWHs of electricity to WAPDA while last year this dispatch was 724,652 MWHs of electricity.

During the financial year under review 6 engines reaching at 84,000 operational hours have been overhauled in line with our 8k major maintenance program. The scheduled and preventive maintenance activities have been carried out in accordance with the budgeted numbers. We report that all of the engines and their auxiliary equipment are in good condition for safe and reliable operations.

We take pleasure to report that the Company has successfully qualified the Annual Dependable Capacity Test (ADC), conducted by WAPDA on June 06, 2014. We profoundly state that today even after the laps of 17 years of operations the whole power complex is in excellent condition . Resultantly it has demonstrated a commendable performance of 130.41 MW capacity which is quite higher than the net contractual capacity of 124 MW.

Dividend Distribution

The Board of Directors pleasurably recommends to the shareholders of the Company for approval in the ensuing AGM, a final dividend at the rate of Rs. 2.50 per share (i.e. @ 25%) which will be paid to those shareholders whose names would appear on members' register on the date as mentioned in the notice of AGM. This final dividend, together with two interim dividends which have already been paid @20% in March 2014 and @20% in May 2014, shall make the cumulative dividend distribution for the financial year 2013-2014 to be 65%.

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

The Directors state that:

- The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity;
- Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements;
- The system of internal control is sound in design and has been effectively implemented and monitored;

- There are no significant doubts upon the Company's ability to continue as a going concern

- The key operating and financial data of last six years is attached to the report

- During the financial year under review the Board of Directors met for seven times and the attendance of the directors was as follows:

Name of Director	Attendance	Name of Director	Attendance
Mr. M. Naseem Saigol	2/7	Mr. Yasunori Mizuno	4/7
Mr. Tatsuo Hisatomi	6/7	Mr. Manabu Iida	5/7
Mr. S M Shakeel	7/7	Mr. Ghazanfar Ali Khan	2/2
Mr. Hidenori Saito	5/7	Mr. Ghazanfar Husain Mirza	0/3
		Mr. Muhammad Asad Khan	2/2

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 six times and the attendance of the members was as follows:

Name of Director	Attendance	Name of Director	Attendance
Mr. Hidenori Saito	4/6	Mr. Yasunori Mizuno	4/6
Mr. S M Shakeel	6/6	Mr. Manabu Iida	5/6

- During the financial year under review the HR and Remuneration Committee met for two times. All of the members attended both the meetings while Mr. Iida attended one 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, 2013 to June 30, 2014 except Mr. Muhammad Asad Khan after joining the Board purchased 500 qualification shares from Mr. Ghazanfar Husain Mirza the outgoing director, and the spouse of Mr. S M Shakeel has purchased 300,000 shares and Mr. Ghazanfar Ali Zaidi the GMT (an executive) of the Company has purchased 6,000 shares of the Company at average price of Rs. 31.60 and Rs. 31.10 per share respectively

- The Company has established Employees Gratuity Fund and registered with the concerned authority. Annual provision has been made on actuarial valuation basis to cover obligation under the scheme for all employees eligible to gratuity benefits irrespective of the qualifying period. The value of the investments of Gratuity Fund as on June 30, 2014 was Rs. 127,924,050

- 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 08, 2013 Mr. Ghazanfar Husain Mirza (nominee of Wartsila Finland Oy) has relinquished the office of Director of the Company and in his place Mr. Muhammad Asad Khan has joined the Board of Directors of the Company as nominee of Wartsila Finland Oy.

The Board of Directors wishes to record its appreciation for the valuable services rendered by the outgoing Mr. Ghazanfar Husain Mirza and extends its warm welcome to Mr. Asad Khan the newly appointed Director.

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, free education for children of the people living in the vicinity of the power plant and contribution towards protecting and enriching the greener environment have remained the focused areas of our CSR program:

a) Medical Facility

The management of your Company by feeling its social responsibility is giving reasonable attention towards the free medical treatment facility to the deserving people of the vicinity area of the plant. We have a qualified team of Doctor and its staff for serving the patients coming from among the surrounding community of the plant. We profoundly mention that during the financial year 2013-14 totals 14,632 deserving patients have been provided with the medical treatment at a cost of Rs. 4.52 million.

b) Education Facility

Honoring to our commitment in contribution to the society we are also providing education facility to the deserving children of the neighboring community. Our contribution towards this facility includes tuition fees, textbooks, stationery and uniform to all the students for free of cost. Presently total 302 students are studying at Nursery 1 to Class-8. During the year the FY 2013-14 the Company has contributed Rs. 3.65 million on account of education facility.

c) Environment Protection

The management of your Company besides focusing on various corporate social areas is also moving ahead to general protection and preservation of the environment. The compliance of legal regulations and administrative rules concerning the environment is of course granted for the Company and goes beyond just trying to simply improve our contribution to preserving the environment.

In the spirit of sustaining the progress, the Company feels the need to boost the environmental safety in all the areas including procurement, operations, shipments, warehouse and administration using small steps to reduce the strain on the environment. When choosing our suppliers, we take environmental issues into consideration. Energy conservation, Reduction in paper usage, solid waste and paper waste generation and Green Eco friendly procurement are the key performance indications that have been set for the purpose.

We pleasurably write to inform you that the WWF auditors have recognized and awarded the KEL as GREEN OFFICE status. The Company is among the first and only company in power sector that has achieved such accomplishment. We are confident that such achievement shall play a vital role in our contribution towards enriching the greener environment.

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, 2014 is annexed to the Annual Report.

Acknowledgement

The Board wishes to thanks all the valuable shareholders, WAPDA, financial institutions Wartsila, Pakistan State Oil and other suppliers for their trust and faith in the Company and their valuable support that enabled the Company to achieve better results.

We also appreciate the management for establishing a modern and motivated working climate and promoting high levels of performance in all areas of the power plant. We also take this opportunity to thanks our executives and staff members for their consistent support, hardworking and commitment for delivering remarkable results and we wish for their long life relationship with the Company.

