



KOHINOOR
ENERGY LIMITED

2017 ANNUAL REPORT

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CORPORATE INFORMATION

Board of Directors

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

Company Secretary

- Mr. Muhammad Asif

Audit Committee

- Mr. Mikihiro Moriya
Chairman
- Mr. S M Shakeel
- Mr. Shinichi Ushijima
- Mr. Hirotooshi Ugajin

HR & Remuneration Committee

- Mr. Mikihiro Moriya
Chairman
- Mr. S M Shakeel
- Mr. Tatsuo Hisatomi
- Mr. Hirotooshi Ugajin

Management

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

Auditors

- A. F. Ferguson & Co.
Chartered Accountants

Bankers

- Standard Chartered Bank (Pakistan) Limited
- Bank Alfalah Limited
- Askari Bank Limited
- AL Baraka Bank (Pakistan) Limited
- Meezan Bank Limited
- Habib Bank Limited
- MCB Bank Limited
- United Bank Limited
- National Bank of Pakistan

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 24th Annual General Meeting of shareholders of Kohinoor Energy Limited will be held on October 23, 2017 (Monday) at 12:30 P.M. at Islamabad Club, Main Murree Road, Islamabad to transact the following business:

a) Ordinary Business:

1. To confirm minutes of the Annual General Meeting held on October 19, 2016.
2. To receive and adopt the Annual Audited Accounts of the Company for the financial year ended June 30, 2017 alongwith Directors' and Auditors' Reports thereon.
3. To approve final dividend @ 20% i.e. Rs. 2 per share as recommended by the Board of Directors in addition to the two interim dividends already paid @17.5% i.e. Rs. 1.75 per share and @15% i.e. Rs.1.50 per share making a total dividend @ 52.5% i.e. Rs. 5.25 per share for the financial year 2016-17.
4. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.

b) Special Business:

- I. To consider and if thought fit, to pass the following resolution as special resolution with or without modification(s), addition(s) or deletion(s) to alter the Articles of Association of the Company:-

"Resolved that in accordance with the provisions of Section 38 and other applicable provisions of the Companies Act, 2017, and subject to requisite permission and clearance, the following new Article 36A be and is hereby inserted after the existing Article 36 of the Articles of Association of the Company:

"36A. E-Voting Subject to any rules or regulations that may be made from time to time by the Securities and Exchange Commission of Pakistan (the SECP), in this regard, Members may exercise voting rights at general meeting through electronic means if the Company receives the requisite demand for poll in accordance with the applicable laws. The Company shall facilitate the voting by electronic means in the manner and in accordance with the requirements prescribed by the SECP."

Resolved further that the Company Secretary be and is hereby authorized to take or cause to be taken any

and all actions necessary and to make necessary filings and complete legal formalities as may be required to implement this resolution."

- II. To consider dissemination of annual audited accounts of the Company through CD/DVD/USB instead of transmitting the same in the form of printed copies and approve the following resolution as a Special Resolution with or without modification:-

"Resolved that the Company be and is hereby authorized to circulate the annual balance sheet and profit and loss account, auditors report and directors report etc ("annual audited accounts") to the shareholders through CD/DVD/USB at their registered addresses in accordance with the SRO 470(I)/2016 dated May 31, 2016 of the Securities and Exchange Commission of Pakistan."

5. Any other business with the permission of the Chair

By order of the Board

Lahore:
September 20, 2017

(Muhammad Asif)
Company Secretary

Notes:

1. The Share Transfer Books of the Company will remain closed from October 16, 2017 to October 23, 2017 (both days inclusive). Transfers received at our Share Registrar Office M/S CORPLINK (PVT) LIMITED situated at Wings Arcade, 1-K, Commercial, Model Town, Lahore upto the close of business hours on October 15, 2017 will be treated in time for the purpose of entitlement of cash dividend to the transferees and for determination of entitlement to attend and vote at the meeting.
2. A member eligible to attend and vote at this meeting may appoint his / her proxy to attend and vote instead of him/her. Proxies in order to be effective must reach the Company's registered office not less than 48 hours before the time for holding the meeting. Proxies of the Members through CDC shall be accompanied with attested copies of their CNIC. In case of corporate entity, the Board's Resolution/power of attorney with specimen signature shall be furnished along with proxy form to the Company. The shareholders through CDC are requested to bring original CNIC, Account Number and Participant Account Number to produce at the time of attending the meeting.
3. Members are requested to notify the Company for change in their addresses, if any.

4. Submission of copy of CNIC (Mandatory):

The Securities and Exchange Commission of Pakistan (SECP) vide their S.R.O. 831 (i) / 2012 dated July 05, 2012 has directed to print your Computerized National Identity Card (CNIC) number on your dividend warrants and if your CNIC number is not available in our records, your dividend warrant will not be issued / dispatched to you. In order to comply with this regulatory requirement, you are requested to kindly send photocopy of your CNIC to your Participant / Investor Account Services or to us (in case

of physical shareholding) and immediately to Company's Share Registrar, M/S CORPLINK (PVT) LIMITED

5. Dividend Mandate:

In terms of Section 242 of the Companies Act, 2017 in case of a listed company, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. In this regard please provide the following information to Company's Share Registrar, M/S CORPLINK (PVT) LIMITED:

Bank Account Details of Shareholder

Title of Bank Account	
Bank Account Number	
Bank's name	
Branch name and address	
Cell number of shareholder	
Landline number of shareholder, if any	
It is stated that the above-mentioned information is correct and in case of any change therein, I / we will immediately intimate to the company and the concerned share registrar.	
_____ Name, signature, folio # and CNIC number of shareholder	

Notes:

- (1) Those shareholders, who hold shares in book entry form in their CDS accounts, will provide the above dividend mandate information directly to their respective Participant / CDC Investor Account Services Department.
- (2) If dividend mandate information has already been provided by you, ignore this request.

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

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

on Company website at Investor Information Section.

I/We, _____ of being a member of Kohinoor Energy Limited holder of _____ Ordinary Share(s) as per Register Folio No _____ hereby opt for Video Conference Facility at _____

Signatures

7. Video Conference Facility

Pursuant to provisions of SECP Circular No 10 of 2014 dated May 21, 2014, if the Company receives consent from Members holding aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. In order to vote through e-voting and avail video conference facility, please fill the requisite forms and submit to within time frame mentioned in forms. In this regard please provide the following information to Company's Share Registrar, M/S CORPLINK (PVT) LIMITED. The form is also available

Statement Under Section 134(3) of the Companies Act, 2017

This statement sets out the material facts concerning the Special Business to be transacted at the Annual General Meeting of the Company to be held on Monday, October 23, 2017.

Item (b) of the Agenda

In order to give effect to the Companies (E-Voting) Regulations, 2016 issued by the Securities & Exchange Commission of Pakistan, shareholders' approval is being sought to amend the Articles of Association of the Company.

No director has any direct or indirect interest in the aforementioned special business.

KOHINOOR ENERGY LIMITED

Annexure to the Notice of Annual General Meeting scheduled to be held on October 23, 2017

Statement Under Section 134(3) of the Companies Act, 2017

This statement sets out the material facts concerning the Special Business to be transacted at the Annual General Meeting of the Company to be held on Monday, October 23, 2017.

Item (b) of the Agenda

In order to give effect to the Companies (E-Voting) Regulations, 2016 issued by the Securities & Exchange Commission of Pakistan, shareholders' approval is being sought to amend the Articles of Association of the Company.