For and on behalf of the Board

Lahore
August 21, 2014

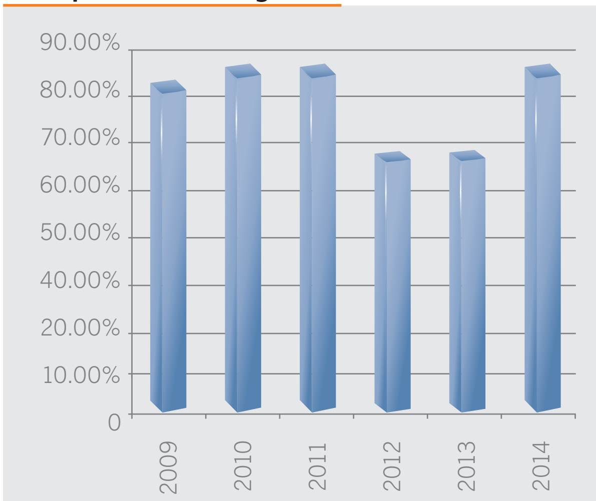
Tatsuo Hisatomi
Chief Executive

Financial Data

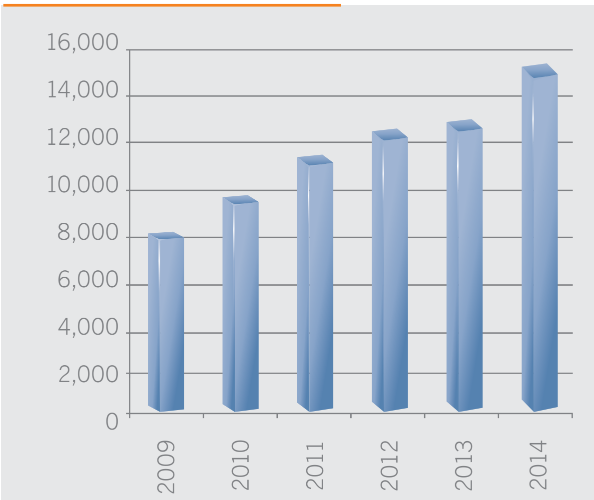
	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010	2008-2009
DISPATCH LEVEL (%)	**81.89%**	**66.71%**	**66.92%**	**81.78%**	**82.81%**	**80.33%**
DISPATCH (MWH)	**889,521**	**724,652**	**726,872**	**888,287**	**899,545**	**872,630**
REVENUE (Rs. 000)						
ENERGY FEE	13,905,992	11,318,483	11,225,331	10,060,183	8,468,638	6,950,971
CAPACITY FEE	1,052,174	1,029,826	894,583	841,906	998,756	1,383,370
TOTAL REVENUE	**14,958,166**	**12,348,309**	**12,119,914**	**10,902,089**	**9,467,394**	**8,334,341**
COST OF SALES	13,379,179	10,960,657	10,820,646	10,010,742	8,629,255	7,239,966
GROSS PROFIT	**1,578,987**	**1,387,652**	**1,299,268**	**891,347**	**838,139**	**1,094,375**
PROFITABILITY (Rs. 000)						
PROFIT/(LOSS) BEFORE TAX	1,071,618	868,083	850,487	641,920	707,315	918,241
PROVISION FOR INCOME TAX	3,054	3,264	3,130	12,456	20,023	13,185
PROFIT/(LOSS) AFTER TAX	**1,068,564**	**864,819**	**847,357**	**629,464**	**687,292**	**905,056**
FINANCIAL POSITION (Rs. 000)						
NON CURRENT ASSETS	4,324,055	4,069,071	4,076,717	4,151,288	4,167,689	4,376,297
CURRENT ASSETS	5,856,887	3,896,296	6,298,193	4,986,082	3,329,102	2,544,811
LESS CURRENT LIABILITIES	3,490,374	605,832	2,878,507	1,879,839	445,077	217,768
NET WORKING CAPITAL	**2,366,513**	**3,290,464**	**3,419,686**	**3,106,243**	**2,884,025**	**2,327,043**
CAPITAL EMPLOYED	6,690,568	7,359,535	7,496,403	7,257,531	7,051,714	6,703,340
LESS LONG TERM LOANS	189,721	28,657	-	-	-	-
SHARE HOLDERS EQUITY	**6,500,847**	**7,330,878**	**7,496,403**	**7,257,531**	**7,051,714**	**6,703,340**
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	6,712,670	6,653,042	6,410,302	5,986,592	5,696,046	5,771,319
APPROPRIATION / DIVIDENDS	1,906,409	1,016,750	593,106	423,647	338,918	762,565
EFFECT OF RETROSPECTIVE CHANGE IN ACCOUNTING POLICY			15,379			
UNAPPROPRIATED PROFIT BROUGHT FORWARD	4,806,261	5,636,292	5,801,817	5,562,945	5,357,128	5,008,754
	6,500,847	7,330,878	7,496,403	7,257,531	7,051,714	6,703,340
SHARE PRICES AS ON JUNE 30,	**41.42**	**37.48**	**20.62**	**16.50**	**26.49**	**29.00**
EARNING PER SHARE	6.31	5.10	5.00	3.71	4.06	5.34
RATIOS:						
RETURN ON ASSETS	0.10	0.11	0.08	0.07	0.09	0.13
PRICE EARNING RATIO	6.57	7.34	4.12	4.44	6.53	5.43
BREAK UP VALUE PER SHARE OF Rs. 10 EACH	38.36	43.26	44.24	42.83	41.61	39.56
CURRENT RATIO	1.68	6.43	2.19	2.65	7.48	11.69
NET PROFIT/(LOSS) TO SALES (%AGE)	7.14%	7.00%	6.99%	5.77%	7.26%	10.86%

Performance Overview

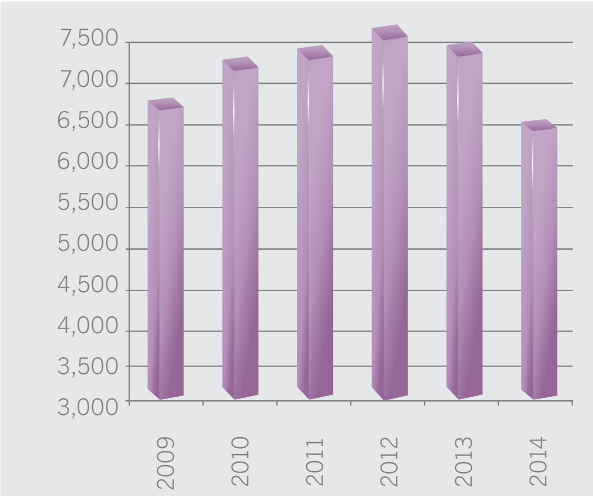
"Despatch Percentage"



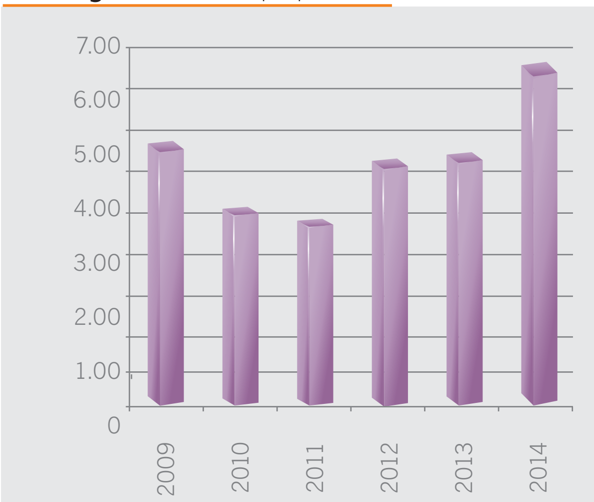
"Turnover" (Rupees in Million)



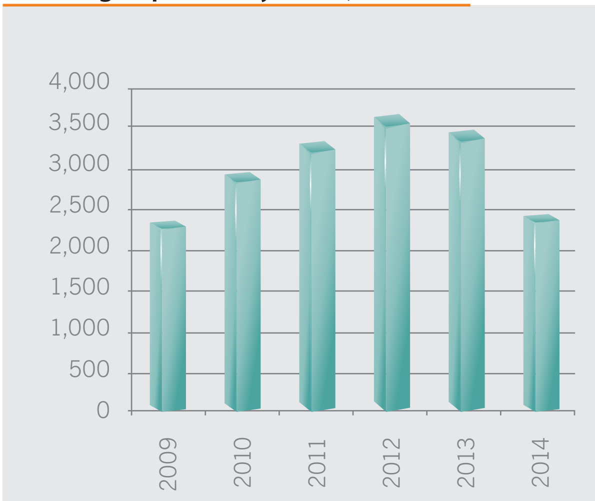
"Shareholders Equity" (Rupees in Million)



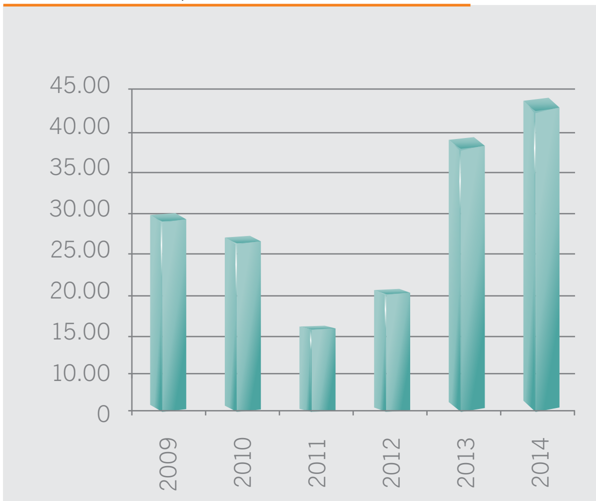
"Earning Per Share" (Rupees per Share)



"Working Capital Anaylsis" (Rupees in Million)



"Share Price" (Rupees)



Statement of Compliance

With The Code Of Corporate Governance

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

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. Two casual vacancies occurring on the board on August 28, 2013 and April 15, 2014 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

Lahore
August 21, 2014

Tatsuo Hisatomi
Chief Executive

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, 2014.

A.F. Ferguson & Co.
Chartered Accountants

Amer Raza Mir
Partner

Lahore
August 21, 2014

Auditors' Report to the Members

We have audited the annexed balance sheet of Kohinoor Energy Limited as at June 30, 2014 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, 2014 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 statements, which describes the uncertainty regarding the outcome of certain claims by WAPDA which have been disputed by the Company. Our opinion is not qualified in respect of this matter.

A.F. Ferguson & Co.
Chartered Accountants

Amer Raza Mir
Partner

Lahore
August 21, 2014

KOHINOOR ENERGY LIMITED

Balance Sheet

	Note	2014	2013 Restated	2012 Restated
		(Rupees in thousand)		
EQUITY AND LIABILITIES				
CAPITAL AND RESERVES				
Authorised capital				
170,000,000 (2013 and 2012: 170,000,000) ordinary shares of Rs 10 each		1,700,000	1,700,000	1,700,000
Issued, subscribed and paid up capital				
169,458,614 (2013 and 2012: 169,458,614) ordinary shares of Rs 10 each	5	1,694,586	1,694,586	1,694,586
Unappropriated profit		4,806,261	5,636,292	5,801,817
		6,500,847	7,330,878	7,496,403
LONG TERM FINANCING -SECURED	6	189,721	28,657	–
CURRENT LIABILITIES				
Staff retirement benefits	7	41,467	37,361	37,699
Finances under mark up arrangements - secured	8	3,083,465	316,408	2,594,732
Current portion of long term financing	9	89,078	14,178	–
Trade and other payables	10	222,617	163,814	145,555
Accrued finance cost	11	27,229	8,853	17,025
Provision for taxation		26,518	65,218	83,496
		3,490,374	605,832	2,878,507
CONTINGENCIES AND COMMITMENTS	12			
		10,180,942	7,965,367	10,374,910

Chief Executive

As At June 30, 2014

	Note	2014	2013 Restated	2012 Restated
		(Rupees in thousand)		
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	13	4,303,803	4,048,122	4,057,774
Intangible assets	14	3,020	3,608	4,296
Long term loans and deposits	15	17,232	17,341	14,647
		4,324,055	4,069,071	4,076,717
CURRENT ASSETS				
Stores, spares and loose tools	16	385,208	342,603	394,658
Stock in trade	17	295,464	294,106	195,050
Trade debts	18	4,598,451	2,158,228	5,177,717
Loans, advances, deposits, prepayments and other receivables	19	356,071	515,584	392,071
Cash and bank balances	20	221,693	585,775	138,697
		5,856,887	3,896,296	6,298,193
		10,180,942	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, 2014

	Note	2014	2013 Restated
		(Rupees in thousand)	
Sales	21	14,958,166	12,348,309
Cost of sales	22	(13,379,179)	(10,960,657)
Gross profit		1,578,987	1,387,652
Administrative expenses	23	(253,114)	(224,797)
Other income	24	8,985	15,362
Profit from operations		1,334,858	1,178,217
Finance costs	25	(263,240)	(310,134)
Profit before taxation		1,071,618	868,083
Taxation	26	(3,054)	(3,264)
Profit for the year		1,068,564	864,819
Earnings per share	33	6.31	5.10

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, 2014

	Note	2014	2013 Restated
		(Rupees in thousand)	
Profit for the year after taxation		1,068,564	864,819
Items that may be reclassified subsequently to profit or loss		–	–
Items that will not be reclassified subsequently to profit or loss:			
Other comprehensive income / (loss)			
Remeasurement of staff gratutity fund		7,814	(13,594)
Total comprehensive income for the year		1,076,378	851,225

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, 2014

	Note	2014	2013
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	27	(691,114)	4,239,276
Employee benefits paid		(19,464)	(28,281)
Mark up on borrowings paid		(242,782)	(315,115)
Taxes paid		(41,754)	(21,542)
Net cash (used in)/generated from operating activities		(995,114)	3,874,338
Cash flows from investing activities			
Purchase of property, plant and equipment		(481,188)	(111,141)
Advances given for capital expenditure		(1,514)	(85,871)
Interest/mark-up income received		5,990	4,548
Net increase/ (decrease) in long term loans and deposits		109	(2,693)
Proceeds from sale of property, plant and equipment		8,395	20,749
Net cash used in investing activities		(468,208)	(174,408)
Cash flows from financing activities			
Dividend paid		(1,903,777)	(1,017,361)
Long Term Loan acquired during the year		235,960	42,833
Net cash used in financing activities		(1,667,817)	(974,528)
Net (decrease)/increase in cash and cash equivalents		(3,131,139)	2,725,402
Cash and cash equivalents at the beginning of the year		269,367	(2,456,035)
Cash and cash equivalents at the end of the year	28	(2,861,772)	269,367

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, 2014

	Share capital	Un-appropriated profit	Total
		(Rupees in thousand)	
Balance as on July 1, 2012 (As previously reported)	1,694,586	5,817,196	7,511,782
Effect of retrospective change in accounting policy (note 2.2.1)	–	(15,379)	(15,379)
Balance as on July 1, 2012 (restated)	1,694,586	5,801,817	7,496,403
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 (restated)	–	851,225	851,225
Balance as on June 30, 2013 (restated)	1,694,586	5,636,292	7,330,878
Interim dividend for the year ended June 30, 2013 at the rate of Rs 4.25 per share	–	(720,199)	(720,199)
Final dividend for the year ended June 30, 2013 at the rate of Rs 3.00 per share	–	(508,376)	(508,376)
Interim dividend for the year ended June 30, 2014 at the rate of Rs 2.00 per share	–	(338,917)	(338,917)
Interim dividend for the year ended June 30, 2014 at the rate of Rs 2.00 per share	–	(338,917)	(338,917)
Total comprehensive income for the year	–	1,076,378	1,076,378
Balance as on June 30, 2014	1,694,586	4,806,261	6,500,847

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, 2014

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

Standards or Interpretation	Effective date (accounting periods beginning on or after)
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 1, 2013
IAS 19 (Revised), 'Employee Benefits '	January 1, 2013

During the current year, the company has changed its accounting policy in respect of post retirement defined benefits plans. The new policy is in accordance with the requirements of IAS 19 revised, 'Employee Benefits'. According to new policy, on remeasurments, actuarial gains and losses result from increases or decreases in the present value of the defined benefit obligation because of changes in actuarial assumptions and experience adjustments, the return on plan assets excluding amounts included in net interest on the net defined benefit liability (asset), are recognised in the balance sheet immediately, with a charge or credit to other comprehensive income (OCI) in the periods in which they occur.