The Securities and Exchange Commission of Pakistan vide its SRO 470(I)/2016 dated May 31, 2016 has allowed the companies to circulate annual audited accounts to its members through CD/DVD/USB at their registered addresses, therefore the Board of Directors of Kohinoor Energy Limited ("the Company") in their meeting held on September 20, 2017 has recommended for transmission of Annual Audited Accounts of the Company to its members through CD/DVD/USB at their registered addresses instead of transmitting the said accounts in hard copies, however, the hard copies of the annual audited accounts will be supplied to the members, on demand, at their registered addresses, free of cost, within one week of such demand.

If a member prefers to receive hard copies for all the future annual audited accounts, then such preference of the members shall be given to the Company in writing on the standard Request Form available on the website of the Company and the Company will provide hard copies of all the future annual audited accounts to such member.

The Directors, Sponsors, majority shareholders and their relatives are not interested, directly or indirectly, in the above said business except to the extent of shares that are held by them in the Company.

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, 2017.

Principal Activities

The principal business objective of the Company is to own,



operate and maintain a furnace oil fired power station with a net capacity of 124 MW (gross capacity of 131.44 MW).

Financial Results

We report that during the year 2016-17, total sales revenue of the Company remained at Rs. 8.224 billion compared to Rs. 7.284 billion in the last financial year. Increase in fuel oil prices has attributed to increase in sales revenue. The Company posted net profit after tax of Rs. 804 million as against Rs. 695 million posted during the last financial year. As a result net profit demonstrated Earning Per Share of Rs. 4.75 as compared to Rs. 4.10 of the last financial year. We take pleasure to report that higher earning have also been contributed by saving on fee for produced energy which are consequence of in-house major maintenance work. The financial results of the Company for the year ended June 30, 2017, are summarized as follows:

	2017	2016
	(Rupees in thousand)	
Profit before taxation	804,878	695,661
Taxation	(711)	(445)
Profit after taxation	804,167	695,216
Other comprehensive income / (loss)	8,354	(7,985)
Total comprehensive income for the year	812,521	687,231
Un-appropriated profit brought forward-Restated	4,397,095	4,641,886
Available for appropriations	5,209,616	5,329,117
Final Dividend 2015-16 @ 17.5% (Final Dividend 2014-15 @ 20% paid during FY 2015-16)	(296,553)	(338,917)
1st Interim Dividend 2016-17 @ 17.5% (1st Interim Dividend 2015-16 @ 20% paid during FY 2015-16)	(296,553)	(338,917)
2nd Interim Dividend 2016-17 @ 15% (2nd Interim Dividend 2016-16 @ 15% paid during FY 2015-16)	(254,187)	(254,188)
	(847,293)	(932,022)
Un-appropriated profit carried forward	4,362,323	4,397,095
Earnings per share	4.75	4.10

Rupees



We would like to report that the status of the matters with WAPDA on 1) eligibility of indexation on non-escalable component of the capacity purchase price and 2) the imposition of liquidated damages as detailed in Notes 11.1.1 and 11.1.2 to the financial information is same as reported to you earlier. The Management and the legal counsel are of the opinion that the matters will be settled in Company's favor if the dispute(s) are referred to Arbitration. Therefore, the Company has not provided for these item in this financial information.

Moreover regarding the matter related to sales tax demand raised by the Federal Board of Revenue (the FBR) has been detailed in Note 11.1.3 to the financial information. We write to remind that the Honorable Lahore High Court vide its judgment dated Oct 31, 2016 has decided that case in favor of the Company. Subsequently FBR has filed an appeal with the Supreme Court of Pakistan. The management is of the view that there are meritorious grounds to defend the case therefore no provision for the demand has been made in this financial information

Further we would like to report that the overdue amount payable by the power purchaser (WAPDA) has been mounting. In this regard the management is pursuing the power purchaser, PPIB and the Ministry of Water & Power for an early recovery of over dues. It is pertinent to mention that despite of mounting overdue amount the Company is complying with all the dispatch instructions of the power purchaser solely in the best interest of the country.

Credit Rating

We report that the Pakistan Credit Rating Agency (PACRA) has maintained the same rating as awarded last year i.e. "AA" (Double A) and "A1+" (A one plus) for the long-term and short-term entity ratings of the Company respectively. The ratings denote a very low expectation of credit risk and strong capacity for timely payment of financial commitments. This capacity is not significantly vulnerable to foreseeable events.

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

Operations

We report that during the financial year under review, due to less demand from the power purchaser, the power complex operated at 72.93% capacity factor as compared with the previous year's dispatch at 78.12% capacity. Resultantly the Company delivered 792,147 MWhs of electricity to WAPDA while last year this dispatch was 850,945 MWhs of electricity. During the financial year 2016-17 three engines surpassing 100k and three engines surpassing 108k operational hours have been overhauled under 8k major maintenance program as compared with two at 92k and five at 100k running hours were dealt under major maintenance program last year. All of the scheduled and preventive maintenances have been carried out in accordance with the budgeted numbers. We are pleased to report that all of the engines and their respective auxiliary equipment are in good condition for safe and reliable operations.

We report that the Company, maintaining its previous track record, successfully qualified the Annual Dependable Capacity Test (ADC), conducted by WAPDA on April 07, 2017. It is pertinent to mention that even after laps of 19 operational years the plant is in excellent condition and we demonstrated a capacity of 127.74 MW, which is significantly higher than the net contractual capacity of 124 MW.

The management honoring its commitment in value addition to the bottom line of the profits of the Company has taken up the responsibility of doing the 8,000 running hours (the 8k) major maintenance work through its own in-house technical team of the Company. Resultantly the major maintenance contract with Wartsila Pakistan (Pvt) Limited was not renewed and the Company is benefiting from the saving of fee for produced energy that was being paid to Wartsila. Consequently, the latest two 8k maintenances have been carried by our own technical team. The Board appreciates and applauds the dedication and efforts of all of the employees of the Company that resulted in such achievement.

Dividend Distribution

The Board of Directors pleurably recommends to the shareholders of the Company for approval in the ensuing AGM, a final dividend at the rate of Rs. 2 per share (i.e. @ 20 %) 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 @17.50% in March 2017 and @15% in May 2017, shall make the cumulative dividend distribution for the financial year 2016-17 to be 52.50%.

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

The Directors state that:

- The financial statements, prepared by the management of the Company, present its state of affairs fairly, the result of its operations, cash flows and changes in equity;
- Proper books of account of the Company have been maintained;
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;

- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no significant doubts upon the Company's ability to continue as a going concern
- The key operating and financial data of last six years is attached to the report
- During the financial year under review the Board of Directors (BoD) and the Audit Committee (AC) met, each for five times. The names of the persons who remain on the board during the FY 2016-17 and their attendance is as follows:

Name of Director	Attendance		Name of Director	Attendance	
	BOD	AC		BOD	AC
Mr. M. Naseem Saigol	2/5		Mr. Manabu Iida	3/3	3/3
Mr. Tatsuo Hisatomi	5/5		Mr. Hirotohi Ugajin	2/2	2/2
Mr. S M Shakeel	5/5	5/5	Mr. Mikihiro Moriya	5/5	5/5
Mr. Shinichi Ushijima	2/5	2/5	Mr. Muhammad Asad Khan	2/5	

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

- During the financial year under review the HR and Remuneration Committee met for one time and all of the members Mr. Mikihiro Moriya, Mr. Hirotohi Ugajin, Mr. S M Shakeel and Mr. Tatsuo Hisatomi attended the said meeting.