The standard replaces the interest cost on the defined benefit obligation and the expected return on plan assets with a net interest cost based on the net defined benefit asset or liability and the discount rate, measured at the beginning of the year.

The change in accounting policy has been accounted for retrospectively in accordance with the requirements of IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated. The effect of the change in accounting policy on the prior period financial statements have been summarised below:

Impact on balance sheet	**June 30, 2014**	**June 30, 2013**	**June 30, 2012**
		(Rupees in thousand)	
Increase in employees' retirement benefits	35,116	28,608	15,379
(Decrease) in unappropriated profit	(35,116)	(28,608)	(15,379)

Impact on profit and loss account	**June 30, 2014**	**June 30, 2013**
	(Rupees in thousand)	
Decrease in cost of sales	666	186
Decrease in administrative expenses	640	179
Increase in profit before tax	1,306	365
Increase in profit after tax	1,306	365
Impact on other comprehensive income		
Remeasurement of actuarial losses / gain on retirement benefit plan	7,814	(13,594)

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

Standards or Interpretation	**Effective date (accounting periods beginning on or after)**
IAS 27 (Revised), 'Separate financial statements'	January 1, 2013
IAS 28 (Revised), 'Associates and joint ventures'	January 1, 2013
IFRS 1 (Amendment), 'First time adoption' on government loans	January 1, 2013
IFRS 7 (Amendment), 'Financial Instruments: Disclosures' on Offsetting financial assets and financial liabilities.	January 1, 2013
IFRS 10, 'Consolidated financial statements'	January 1, 2013
IFRS 11, 'Joint arrangements'	January 1, 2013
IFRS 12, 'Disclosures of interest on other entities'	January 1, 2013
IFRS 13, 'Fair value measurement'	January 1, 2013

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

- 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:

	2014	2013
	(Rupees in thousand)	
De-recognition of property, plant and equipment	(4,027,998)	(3,677,642)
Recognition of lease debtor	579,139	612,368
Decrease in unappropriated profit at the beginning of the year	(3,065,274)	(3,212,783)
(Decrease) / Increase in profit for the year	(383,585)	147,509
Decrease in unappropriated profit at the end of the year	(3,448,858)	(3,065,274)

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

Standards or Interpretations	Effective date (accounting periods beginning on or after)
IAS 32 (Amendment), 'Financial instruments: Presentation' on Offsetting financial assets and financial liabilities.	January 1, 2014
IFRIC 21, 'Levies'	January 1, 2014
IAS 36 (Amendment), 'Impairment of assets'	January 1, 2014
IAS 39 (Amendment), 'Financial Instruments: Recognition and measurement' on novation of derivatives and hedge accounting	January 1, 2014
Annual improvements 2012; IFRS 2, 'Share-based payment'. IFRS 3, 'Business combinations'. IFRS 8, 'Operating segments'. IFRS 13, 'Fair value measurement'. IAS 16, 'Property, plant and equipment'. IAS 38, 'Intangible assets'	July 1, 2014
Annual improvements 2013; IFRS 1, 'First time adoption'. IFRS 3, 'Business combinations'. IFRS 13, 'Fair value measurement'. IAS 40, 'Investment property'	July 1, 2014
IAS 24 (Amendment), 'Related parties'	July 1, 2014
IFRS 9, 'Financial Instruments'	January 1, 2015
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016

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, 2014 and the actual return on plan assets during the year was Rs. 11.779 million (2013: Rs 16.283 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	13.5% per annum
-	Expected rate of increase in salary level	12.5% per annum
-	Expected rate of return	11% per annum

The company accounts for actuarial gains/losses in accordance with IAS-19 "Employee Benefits" revised.

(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 borrowing cost referred to in note 4.14.

Depreciation on all operating fixed assets is charged to profit on the straight line method so as to write off the cost of an asset over its estimated useful life at the annual rates mentioned in note 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, 2014 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 first in first out (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 debtor, 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

2014	2013		2014	2013
(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 (2013: 33,891,722) ordinary shares of the company are held by an associated undertaking, Toyota Tsusho Corporation.

6. Long term finance

		2014	2013
		(Rupees in thousand)	
Islamic finance under musharka agreement	- note 6.1	278,799	42,835
Less: current portion shown under current liabilities	- note 9	(89,078)	(14,178)
		189,721	28,657

6.1

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

This loan 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

		2014	2013 Restated
		(Rupees in thousand)	
Gratuity	- note 7.1	32,512	29,842
Leave salary		8,955	7,519
		41,467	37,361

	2014	2013 Restated
	(Rupees in thousand)	

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

	2014	2013
Present value of defined benefit obligation	160,436	142,472
Fair value of plan assets	(127,924)	(112,630)
Liability as at June 30	32,512	29,842
Net liability as at July 1	29,842	29,476
Charge to profit and loss account	17,938	16,134
Contribution by the company	(7,454)	(29,363)
Administrative expenses borne by Fund	232	(6,777)
Remeasurement chargeable to OCI	(8,046)	20,372
Liability as at June 30	32,512	29,842

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

	2014	2013
Present value of defined benefit obligation as at July 1	142,472	102,589
Current service cost	15,196	12,302
Interest cost	14,753	13,337
Benefits paid	(3,939)	(6,129)
Experience loss	(8,046)	20,373
Present value of defined benefit obligation as at June 30	160,436	142,472

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

	2014	2013
Fair value as at July 1,	112,630	73,114
Interest income on plan assets	12,011	9,505
Contribution by the company	7,454	29,363
Benefits paid	(3,939)	(6,129)
Return on plan Assets exluding interest income	(232)	6,777
	127,924	112,630

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:

	2014	2013 Restated	2012 Restated	2011 Restated	2010 Restated
		(Rupees in thousand)			
As at June 30					
Present value of defined benefit obligation	160,436	142,472	102,589	81,806	69,756
Fair value of plan assets	127,924	112,630	73,114	59,673	53,758
Loss	(32,512)	(29,842)	(29,475)	(22,133)	(15,998)
Experience adjustment arising on obligation losses	(8,046)	20,373	(1,045)	1,634	450
Experience adjustment arising on plan assets (losses) / gain	(232)	6,777	(951)	(369)	244

		2014	2013
		(Rupees in thousand)	

8. Finances under mark up arrangements - secured

Finances under mark up arrangements - secured	- note 8.1	3,083,465	316,408

8.1 Short term running finances available from commercial banks under mark up arrangements amount to Rs 4,960 million (2013: Rs 4,515 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 9.55% to 12.38% 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.

		2014	2013
		(Rupees in thousand)	

9. Current Portion of Long term financing

Long term financing secured	- note 6	89,078	14,178

10. Trade and other payables

Trade creditors	- note 10.1	35,161	35,382
Accrued liabilities		3,766	2,961
Withholding tax payable		4,776	2,943
Workers' profit participation fund	- note 10.2	53,577	43,354

	2014	2013
	(Rupees in thousand)	
Workers' welfare fund	68,570	47,138
Sales tax payable and FED payable	37,466	16,883
Unclaimed dividend	13,088	10,457
Other payables	6,213	4,696
	222,617	163,814

10.1 Trade creditors include amount due to related parties of Rs 0.041 million (2013: Nil).

10.2 Workers' Profit Participation Fund (WPPF)

	2014	2013
	(Rupees in thousand)	
Opening balance	43,354	42,360
Provision for the year	53,581	43,386
	96,935	85,746
Less: Payments made during the year	(43,358)	(42,392)
Closing balance	53,577	43,354

11. Accrued finance cost

	2014	2013
Mark-up accrued on finances under mark-up arrangement	27,229	8,853

12. Contingencies and commitments

12.1 Contingencies

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

The management of the company is of the view that under the terms of the PPA (i) the company is entitled to the continued indexation of the NEC after repayment of foreign currency loans; and (ii) the invoice receiving party may serve a dispute notice to the other party at any time prior to 180 days of receipt of such invoice. Since the invoices for the period from September 2008 to September 2009 were not disputed within the prescribed period of 180 days therefore WAPDA has waived its right to seek revision of such invoices in terms 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. 385.834 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 Pakistan State Oil (PSO) that resulted in inadequate level of electricity production owing to shortage of fuel. According to legal advisors of 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. During the year, the management of the company decided to join hands with two Independent Power Producers: M/S Lalpir Power Limited and M/S PakGen Power Limited who had already initiated the expert mediation with WAPDA on a similar issue. Currently WAPDA and IPPs are in the process of the expert appointment under the mechanism given in the Power Purchase Agreement.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, 2013: Rs 180 million).

(ii) Sui Northern Gas Pipelines Limited on account of payment of dues against gas sales etc., amounting to Rs 2.15 million (June 30, 2013: Rs 2.15 million).

12.2 Commitments

(i) Letters of credit/Bank contracts other than capital expenditure are Rs. 12.978 million (June 30, 2013: Rs. 11.721 million).

(ii) Letters of credit for capital expenditure are Nil (June 30, 2013: Rs 309.089 million).

13. Property, plant and equipment

		2014	2013
		(Rupees in thousand)	
Operating fixed assets	- note 13.1	4,222,938	3,870,266
Capital work-in-progress	- note 13.2	80,865	177,856
		4,303,803	4,048,122

KOHINOOR ENERGY LIMITED

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, 2014										
Opening net book value (NBV)	93,209	294,020	3,432,449	1,637	1,179	9,402	334	220	37,817	3,870,267
Transfers	–	–	(602)			602	–	–	–	–
Additions (at cost)	–	689	640,801	409	3,022	4,196	1,150	–	8,780	659,046
Disposals (at NBV)	–	–	–	(85)	–	–	–	–	(5,317)	(5,403)
Depreciation charge	–	(21,077)	(270,057)	(390)	(210)	(1,858)	(391)	(57)	(6,933)	(300,972)
	93,209	273,632	3,802,591	1,571	3,991	12,342	1,093	163	34,347	4,222,938
Gross carrying value basis										
As at June 30, 2014										
Cost	93,209	623,159	7,772,563	4,814	4,364	24,209	47,400	7,884	63,322	8,640,923
Accumulated depreciation	–	(349,528)	(3,969,972)	(3,243)	(373)	(11,867)	(46,307)	(7,722)	(28,975)	(4,417,986)
Net book value (NBV)	93,209	273,632	3,802,591	1,571	3,991	12,342	1,093	163	34,347	4,222,938
Depreciation rate % per anum	–	4%	6%-10%	10%	10%	10%	10%-35%	10%	20%	
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)
Closing net book value (NBV)	93,209	294,020	3,432,449	1,637	1,179	9,401	334	221	37,817	3,870,266
Gross carrying value basis										
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%	

13.1.1 The cost of fully depreciated assets which are still in use as at June 30,2014 is Rs.289.54 million(2013:Rs.281.25 million)

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

		2014	2013
		(Rupees in thousand)	
Cost of sales	- Note 22	292,972	262,627
Administrative expenses - Depreciation	- Note 23	7,972	6,719
Community welfare expenses	- Note 23	28	27
		300,972	269,373

13.1.3 Disposal of operating fixed assets

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

2014 (Rupees in thousand)

Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposals
Vehicles	**Employees**					
	Mr. Matloob Sajjad	514	254	260	450	Negotiation
	Mr. Barkat Ali	514	254	260	400	-do-
	Mr. Zafar Iqbal	735	588	147	626	-do-
	Mr. Mumtaz Khan	1,457	641	816	1,325	-do-
	Mr. Shaukat Ali	1,835	1,150	685	1,275	-do-
	Outsiders					
	Mr. Iftikhar Iqbal	1,457	700	757	1,320	Negotiation
	Mr. Ijaz Ahmad	1,458	719	739	1,290	-do-
	EFU General Insurance	1,770	118	1,652	1,670	Insurance Claim
Office Appliances & Equipments	**Outsiders**					
	Professional Document Solution	266	180	86	39	Negotiation

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

2013

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	232	430	-do-
	Mr. Rahmatulllah	1,927	848	1,079	1,525	-do-
	Mr. Tauqeer Ahmad	1,436	977	459	1,270	-do-
	Outsiders					
	EFU General Insurance	2,157	86	2,071	2,105	Insurance Claim
	EFU General Insurance	886	225	661	870	Insurance Claim
	Mr. Asif Butt	1,753	1,075	678	1,300	Negotiation
	Mr. Liaqat Ali	1,750	816	934	1,334	-do-
Land	**Outsiders**					
	Mrs Tahira Naseem Gul	1,343	-	1,343	7,378	Negotiation
Office Appliances - Photo Copier	**Outsiders**					
	Professional Document Solution	55	55	-	13	Negotiation

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

		2014	2013
		(Rupees in thousand)	
13.2 Capital work-in-progress			
Advances to suppliers - considered good		1,515	85,871
Stores Held For Capitalization	- note 13.3	79,350	91,985
		80,865	177,856

13.3 This amount represents the mechanical store items including cylinder heads, couplings which are held for capitalization.

14. Intangible assets

	Computer software	Others	Total
		(Rupees in thousand)	
Net carrying value basis			
Year ended June 30, 2014			
Opening net book value (NBV)	2,830	777	3,607
Additions at cost	–	–	–
Amortisation charge	(532)	(55)	(587)
Closing net book value (NBV)	2,298	722	3,020
Gross carrying value basis			
As at June 30, 2014			
Cost	18,276	1,000	19,276
Accumulated amortisation	(15,978)	(278)	(16,256)
Net book value (NBV)	2,298	722	3,020
Amortisation rate % per annum	6.25 - 10	5.56	
Net carrying value basis			
Year ended June 30, 2013			
Opening net book value (NBV)	3,464	832	4,296
Additions at cost	–	–	–
Amortisation charge	(634)	(55)	(689)
Closing net book value (NBV)	2,830	777	3,607
Gross carrying value basis			
As at June 30, 2013			
Cost	18,276	1,000	19,276
Accumulated amortisation	(15,446)	(223)	(15,669)
Net book value (NBV)	2,830	777	3,607
Amortisation rate % per annum	6.25 - 10	5.56	

		2014	2013
		(Rupees in thousand)	

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

		2014	2013
Administrative expenses	- note 23	587	688

14.2 The cost of fully amortised assets which are still in use as at June 30, 2014 is Rs 13.302 million (2013: Rs 11.284 million)

15. Long term loans and deposits

		2014	2013
		(Rupees in thousand)	
Loans to employees - considered good			
- Executives	- note 15.1	23,491	17,463
- Others	- note 15.1	5,074	11,544
		28,565	29,007
Less: Current portion included in current assets			
- Loans to employees - executives	- note 15.1	(9,486)	(7,229)
- Loans to employees - others	- note 15.1	(2,542)	(5,102)
		(12,028)	(12,331)
		16,537	16,676
Security deposits		695	665
		17,232	17,341

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.