- The Chief Executive Officer, Directors, Chief Financial Officer, Company Secretary and their spouse and minor children have made no sale/purchase of Company's shares during the year July 01, 2016 to June 30, 2017.
- 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, 2017 was Rs. 253,063,017/-.
- The Board has formed an 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 mean the CEO, COO, CFO, Head of Internal Audit, Company Secretary and the Managers / Departmental Heads of the Company by whatever name called.





The facility includes teaching, and provision of textbooks and uniform to all the students free of cost. During the year the Company has contributed Rs. 6.984 million on account of education facility,

Impact on Environment

The Kohinoor Energy Limited is committed in minimizing the environmental impacts of its operations through adoption of sustainable practices and continuous improvement in environmental performance. The Company always evaluates its process that could reduce waste and emissions. Improving operational efficiencies, minimizing consumption of non-renewable and natural resources are among our priority areas. The Company acknowledges its responsibility towards protecting the environment and realizes its role to avoid disturbing the ecosystem as a result of its operations.

The Company is certified by the independently verified international environmental management standard, ISO 14001 by Lloyd's Register - LRQA. All processes of the Company follow the standards of Environmental Management System, and comply with all the applicable governing policies, laws and regulations relating to the environment.

Change on the Board

We rewrite to inform you that since the last annual general meeting held on October 19, 2016 Mr. Manabu lida has relinquished the office of Director and in his place the Board has appointed Mr. Hirotooshi Ugajin as Director of the Company with effect from April 01, 2017 for the remainder of the term of the outgoing director.

The Board of Directors wishes to record its appreciation for the valuable services rendered by Mr. Manabu lida as Director and member of the board committees and extends its warm welcome to Mr. Hirotooshi Ugajin as new Director of the Company.

Corporate Social Responsibility (CSR)

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

a) Medical Facility

One of the corporate social responsibility program is providing free medical treatment facility to the deserving people of the vicinity of the power plant. A competent medical team comprising of qualified Doctor and its nursing staff is serving the patients with full devotion and dedication. We report that during the financial year 2016-17 total 14,329 deserving patients have been provided with the free medical treatment at a cost of Rs. 6.144 million.

b) Education Facility

Your Company contributing to its second CSR program is providing free education to the deserving children of the vicinity community. The Company is playing its role to uplift the society through quality education. We would like to inform you that presently 263 students are being educated, of which the earliest batch of students has passed class 10.

Internal Control System of the Company

The management has adopted all the internal control policies and procedures in achieving management's objectives of ensuring, as far as practicable, the orderly and efficient conduct of its business, including adherence to management policies, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of accounting



records, and the timely preparation of reliable financial information.

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, 2017 is annexed to the Annual Report.

Acknowledgement

The Board of Directors appreciates and recognizes the valued shareholders, WAPDA, PPIB, financial institutions and, Wartsila, Pakistan State Oil and other business partners for their trust and consistent support to the Company.

The Board also recognizes the contribution made by a very dedicated team of professionals and engineers who served the Company with full enthusiasm. We appreciate all of our employees for demonstrating their commitment and responsibility to ensure and maintain safe and reliable operations of the power complex and we believe that the same spirit of devotion shall remain intact in the future ahead to help achieve successful results for the Company and its shareholders.

For and on behalf of the Board



Lahore
September 20, 2017

S M Shakeel
Chief Executive

Tatsuo Hisatomi
Director



ڈائریکٹرز رپورٹ

ہم واڈا کے ساتھ معاملات کے بارے میں رپورٹ کرنا چاہتے ہیں (1 Non-Escalable اجزاء کی خریداری کی قیمت کی indexation اور 2 LDs کے نفاذ کی تفصیل کو مالیاتی رپورٹ کے نوٹس 11.1.1 اور 11.1.2 میں پیش کر دیا گیا ہے جو ہم پہلے بھی رپورٹ کر چکے ہیں۔ انتظامیہ اور قانونی مشیر کی رائے ہے کہ اگر اس تنازع کو ثالثی کے حوالے کیا گیا تو اس کا تصفیہ کمپنی کے حق میں ہونے کے واضح امکان ہیں۔ اس لیے کمپنی نے ان رقوم کو نفع و نقصان کے حساب میں نہیں لیا۔ اسکے علاوہ وفاقی بورڈ آف ریونیو کی طرف سے اٹھائے جانے والی سیلز ٹیکس کی طلب سے متعلق معاملات کے بارے میں مالیاتی رپورٹ کے نوٹ 11.1.3 میں درج کر دیا گیا ہے۔ ہم اس حوالے سے بھی بتانا چاہتے ہیں کہ 2016-10-31 لاہور ہائی کورٹ کی اعلیٰ عدالت پہلے ہی کمپنی کے حق میں فیصلہ کر چکی ہے۔ اسکے بعد ایف بی آر نے سپریم کورٹ آف پاکستان میں اپیل کر رکھی ہے۔ انتظامیہ کا یہ موقف ہے کہ اس کیس کے دفاع میں ٹھوس حقائق موجود ہیں لہذا کمپنی نے اس رقم کو بھی نفع و نقصان کے حساب میں نہیں لیا۔

بورڈ آف ڈائریکٹرز کمپنی کے مالی حسابات کے ساتھ سالانہ رپورٹ برائے مدت مختتمہ 30 جون 2017 خوش محسوس کرتے ہوئے پیش کرتے ہیں۔

اہم سرگرمیاں

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

مالی نتائج

ہم آگاہ کرتے ہیں کہ سال 2016-17 کے دوران کمپنی کی مجموعی فروخت 8.224 بلین روپے رہی جب کہ اس سے پچھلے مالی سال یہ 7.284 بلین روپے تھی۔ فروخت کی رقم میں کمی کی اصل وجہ تیل کی قیمت میں کمی ہے۔ کمپنی نے پچھلے مالی سال کے 695 ملین روپے کے مقابلے میں 804 ملین روپے کا خالص بعد از ٹیکس منافع حاصل کیا۔ خالص منافع پچھلے مالی سال کے 4.10 روپے کے مقابلے میں 4.75 روپے فی شیئر آمدنی کو ظاہر کرتا ہے۔ ہم یہ بھی بتانا چاہیں گے کہ فیول کی بچت پر کم فوائد، کمپنی کے منافع میں کمی کی بڑی وجہ ہے۔ 30 جون 2017 کو ختم ہونے والے سال کے لیے کمپنی کے مالی نتائج مختصر اس طرح رہے۔

2016	2017
(روپے ہزار میں)	
695,661	804,878
(445)	(711)
695,216	(804,167)
(7,985)	8,354
687,231	812,521
4,641,886	4,397,095
5,329,117	5,209,616
(338,917)	(296,553)
(338,917)	(296,553)
(254,188)	(254,187)
(932,022)	(847,293)
4,397,095	4,362,323
4.10	4.75

روپے

قبل از ٹیکس منافع

ٹیکس

بعد از ٹیکس منافع

دیگر جامع آمدنی (حسارہ)

کل جامع آمدنی برائے سال

غیر مختص شدہ منافع

حتمی منافع منقسمہ @17.5% 2015-16 (حتمی منافع منقسمہ @20% 2014-15 مالی سال 2015-16 کے دوران ادا کیا گیا)
 پہلا عبوری منافع منقسمہ @17.5% 2016-17 (پہلا عبوری منافع منقسمہ @20% 2015-16 جو مالی سال 2015-16 میں ادا کیا گیا
 دوسرا عبوری منافع منقسمہ @15% 2016-17 (دوسرا عبوری منافع منقسمہ @15% 2015-16 جو مالی سال 2015-16 میں ادا کیا گیا)