15.2 Reconciliation of carrying amount of loans to executives

	2014	2013
	(Rupees in thousand)	
Opening balance	17,463	7,105
Disbursements	14,163	11,857
Employees promoted as executives	3,717	5,406
	35,343	24,368
Less: Repayments	(11,852)	(6,905)
Closing balance	23,491	17,463

15.3 The maximum amount outstanding at the end of any month from executives aggregated Rs. 23.491 million (2013: Rs 18.576 million).

16. Stores, spares and loose tools

		2014	2013
		(Rupees in thousand)	
Stores		9,565	8,998
Spares including in transit Nil (2013: Nil)		389,110	347,000
Loose tools		671	794
		399,346	356,792
Less : Provision for obsolete items	- note 16.1	14,138	14,189
		385,208	342,603

16.1 Provision for obsolete stores and spares

	2014	2013
Opening balance	14,189	14,189
(Reversal)/Provision for the year	(51)	–
Closing balance	14,138	14,189

17. Stock

	2014	2013
Furnace oil	279,635	288,455
Diesel	730	661
Lubricating oil	15,099	4,990
	295,464	294,106

18. Trade debts

		2014	2013
		(Rupees in thousand)	
Trade receivables from WAPDA - secured			
- Considered good		4,598,451	2,158,228
- Considered doubtful		–	–
	- note 18.1	4,598,451	2,158,228
Less: Provision for doubtful debts	- note 18.2	–	–
		4,598,451	2,158,228

18.1 This includes an overdue amount of Rs 3,050.369 million (2013: Rs 599.88 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% to 12% (2013: 11.5 % to 14%) per annum.

	2014	2013
	(Rupees in thousand)	

18.2 Provision for doubtful debts

	2014	2013
Opening balance	–	–
Written off during the year	–	–
Closing balance	–	–

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

		2014	2013
Current portion of long term loans to 'employees'	- note 15	12,028	12,331
Current portion of long term loans to 'others'	- note 15	–	–
Advances - considered good			
- To employees	- note 19.1	1,833	3,259
- To suppliers		214,013	357,455
Prepayments		2,598	2,202
Profit receivable on bank deposits		105	105
Claims recoverable from WAPDA for pass through items:			
- Workers' Profit Participation Fund	- note 19.2	53,577	85,721
- Workers' Welfare Fund	- note 19.2	68,570	47,137
Other receivables - considered good		3,347	7,374
		356,071	515,584

19.1 Included in advances to employees are amounts due from executives Rs 0.029 million (2013: Rs 1.927 million).

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

	WPPF		WWF	
	2014	2013	2014	2013
	(Rupees in thousand)			
Opening balance	85,721	74,459	47,137	29,783
Provision for the year	53,577	43,358	21,433	17,354
	139,298	117,817	68,570	47,137
Less: Receipts during the year	(85,721)	(32,096)	-	-
Closing balance	53,577	85,721	68,570	47,137

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.

		2014	2013
		(Rupees in thousand)	
20. Cash and bank balances			
Balance at banks on:			
Current accounts		217,164	347,452
Special account related to dividend payable		674	5,786
Savings accounts	- note 20.1	2,312	231,565
		220,150	584,803
Cash in hand		1,543	972
		221,693	585,775

20.1 The balance in savings bank accounts bear mark-up at rates ranging from 6.00% to 7.50% per annum (2013: 5.00 % to 11.00 % per annum)

		2014	2013
		(Rupees in thousand)	
21. Sales			
Energy purchase price	- Note 21.1	13,905,992	11,318,483
Capacity purchase price		1,052,174	1,029,826
		14,958,166	12,348,309

21.1 Energy purchase price is exclusive of sales tax of Rs 2,341.935 million (2013: Rs 1,769.122 million).

22. Cost of sales

		2014	2013 Restated
		(Rupees in thousand)	
Raw material consumed		12,458,361	10,068,115
Salaries, wages and benefits	- note 22.1	160,002	141,726
Fee for Produce of Energy (FPE)		79,475	60,913
Stores and spares consumed		292,913	329,269
Depreciation on operating fixed assets	- note 13.1	292,972	262,627
Fee and subscription		2,220	1,560
Insurance		49,049	47,568
Travelling, conveyance and entertainment		12,540	10,138
Repairs and maintenance		13,884	18,085
Communication charges		1,704	2,012
Electricity consumed in-house		2,810	4,576
Environmental Expenses - Operation & Maintenance		1,569	1,659
Miscellaneous		11,680	12,409
		13,379,179	10,960,657

22.1 Salaries, wages and other benefits

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

Current service cost	7,750	6,274
Interest cost for the year	7,524	6,802
Expected return on plan assets	(6,125)	(4,847)
	9,149	8,229

In addition to the above, salaries, wages and other benefits include Rs 6.723 million (2013: Rs 5.878 million) in respect of accumulating compensated absences.

23. Administrative expenses

		2014	2013 Restated
		(Rupees in thousand)	
Salaries, wages and benefits	- note 23.1	147,963	133,604
Printing and stationery		66	41
Communication charges		2,471	1,901
Depreciation on operating fixed assets	- note 13.1	7,972	6,719
Amortisation on intangible assets	- note 14.1	587	688
Insurance		3,094	2,622
Travelling, conveyance and entertainment		32,363	24,584
Repairs and maintenance		9,592	7,899
Legal and professional charges	- note 23.2	5,302	6,758
Community welfare expenses		8,171	6,921
Donations	- note 23.3	1,516	1,200
Rents, rates and taxes		3,415	3,108
Fee and subscription		2,909	2,726
Security Expenses		4,779	4,572
Environmental Expenses		8,638	7,902
Miscellaneous	- note 23.4	14,276	13,550
		253,114	224,797

23.1 Salaries, wages and other benefits

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

	2014	2013
	(Rupees in thousand)	
Current service cost	7,446	6,028
Interest cost for the year	7,229	6,535
Expected return on plan assets	(5,885)	(4,657)
	8,790	7,906

In addition to above, salaries, wages and other benefits include Rs 6.723 million (2013: Rs 6.139 million) in respect of accumulating compensated absences.

	2014	2013
	(Rupees in thousand)	
23.2 Legal and professional charges include the following		
in respect of auditors' services for:		
Statutory audit	1,200	1,140
Half yearly review and sundry services	443	515
Out of pocket expenses	352	208
	1,995	1,863

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

23.4 Includes an amount of Rs 0.216 Million (2013: Rs 0.21 million) on account of advertisement expenses of Red Communication Arts (Private) Limited, a related party.