غیر ادا شدہ منافع

آمدنی فی شیئر

مزید برآں ہم رپورٹ کرنا چاہیں گے کہ بجلی کی خریداری کے مد میں واپڈا کی طرف واجب الادا رقم میں اضافہ ہو رہا ہے۔ اس سلسلے میں کمپنی کی انتظامیہ اس واجب الادا رقم کی وصولی کے لئے بجلی کے خریدار، پی پی آئی بی اور واٹر اینڈ پاور کی وزارت کے ساتھ مسلسل رابطے میں ہے۔ یہاں پر یہ ذکر کرنا ضروری ہے کہ واجب الادا رقم کے بڑھنے کے باوجود کمپنی ملک کے بہترین مفاد میں واپڈا کی طرف سے بجلی کی ترسیل کی تمام ہدایات کی پابندی کر رہی ہے

کریڈٹ ریٹنگ

کمپنی کی کریڈٹ ریٹنگ جیسا کہ پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے کمپنی کی طویل المدت اور قلیل المدت entity ریٹنگ طے کی ہیں، اسی طرح سے بالترتیب "AA" (ڈبل

آپریٹیشنل گھنٹے مکمل کر چکے تھے انھیں 8K میجر مینٹی نینس پروگرام کے تحت اور ہال کیا گیا جبکہ پچھلے سال دو انجنوں کو 92,000 اور پانچ انجنوں کو 100,000 آپریٹیشنل گھنٹے مکمل کرنے پر 8K میجر مینٹی نینس پروگرام کے تحت اور ہال کیا گیا۔ شیڈولڈ اور پریوینٹیو مینٹی نینس مقررہ طریقہ کار کے مطابق کی گئی۔ ہمیں یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ تمام انجن اور معاون آلات، محفوظ اور قابل بھروسہ آپریشنز کے لیے بالکل ٹھیک حالت میں ہیں۔ ہمیں یہ بتاتے ہوئے بھی خوشی ہے کہ ہم نے واپڈا کی طرف سے 07 اپریل، 2017 کو لیے جانے والے Annual

Dependable Capacity Test (ADC) کو کامیابی سے کوالیفائی کیا۔ ہم کامل یقین کے ساتھ یہ بتا رہے ہیں کہ کارکردگی کے 19 سال مکمل کرنے کے باوجود پاور پلانٹ بہترین حالت میں ہے۔ نتیجتاً اس نے 127.74 MW استعداد کی قابل تعریف پرفارمنس کا مظاہرہ کیا جو 124 MW کی مجموعی معاہداتی استعداد سے کہیں زیادہ ہے۔

مزید برآں، جیسا کہ ہم پہلے بتا چکے ہیں Wartsila پاکستان (پرائیویٹ) لمیٹڈ (Wartsila) انجنوں کی 8,000 hours رنگ (8K) کی میجر مینٹی نینس کی دیکھ بھال کرتی رہی ہے۔ انتظامیہ نے فیصلہ کیا ہے کہ ہماری اپنی ٹیکنیکل ٹیم کے مضبوط شکل اختیار کر جانے کے باعث اب 8K مینٹی نینس ہماری اپنی ٹیم کرے گی۔ چنانچہ Wartsila کے ساتھ مذکورہ معاہدے میں توسیع نہیں کی گئی تھی اور کمپنی Wartsila کو انرجی فیس کے مد میں ادا کی جانے والی رقم کی بچت سے لطف اندوز ہو رہی ہے اور حالیہ 8K کی کچانے والی دو مینٹی نینس ہماری اپنی ٹیم نے انجام دی ہے۔ بورڈ تمام ایسپیکٹس کی



(اے اور "A1+) (اے ون پلس) ہیں۔ یہ ریٹنگ کریڈٹ رسک کے نہ ہونے کے برابر خطرے کو ظاہر کرتی ہیں۔ یہ مالیاتی وعدوں کی بروقت پاس داری کی مضبوط گنجائش کی طرف اشارہ کرتی ہیں۔ مستقبل قریب میں یہ گنجائش کسی قابل قدر خطرے سے دوچار ہوتی نظر نہیں آتی۔ یہ ریٹنگ کمپنی کے مضبوط فنانشل پروفائل کی عکاسی کرتی ہیں۔ یہ ریٹنگ کمپنی کے اندر آپریشنز اینڈ مینٹی نینس (Q&M) سرگرمیوں کے کامیاب انتظام کا اعتراف اور فنی اعتبار سے مضبوط انتظام، مستحکم سسٹمز اور کنٹرولز اور کمپنی کے طاقت ور انتظامی ڈھانچے کی عکاسی کرتی ہیں۔

آپریشنز

ہم آگاہ کرتے ہیں کہ زیر بحث مالی سال کے دوران پاور کمپلیکس نے 172.93% استعدادی محرک کے طور پر کام کیا جبکہ پچھلے سال کی ترسیل 78.12 فیصد کی استعداد پر رہی۔ اس کے نتیجے میں کمپنی نے واپڈا کو 792,147 MWhs بجلی فراہم کی، جبکہ پچھلے سال یہ فراہمی 850,945 MWhs تھی۔ زیر غور مالی سال کے دوران تین انجن جو کہ 100K اور تین انجن جو کہ 108K

انتھک لگن اور محنت کو سراہتا ہے جسکے نتیجے میں یہ حدف حاصل ہو سکا۔

منافع منقسمہ کی تقسیم

بورڈ آف ڈائریکٹرز خوشی کے ساتھ، کمپنی کے شیئرز ہولڈرز کے لیے اگلے سالانہ اجلاس عام میں 2.00 روپے فی شیئر (20% کی شرح سے) حتمی منافع منقسمہ کی منظوری کی سفارش کرتا ہے، جو ان شیئرز ہولڈرز کو ادا کیا جائے گا جن کے نام اس تاریخ کو جو سالانہ اجلاس عام کے نوٹس میں درج ہوگی، ممبران کے رجسٹر میں موجود ہوں گے۔ دو پچھلے عبوری منافع منقسمہ، جو پہلے ہی مارچ 2017 میں 17.5% اور مئی 2017 میں 15% کی شرح سے ادا کیے جا چکے ہیں، کو ساتھ ملا کر یہ حتمی منافع منقسمہ جو 2016-17 کے مالی سال کے لیے کل منافع منقسمہ بنے گا، 52.50% ہو جائے گا۔



بورڈ میں تبدیلی

اپنے شیئرز ہولڈرز کو اس سے پہلے کی اطلاع کے علاوہ ہم آپ کو ایک بار پھر آگاہ کرتے ہیں کہ 19 اکتوبر 2016 کو منعقد ہونے والے سالانہ اجلاس عام کے بعد جناب مانا بولایدا نے ڈائریکٹر کا عہدہ چھوڑ دیا ہے اور بورڈ نے ان کی جگہ جناب ہیر وٹوشی اوگا جن کو سبکدوش ہونے والے ڈائریکٹر کی بقیہ مدت کے لیے یکم اپریل 2017 سے کمپنی کا ڈائریکٹر مقرر کیا ہے۔ جناب مانا بولایدا نے ڈائریکٹر کی حیثیت سے جو گراں قدر خدمات انجام دیں، بورڈ آف ڈائریکٹرز ان کو سراہتا ہے اور کمپنی کے نئے ڈائریکٹر کی حیثیت سے جناب ہیر وٹوشی اوگا جن کا پر جوش خیر مقدم کرتا ہے۔

کارپوریٹ سماجی ذمہ داریاں (CSR)

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

(a) طبی سہولت

آپ کی کمپنی کی انتظامیہ اپنی سماجی ذمہ داری پر توجہ دیتے ہوئے بجلی گھر کے آس پاس کے علاقے کے مستحق لوگوں کو مفت علاج معالجے کی سہولت فراہم کر رہی ہے۔ کوالیفائیڈ ڈاکٹر اور اسٹاف پر مشتمل ایک باصلاحیت میڈیکل ٹیم پورے خلوص کے ساتھ مریضوں کی خدمت کر رہی ہے۔ ہم آگاہ کرتے ہیں کہ مالی سال 2016-17 کے دوران 6.144 ملین روپے سے 14,329 مستحق مریضوں کا علاج معالجہ کیا گیا۔

(b) تعلیمی سہولت

ایک اور CSR پروگرام میں معاونت کرتے ہوئے آپ کی کمپنی آس پاس کی آبادی کے مستحق بچوں کو مفت تعلیم فراہم کر رہی ہے اور اس طرح تعلیم کے ذریعے معاشرے کی ترقی میں اپنا کردار ادا کر رہی ہے۔ اس ضمن میں ہم آپ کو آگاہ کرنا چاہیں گے کہ اس وقت 263 اسٹوڈنٹس کو تعلیم دی جا رہی ہے، جن میں سے طلبہ کا سب سے پہلا بیچ 10 ویں جماعت پاس کر لی ہے۔ اس سہولت میں تمام طلبہ کو مفت تدریس، نصابی کتب اور یونیفارم کی فراہمی شامل ہے۔ کمپنی نے سال کے دوران تعلیمی سہولت کی مدد میں 6.984 ملین روپے خرچ کیے۔



ماحول پر اثرات

کوہ نور انرجی لیمیٹڈ بجلی بنانے کے دوران ماحولیاتی آلودگی سے متاثر ہونے سے بچانے کے لئے اور پائیدار طریقوں سے ماحول کو بہتر بنانے کے لئے ہر وقت کوشاں ہے۔ کمپنی ہمیشہ اس چیز پر زور دیتی ہے جس سے آلودگی کا اخراج کم سے کم ہو۔ آپریشنل اصطلاحات میں بہتری، ناقابل تجدید اور قدرتی وسائل کا کم سے کم ضیاع ہماری اولین ترجیحات میں شامل ہے۔ کمپنی تحفظ ماحول کی اہمیت کو سمجھتی ہے اور اسکے آپریشنز سے ہونے والی ماحولیاتی آلودگی سے بچانے کے سلسلے میں اپنے کردار سے آگاہ ہے۔ کمپنی آزاد اور تصدیق شدہ بین الاقوامی منجمنٹ کے معیار ISO 14001 کے رجسٹرڈ LRQA سے سرٹیفائیڈ ہے کمپنی کے تمام کام کے طریقہ کار ماحولیاتی منجمنٹ سسٹم کے مطابق ہیں اور ماحول سے متعلق تمام لاگو سرکاری پالیسیوں، قواعد اور قوانین پر عمل درآمد کر رہی ہے۔

آڈیٹرز

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

شیئر ہولڈنگ کا پیٹرن

اسٹیٹمنٹ آف پیٹرن آف شیئر ہولڈنگ اور اضافی معلومات، جیسا کہ 30 جون 2017 کو تھیں، اس سالانہ رپورٹ کے ساتھ منسلک ہیں۔

اظہار تشکر

بورڈ، گراں قدر شیئر ہولڈرز، واپڈا، پرائیویٹ پاور اینڈ انفراسٹرکچر بورڈ، مالیاتی اداروں، Wartsila، اے بی بی، پاکستان اسٹیٹ آئل اور دوسرے کاروباری ساتھیوں کی مسلسل حمایت، اور کمپنی پر ان کے اعتماد کا اعتراف اور تعریف کرتا ہے۔ بورڈ انجینئرز کی ٹیکنیکل ٹیم کو میکسوٹی کے ساتھ اپنے فرائض کی انجام دہی پر خراج تحسین پیش کرتا ہے۔ اور ہم کمپنی کے تمام ایمپلائیز کی انتھک محنت، خلوص اور لگن کے بھی شکر گزار ہیں کہ انھوں نے پلانٹ کے آپریشنز کو محفوظ اور یقینی بنایا اور ہمیں یقین ہے کہ آئندہ مستقبل میں بھی وفاداری کا یہ جذبہ برقرار رہے گا۔

برائے اور از طرف بورڈ

تاتسوہیسا ٹومی
ڈائریکٹر

ایس ایم شکیل
چیف ایگزیکٹو

لاہور

20 ستمبر 2017

Human Resource Management

Capable and skilled employees are vital in achieving the Company's business objectives. We recognize the cost of recruitment and the importance of retainership. Many of our human resource policies are aimed at staff retention. The professionals and skillful engineers are among valuable assets of the Company. Technical and professional trainings are regularly provided to the employees on the basis of training need analysis.



The management of your Company takes care of mental and physical fitness of the employees. There are a number of periodic health checks and sports activity programs which have



been designed and employed for maintaining physical health and fitness of the employees. The high yielding human resource has resulted in remarkable performance of the Company.



CONTRIBUTION TO SOCIAL RESPONSIBILITY (CSR)

The Company in honoring its commitment with Corporate Social Responsibility (CSR), is supporting the neighboring community in health and education. The CSR program comprises of free medical treatment and free education facility for the deserving residents of the vicinity area of the power plant.

a) Free Medical Facility

One of the CSR program, is free medical treatment facility being provided to the deserving people living in the neighboring villages of the power plant. A



qualified doctor and nursing staff are taking care of the patients with full devotion and dedication. There are 22 villages to which the Company is providing such facility. The said villages have been divided into 4 zones. The Company's own ambulance visits specified area of every zone alternatively and the patients are picked up to bring at the medical center established adjacent to the plant. After treatment the patients are dropped back to their pickup points. During the financial year 2016-17 more than fourteen thousand

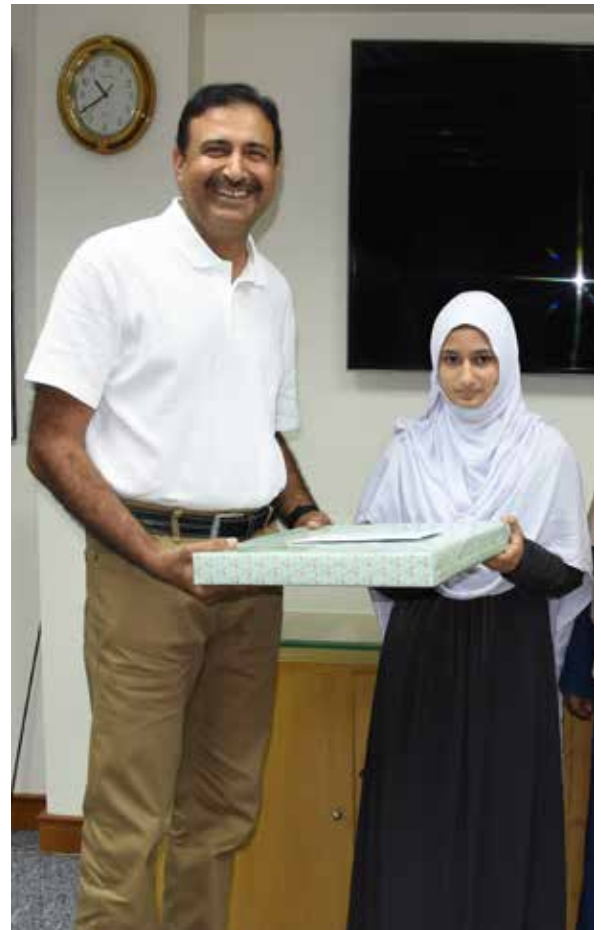
deserving patients were provided with free medical treatment at a cost of Rs. 6.144 million.