	2014	2013
	(Rupees in thousand)	
23.5 Employees of the company		
Number of employees	136	139
Average Number of employees	137	139

24. Other income

	2014	2013
Income from financial assets:		
Income on bank deposits	5,990	4,370
Income from non-financial assets:		
Profit on disposal of property, plant and equipment	2,995	10,992
	8,985	15,362

25. Finance cost

	2014	2013
	(Rupees in thousand)	
Mark up on finances under mark up arrangements - secured	261,158	306,943
Bank guarantee and commission	1,102	1,137
Exchange loss	–	1,620
Others	980	434
	263,240	310,134

26. Taxation

This represents the provision for current taxation for the year.

26.1 Tax charge reconciliation

	2014	2013
Profit before tax	1,071,618	868,083
Tax @ 34% (2013: 35%)	364,350	303,701
Tax effect of exempt income referred to in note 4.1	(361,296)	(300,437)
Others	–	–
Tax charge	3,054	3,264

27. Cash generated from operations

	2014	2013
Profit before taxation	1,071,618	867,718
Adjustment for:		
- Depreciation on property, plant and equipment	300,972	269,373
- Amortisation on intangible assets	587	688
- Gain on disposal of property, plant and equipment	(2,995)	(10,992)
- Income on bank deposits	(5,990)	(4,371)
- Employee retirement benefits	31,384	14,714
- Finance cost on borrowings	261,161	306,943
Profit before working capital changes	1,656,737	1,444,073
Effect on cash flow due to working capital changes		
- Increase in stores and spares	(121,955)	(20,410)
- (Increase) in inventory	(1,358)	(99,056)
- (Increase) / Decrease in trade debts	(2,440,223)	3,019,489
- Decrease / (Increase) in loans, advances, deposits, prepayments and other receivables	159,513	(123,690)
- Increase in trade and other payables	56,172	18,870
	(2,347,851)	2,795,203
	(691,114)	4,239,276

28. Cash and cash equivalents

	2014	2013
Cash and bank balances	221,693	585,775
Finances under mark up arrangements	(3,083,465)	(316,408)
	(2,861,772)	269,367

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	
	2014	2013	2014		2013		2014	2013
	(Rupees in thousand)							
Managerial remuneration and allowances	10,068	10,068	9,681	12,875	9,681	12,875	48,114	38,019
Housing	4,526	4,526	4,352	5,789	4,352	5,789	21,598	17,053
Retirement benefits	1,500	1,500	1,442	–	1,442	–	8,061	6,118
Medical expenses	6	–	124	–	54	–	2,366	1,063
Bonus	1,255	3,172	6,163	–	3,883	2,765	22,223	16,636
Utilities	1,006	1,006	967	1,286	967	1,286	4,800	3,790
Club expenses	103	166	63	–	65	–	445	520
Others	5,739	4,441	9,219	6,739	5,355	5,072	27,400	19,327
	24,203	24,879	32,011	26,689	25,799	27,787	135,007	102,526
Number of persons	**1**	**1**	**1**	**1**	**1**	**1**	**46**	**34**

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 director is Nil (2013: 0.02 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 29. Other significant transactions with related parties are as follows:

		2014	2013 Restated
		(Rupees in thousand)	
Description			
Relationship with the company	**Nature of transaction**		
i. Other related party	Purchase / Sale of goods and services	340	362
ii. Post retirement benefit plan	Expense charged	17,938	16,134

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

31. Capacity and production

	2014 MWH	2013 MWH
Installed capacity (Based on 8,760 hours)	1,086,240	1,086,240
Actual energy delivered	889,521	724,652

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) and Euro (EUR). Currently, the company's foreign exchange risk exposure is restricted to the amounts receivable / payable from / to the foreign entities. At the balance sheet date, no amounts were receivable/payable to the foreign entities.

The following significant exchange rates were applied during the year:

Rupees per Euro	2014	2013
Average rate	138.50	125.84
Reporting date rate	134.73	128.90

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 Nil (2013: Nil) 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:

	2014	2013
	(Rupees in thousand)	
Fixed rate instruments		
Financial assets		
Bank balances - savings accounts	2,312	231,565
Net exposure	2,312	231,565
Floating rate instruments		
Financial assets		
Trade debts - overdue	3,050,369	599,883
Financial liabilities		
Long term finance - secured	(278,800)	(42,835)
Finances under mark up arrangements - secured	(3,083,465)	(316,408)
Net exposure	(311,896)	240,640

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. 33.623 million (2013: Rs. 3.592 million) higher/lower, mainly as a result of higher/lower interest expense on floating rate finances.

(b) Credit risk

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

(i) Exposure to credit risk

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

	2014	2013
	(Rupees in thousand)	
Long term loans and deposits	17,232	17,341
Trade debts	4,598,451	2,158,228
Loans, advances, deposits, prepayments and other receivables	137,627	152,668
Balances with banks	220,150	584,803
	4,973,460	2,913,040

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

The age of trade receivables

	2014	2013
- Not past due	1,548,082	1,558,344
- Past due 0 - 180 days	2,342,049	169,367
- Past due 181 - 365 days	108,436	–
- 1 - 2 years	169,367	–
- More than 2 years	430,517	430,517
	4,598,451	2,158,228

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

	2014	2013
Opening balance	–	–
Written off during the year	–	–
Closing balance	–	–

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

(ii) Credit quality of major financial assets

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

	Rating Short term	Long term	Rating Agency	2014	2013
				(Rupees in thousand)	
WAPDA	Not Available			4,720,598	2,291,086
Banks					
Bank Alfalah Limited	A1+	AA	PACRA	170	3,260
Standard Chartered Bank	A1+	AAA	PACRA	208,286	6,725
Faysal Bank Limited	A1+	AA	PACRA	194	14,584
MCB Bank Limited	A1+	AAA	PACRA	4	4
Askari Commercial Bank	A1+	AA	PACRA	152	213,172
Deutsche Bank	A-1	AA	Standard and Poors	11	12
Barclays Bank	A-1	A	Standard and Poors	157	154
Meezan Bank	A-1+	AA	JCR-VIS	96	5,424
Habib Bank Limited	A-1+	AAA	JCR-VIS	920	–
Al-Baraka Bank	A-1	A	JCR-VIS	10,161	341,470
				4,940,749	2,875,891

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, 2014, the company had Rs 4,960 million available borrowing limits from financial institutions and Rs. 221.69 million cash and bank balances.

The following are the contractual maturities of financial liabilities as at June 30, 2014:

	Carrying amount	Less than one year	One to five years	More than five years
	(Rupees in thousand)			
Long term finance - secured	278,800	89,078	189,721	–
Finances under mark up arrangements	3,083,465	3,083,465	–	–
Trade and other payables	95,694	95,694	–	–
Accrued finance cost	27,229	27,229	–	–
	3,485,188	3,295,466	189,721	–

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	–

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	
	2014	2013	2014	2013	2014	2013
	(Rupees in thousand)					
Assets as per balance sheet						
Long term loans and deposits	–	–	17,232	17,341	17,232	17,341
Trade debts	–	–	4,598,451	2,158,228	4,598,451	2,158,228
Loans, advances, deposits, prepayments and other receivables	–	–	137,627	152,668	137,627	152,668
Cash and bank balances	–	–	220,150	584,803	220,150	584,803
	–	–	4,973,460	2,913,040	4,973,460	2,913,040

	Financial liabilities at amortised cost	
	2014	**2013**
	(Rupees in thousand)	
Liabilities as per balance sheet		
Long term finance - note 6	278,800	42,835
Finances under mark up arrangements	3,083,465	316,408
Trade and other payables	95,694	70,379
Accrued finance cost	27,229	8,853
	3,485,188	438,475

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 gearing ratio as at June 30, 2014 and June 30, 2013 is as follows:

		2014	**2013**
		(Rupees in thousand)	
Long term finance - note 6		189,721	28,657
Short term Borrowings including current portion of long term finance - note 8 & note 9		3,172,543	330,586
Less: Cash and bank balances - note 20		221,693	585,775
Net debt		3,140,571	(226,532)
Total equity		6,500,846	7,330,877
Total capital		9,641,417	7,104,345
Gearing ratio	**Percentage**	32.6%	0.0%

		2014	2013

33. Earnings per share

33.1 Basic earnings per share

		2014	2013
Net profit for the year	Rupees in thousand	1,068,564	864,819
Weighted average number of ordinary shares	Number	169,458,614	169,458,614
Earnings per share	Rupees	6.31	5.10

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, 2014 and June 30, 2013 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 21, 2014 by the Board of Directors of the company.