b) Education Facility

The second CSR program is giving free education to the deserving children of the neighboring community. This facility includes teaching, and provision of textbooks and uniform to all the students free of cost. At present 263 students are being benefited from this facility. The earliest batch of students has passed out secondary school certificate. Two of the matriculation students have shown remarkable performance and have scored 1055 and 1021 marks respectively from the Board of Intermediate and Secondary Education Lahore. The said shining girl students shall also be provided with support for their further education. During the year the Company has contributed Rs. 6.984 million on account of education facility.

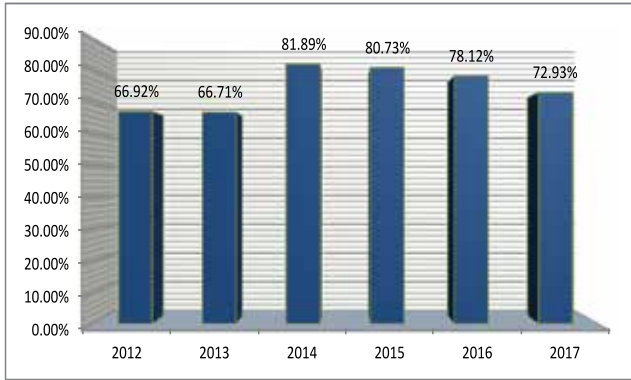


FINANCIAL DATA

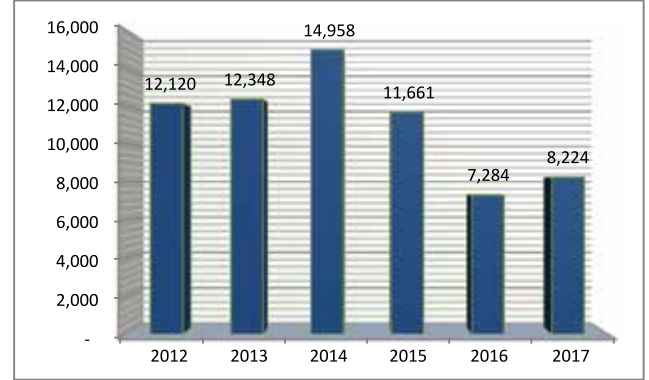
	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012
DISPATCH LEVEL (%)	72.93%	78.12%	80.73%	81.89%	66.71%	66.92%
DISPATCH (MWH)	792,147	850,945	876,897	889,521	724,652	726,872
REVENUE (Rs. 000)						
ENERGY FEE	7,113,363	6,209,568	10,578,874	13,905,992	11,318,483	11,225,331
CAPACITY FEE	1,110,498	1,074,368	1,082,190	1,052,174	1,029,826	894,583
TOTAL REVENUE	8,223,861	7,283,936	11,661,064	14,958,166	12,348,309	12,119,914
COST OF SALES	6,988,329	6,174,928	10,292,710	13,379,179	10,960,657	10,820,646
GROSS PROFIT	1,235,532	1,109,008	1,368,354	1,578,987	1,387,652	1,299,268
PROFITABILITY (Rs. 000)						
PROFIT/(LOSS) BEFORE TAX	804,878	695,661	843,759	1,071,618	868,083	850,487
PROVISION FOR INCOME TAX	711	445	1,283	3,054	3,264	3,130
PROFIT/(LOSS) AFTER TAX	804,167	695,216	842,476	1,068,564	864,819	847,357
OTHER COMPREHENSIVE INCOME / (LOSS)	8,354	(7,985)	9,901	7,814	(13,594)	–
FINANCIAL POSITION (Rs. 000)						
NON CURRENT ASSETS	3,680,940	3,908,948	4,141,922	4,324,055	4,069,071	4,076,717
CURRENT ASSETS	6,194,471	4,880,224	4,818,886	5,856,887	3,896,296	6,298,193
LESS CURRENT LIABILITIES	3,818,502	2,697,491	2,593,739	3,490,374	605,832	2,878,507
NET WORKING CAPITAL	2,375,969	2,182,733	2,225,147	2,366,513	3,290,464	3,419,686
CAPITAL EMPLOYED	6,056,909	6,091,681	6,367,069	6,690,568	7,359,535	7,496,403
LESS LONG TERM LOANS	–	–	30,597	189,721	28,657	–
SHARE HOLDERS EQUITY	6,056,909	6,091,681	6,336,472	6,500,847	7,330,878	7,496,403
REPRESENTED BY (Rs. 000)						
SHARE CAPITAL	1,694,586	1,694,586	1,694,586	1,694,586	1,694,586	1,694,586
UNAPPROPRIATED PROFIT BEFORE APPROPRIATION	5,209,616	5,329,117	5,658,638	6,712,670	6,653,042	6,410,302
APPROPRIATION / DIVIDENDS	847,293	932,022	1,016,752	1,906,409	1,016,750	593,106
EFFECT OF RETROSPECTIVE CHANGE IN ACCOUNTING POLICY	–	–	–	–	–	15,379
UNAPPROPRIATED PROFIT BROUGHT FORWARD	4,362,323	4,397,095	4,641,886	4,806,261	5,636,292	5,801,817
	6,056,909	6,091,681	6,336,472	6,500,847	7,330,878	7,496,403
SHARE PRICES AS ON JUNE 30,	43.07	41.20	50.50	41.42	37.48	20.62
EARNING PER SHARE	4.75	4.10	4.97	6.31	5.10	5.00
RATIOS:						
RETURN ON ASSETS	0.08	0.08	0.09	0.10	0.11	0.08
PRICE EARNING RATIO	9.07	10.05	10.16	6.56	7.35	4.12
BREAK UP VALUE PER SHARE OF Rs. 10 EACH	35.74	35.95	37.39	38.36	43.26	44.24
CURRENT RATIO	1.62	1.81	1.86	1.68	6.43	2.19
NET PROFIT/(LOSS) TO SALES (%AGE)	9.78%	9.54%	7.22%	7.14%	7.00%	6.99%

PERFORMANCE OVERVIEW

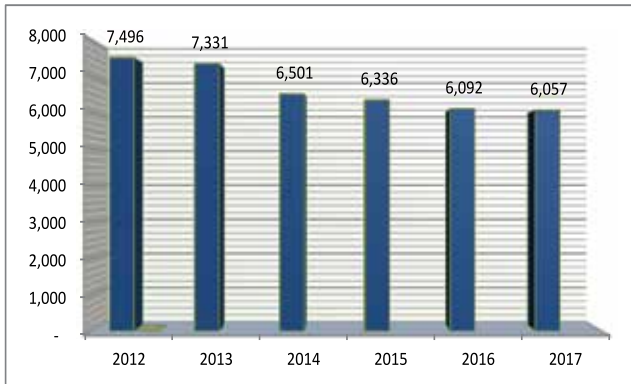
“Despatch Percentage”



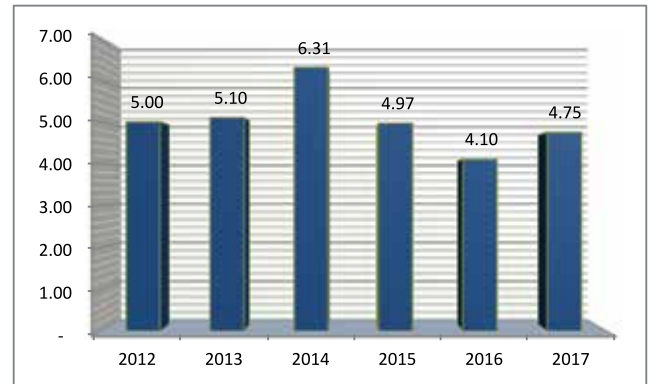
“Turnover” (Rupees in Million)



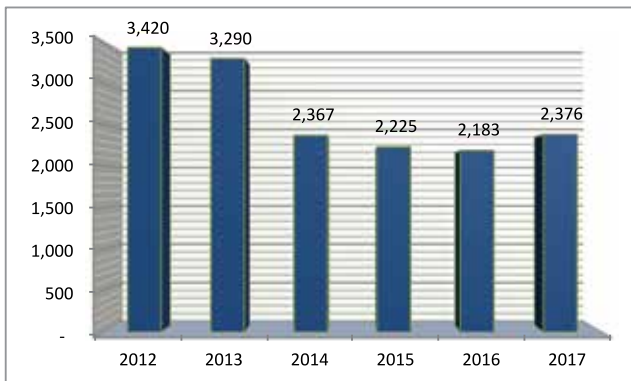
“Share Holder Equity” (Rupees in Million)



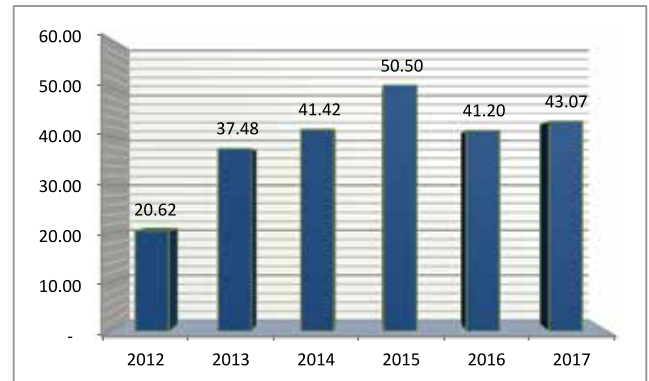
“Earning Per Share” (Rupees)



“Working Capital Analysis” (Rupees in Million)



“Share Price” (Rupees)



Statement of Compliance with the Code of Corporate Governance

Name of Company: **Kohinoor Energy Limited**
Year ended: June 30, 2017

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No 35 of listing regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

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

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

Category	Name
Independent Director	Mr. Mikihiro Moriya
Executive Director	Mr. S M Shakeel
Non-Executive Directors	Mr. M. Naseem Saigol Mr. Tatsuo Hisatomi Mr. Shinichi Ushijima Mr. Hirotooshi Ugajin Mr. Muhammad Asad Khan

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

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFII or, being a Broker of a Stock Exchange, has been declared as a defaulter by that Stock Exchange.
4. One casual vacancy occurring on the board on April 01, 2017 was filled up by the board of directors with in 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/shareholders.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The board arranged an orientation 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 disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises four members, of whom three are non-executive and one is 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 four Members, of three are non-executive directors, one is executive director and the chairman of the committee is an independent director.
18. The board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and Stock Exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through Stock Exchange.
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

for and on behalf of the Board



Lahore:
September 20, 2017

S M Shakeel
Chief Executive

Tatsuo Hisatomi
Director

REVIEW REPORT

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of Kohinoor Energy Limited ("the Company") for the year ended June 30, 2017 to comply with the Listing Regulation No. 5.19 of the Pakistan Stock Exchange, where the Company is listed.

The responsibility for compliance with the Code 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 and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of the 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 are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon the recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its 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 and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length prices 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 as applicable to the Company for the year ended June 30, 2017.

A. F. Ferguson & Co.
Chartered Accountants



Engagement Partner: Hammad Ali Ahmad

Lahore
September 20, 2017

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Kohinoor Energy Limited ("the Company") as at June 30, 2017 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, 2017 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Emphasis of matter

We draw attention to notes 11.1.1 and 11.1.2 to the financial statements, which describe the uncertainties 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



Engagement Partner: Hammad Ali Ahmad

Lahore
September 20, 2017

BALANCE SHEET

Note **2017** **2016**
(Rupees in thousand)

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Authorised share capital 170,000,000 (June 2016: 170,000,000) ordinary shares of Rs. 10 each		1,700,000	1,700,000
Issued, subscribed and paid up capital 169,458,614 (June 2016: 169,458,614) ordinary shares of Rs. 10 each	5	1,694,586	1,694,586
Un-appropriated profit		4,362,323	4,397,095
		6,056,909	6,091,681

CURRENT LIABILITIES

Employee benefits	6	9,611	28,603
Short term finances - secured	7	3,578,671	2,473,983
Current portion of long term financing	8	-	30,413
Trade and other payables	9	196,859	149,664
Accrued finance cost	10	33,361	14,828
		3,818,502	2,697,491

CONTINGENCIES AND COMMITMENTS

	11	9,875,411	8,789,172
		9,875,411	8,789,172



Chief Executive Officer

AS AT JUNE 30, 2017

	Note	2017 (Rupees in thousand)	2016
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	3,664,894	3,918,875
Intangible assets	13	5,111	5,776
Long term loans and deposits	14	10,935	9,608
		3,680,940	3,934,259
CURRENT ASSETS			
Stores, spares and loose tools	15	344,483	354,954
Stock in trade	16	234,340	158,854
Trade debts	17	4,910,059	3,607,405
Loans, advances, deposits, prepayments and other receivables	18	531,629	685,350
Provision for taxation		29,041	14,735
Cash and bank balances	19	144,919	33,615
		6,194,471	4,854,913
		9,875,411	8,789,172

The annexed notes 1 to 36 form an integral part of these financial statements.


Director

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 (Rupees in thousand)	2016
Sales	20	8,223,861	7,283,936
Cost of sales	21	(6,988,329)	(6,174,928)
Gross profit		1,235,532	1,109,008
Administrative expenses	22	(254,976)	(274,268)
Other income	23	2,294	1,390
Profit from operations		982,850	836,130
Finance costs	24	(177,972)	(140,469)
Profit before taxation		804,878	695,661
Taxation	25	(711)	(445)
Profit for the year		804,167	695,216
Earnings per share - Basic and diluted - Rupees	32	4.75	4.10

The annexed notes 1 to 36 form an integral part of these financial statements.



Chief Executive Officer



Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2017

	2017 (Rupees in thousand)	2016
Profit for the year	804,167	695,216
Items that will not be reclassified subsequently to profit or loss:		
Re-measurement of staff gratuity fund	8,354	(7,985)
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive income	8,354	(7,985)
Total comprehensive income for the year	<u>812,521</u>	<u>687,231</u>

The annexed notes 1 to 36 form an integral part of these financial statements.