35. Events after the balance sheet date

The Board of Directors have proposed final dividend for the year ended June 30, 2014 of Rs 2.50 (2013: interim and final dividend of Rs. 4.25 and Rs. 3.0 respectively) per share, amounting to Rs 423.647 million (2013: Rs. 720.199 and Rs. 508.376 million) at their meeting held on August 21, 2014 for approval of the members at the Annual General Meeting to be held on September 16, 2014. 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. During the year the following major reclassifications were made.

Reclassification from component		Reclassification to component		2013	2012
				(Rupees in thousand)	
Description	Note	Description	Note		
Stores and spares	16	Stores held for capitalization	13.2	91,985	19,520

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, 2014

NO. OF SHAREHOLDERS	SHAREHOLDING FROM	SHAREHOLDING TO	TOTAL SHARES HELD
111	1	100	3,135
242	101	500	101,515
243	501	1,000	226,890
404	1,001	5,000	1,267,005
169	5,001	10,000	1,368,345
64	10,001	15,000	821,492
48	15,001	20,000	892,851
34	20,001	25,000	812,782
23	25,001	30,000	657,425
10	30,001	35,000	332,150
20	35,001	40,000	773,914
8	40,001	45,000	348,000
26	45,001	50,000	1,297,000
7	50,001	55,000	367,000
9	55,001	60,000	520,000
6	60,001	65,000	381,399
5	65,001	70,000	346,500
2	70,001	75,000	143,600
3	75,001	80,000	235,500
1	80,001	85,000	83,375
1	85,001	90,000	87,500
1	90,001	95,000	94,500
16	95,001	100,000	1,600,000
3	100,001	105,000	307,882
3	105,001	110,000	326,500
1	110,001	115,000	114,000
1	115,001	120,000	115,500
3	120,001	125,000	372,000
1	130,001	135,000	133,200
1	135,001	140,000	136,000
2	140,001	145,000	285,500
2	145,001	150,000	300,000
2	150,001	155,000	307,500
1	155,001	160,000	160,000
1	185,001	190,000	187,820
4	195,001	200,000	800,000
1	210,001	215,000	214,000
1	220,001	225,000	221,000
1	240,001	245,000	244,000
1	245,001	250,000	250,000
1	250,001	255,000	255,000
1	255,001	260,000	260,000
1	270,001	275,000	271,500
1	275,001	280,000	276,769
1	280,001	285,000	285,000
2	295,001	300,000	600,000
2	305,001	310,000	616,029
1	325,001	330,000	330,000
1	340,001	345,000	343,500
1	350,001	355,000	350,500
1	365,001	370,000	370,000
1	385,001	390,000	388,500
1	400,001	405,000	404,500
1	405,001	410,000	410,000
2	440,001	445,000	886,750
1	480,001	485,000	484,881
2	495,001	500,000	1,000,000
1	515,001	520,000	515,500
1	525,001	530,000	530,000
1	630,001	635,000	632,500

1	650,001	655,000	655,000
1	925,001	930,000	927,257
2	995,001	1,000,000	2,000,000
1	1,175,001	1,180,000	1,175,895
1	1,185,001	1,190,000	1,189,500
1	1,495,001	1,500,000	1,500,000
1	1,800,001	1,805,000	1,800,392
1	2,155,001	2,160,000	2,156,500
1	2,265,001	2,270,000	2,267,500
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	4,995,001	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
1,527			169,458,614

Categories of Shareholders	No. of Shareholder	Share held	Percentage
Directors, Chief Executive Officers, and their spouse and minor childern	9	22,332,770	13.1789
Associated Companies, undertakings and related parties. (Parent Company)	3	61,393,600	36.2293
NIT and ICP		-	-
Banks Development Financial Institutions Non Banking Financial Institutions.	8	10,514,758	6.2049
Insurance Companies	4	2,503,269	1.4772
Modarabas and Mutual Funds	9	2,925,757	1.7265
General Public	1,423	59,003,268	34.8187
Others (to be specified)			
Investment Companies	1	187	0.0001
Pension Funds	2	367,782	0.2170
Others Companies	22	3,892,322	2.2969
Joint Stock Companies	39	3,125,350	1.8443
Foreign Companies	7	3,399,551	2.0061
	1,527	169,458,614	100.0000
*Includes Foreign Shareholders holding 10% or more	2	61,005,100	36.0000

KOHINOOR ENERGY LIMITED

Catagories of Shareholding required under Code of Coprorate Governance (CCG) As on June 30, 2014

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 AL MEEZAN MUTUAL FUND (CDC)	144,000	0.0850
3	CDC - TRUSTEE MEEZAN BALANCED FUND (CDC)	65,000	0.0384
4	CDC - TRUSTEE MEEZAN ISLAMIC FUND (CDC)	1,189,500	0.7019
5	CDC - TRUSTEE MEEZAN TAHAFFUZ PENSION FUND - EQUITY SUB FUND (CDC)	155,000	0.0915
6	CDC - TRUSTEE NATIINAL INVSTMENT (UNIT) TRUST (CDC)	927,257	0.5472
7	EVLI EMERGING FRONTIER FUND (CDC)	410,000	0.2419
	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	MRS. ALIYA SHAKEEL W/O MR. S M SHAKEEL	300,000	0.1770
5	MR. TATSUO HISATOMI	500	0.0003
6	MR. MANABU IIDA	500	0.0003
7	MR. HIDENORI SAITO	500	0.0003
8	MR. YASUNORI MIZUNO	500	0.0003
9	MR. MUHAMMAD ASAD KHAN	500	0.0003
	Executives:		
	SYED GHAZANFAR ALI ZAIDI	36,500	0.0215
	Public Sector Companies & Corporations:	-	-
	Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:	13,037,027	7.6933
	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. GHAZANFAR ALI KHAN	500	-
2	MR. GHAZANFAR HUSAIN MIRZA	500	500
3	MR. MUHAMMAD ASAD KHAN	-	500

Proxy Form

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

/We ____

of ______________________________ being member(s) of Kohinoor Energy Limited

hereby appoint ____

of ______________________________ or failing him ______________________________

of ______________________________ as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the twenty first Annual General Meeting of the Company to be held on September 16, 2014 at 11:30am and/or at any adjournment thereof.

As witness my/our hand(s) this ____________________ day of ____________________ 2014

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.