Chief Executive Officer



Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2017

	Note	2017 (Rupees in thousand)	2016
Cash flows from operating activities			
Cash generated from operations	26	212,022	1,019,553
Employee benefits paid		(42,427)	(22,352)
Mark up on borrowings paid		(159,439)	(137,305)
Taxes paid		(15,017)	(16,512)
Net cash (used in) / generated from operating activities		(4,861)	843,384
Cash flows from investing activities			
Purchase of property, plant and equipment		(116,131)	(137,880)
Interest / mark up income received		257	388
Net decrease / (increase) in long term loans and deposits		(1,327)	5,010
Proceeds from sale of property, plant and equipment		7,031	11,843
Net cash used in investing activities		(110,170)	(120,639)
Cash flows from financing activities			
Dividend paid		(847,940)	(930,614)
Long term loans repaid during the year		(30,413)	(128,833)
Net cash used in financing activities		(878,353)	(1,059,447)
Net decrease in cash and cash equivalents		(993,384)	(336,702)
Cash and cash equivalents at the beginning of the year		(2,440,368)	(2,103,666)
Cash and cash equivalents at the end of the year	27	(3,433,752)	(2,440,368)

The annexed notes 1 to 36 form an integral part of these financial statements.



Chief Executive Officer



Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2017

	Share Capital	Un-appropriated Profit (Rupees in thousand)	Total
Balance as on July 1, 2015	1,694,586	4,641,886	6,336,472
Final dividend for the year ended June 30, 2015 at the rate of Rs. 2.00 per share	-	(338,917)	(338,917)
Interim dividend for the year ended June 30, 2016 at the rate of Rs. 2.00 per share	-	(338,917)	(338,917)
Interim dividend for the year ended June 30, 2016 at the rate of Rs. 1.50 per share	-	(254,188)	(254,188)
Profit for the year	-	695,216	695,216
Other comprehensive income: Re-measurement of staff gratuity fund	-	(7,985)	(7,985)
Total comprehensive income for the year	-	687,231	687,231
Balance as on June 30, 2016	1,694,586	4,397,095	6,091,681
Final dividend for the year ended June 30, 2016 at the rate of Rs. 1.75 per share	-	(296,553)	(296,553)
Interim dividend for the year ended June 30, 2017 at the rate of Rs. 1.75 per share	-	(296,553)	(296,553)
Interim dividend for the year ended June 30, 2017 at the rate of Rs. 1.50 per share	-	(254,187)	(254,187)
Profit for the year	-	804,167	804,167
Other comprehensive income: Re-measurement of staff gratuity fund	-	8,354	8,354
Total comprehensive income for the year	-	812,521	812,521
Balance as on June 30, 2017	1,694,586	4,362,323	6,056,909

The annexed notes 1 to 36 form an integral part of these financial statements.



Chief Executive Officer



Director

NOTES TO AND FORMING PART

OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

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 Ordinance). The Company is listed on the Pakistan Stock Exchange. The principal activities of the Company are to own, operate and maintain a power plant of 124 MW capacity in Lahore and to sell the electricity produced therefrom to a sole customer, the Pakistan Water and Power Development Authority (WAPDA) under a Power Purchase Agreement (PPA), for a term of 30 years which commenced from June 19, 1997. The registered office of the Company is located in Islamabad.

2. Basis of preparation

2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. The Companies Ordinance, 1984 has been repealed after the enactment of the Companies Act, 2017. However, as allowed by the Securities and Exchange Commission of Pakistan (SECP) vide Circular No. CLD/CCD/PR(11)/2017 dated July 20, 2017 and further clarified through its press release dated July 20, 2017, companies whose financial year, including quarterly and other interim period, closes on or before June 30, 2017, shall prepare financial statements in accordance with the provisions of Companies Ordinance, 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the provisions of the Ordinance, provisions of and directives issued under the Ordinance. Wherever the requirements of the Ordinance or directives issued by the SECP differ with the requirements of IFRS, the requirements of the Ordinance or the requirements of the said directives prevail.

2.2 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

2.2.1 Standards, amendments to published standards and interpretations effective in current year

- IAS 1 (Amendment), 'Presentation of financial statements' on disclosure initiative. The application of these amendments has no material impact on the Company's financial statements. The amendment is effective for annual periods beginning on or after January 1, 2016.

- Annual improvements 2014; IFRS 7, 'Financial instruments: disclosures'. IAS 19, 'Employee benefits'. IAS 34, 'Interim financial reporting'. The application of these amendments has no material impact on the Company's financial statements. The amendments are effective for annual periods beginning on or after January 1, 2016.

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2016 but are considered not to be relevant to have any significant effect on, the Company's operations and are, therefore, not detailed in these financial statements.

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

Amendment to IAS 7, 'Cashflow statements', Disclosure initiative	January 1, 2017
IFRS 15, 'Revenue from Contracts with Customers'	January 1, 2018
Amendments to 'Revenue from contracts with customers' - Clarifications	January 1, 2018
IFRIC 22 - 'Foreign currency transactions and advance consideration	January 1, 2018
IFRS 9, 'Financial Instruments'	January 1, 2018
IFRIC 23, 'Uncertainty over income tax	January 1, 2019

There are other new and amended standards and interpretations that are mandatory for the Company's accounting period beginning on or after July 1, 2017 but are considered not to be relevant or do not have any significant effect on the Company's operations and are therefore not detailed in these financial statements.

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:

	2017	2016
	(Rupees in thousand)	
De-recognition of property, plant and equipment	(3,392,268)	(3,650,727)
Recognition of lease debtor	469,450	507,760
Decrease in un-appropriated profit at the beginning of the year	(3,142,967)	(3,332,204)
Increase in profit for the year	220,149	189,237
	<u>(2,922,818)</u>	<u>(3,142,967)</u>

3. Basis of measurement

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

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

a) Retirement benefits

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

b) 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 a 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, 2017 and the actual return on plan assets during the year was Rs. 28.79 million (2016: Rs. 12.03 million). The actual return on plan assets represents the difference between the fair value of plan assets at beginning of the year and end of the year after adjustments for contributions made by the Company as reduced by benefits paid during the year.

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

- Discount rate	9.25% per annum (2016: 9.00% per annum)
- Expected rate of increase in salary level	8.25% per annum (2016: 8.00% per annum)

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

b) Accumulating compensated absences

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

4.3 Property, plant and equipment

4.3.1 Operating fixed assets

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss. Cost in relation to certain plant and machinery comprises historical cost, exchange differences capitalized in previous years and borrowing cost referred to in note 4.12.

Depreciation on all operating fixed assets is charged to profit and loss account 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 12.1 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, 2017 has not required any adjustment as its impact is considered insignificant.

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

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

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

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

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

4.3.2 Capital work-in-progress

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

4.4 Intangible assets

Expenditure incurred to acquire intangible assets is stated at cost less accumulated amortization and any identified impairment loss. Intangible assets are amortized using the straight line method over its estimated useful life at the annual rate mentioned in note 13.

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

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

4.5 Impairment of non-financial assets

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

4.6 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.

4.7 Stock in trade

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

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

4.8 Financial instruments

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

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

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. If any such evidence exists, the recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognized as expense in the income statement. Impairment testing of trade debts and other receivable is described in note 4.9.

4.8.2 Financial liabilities

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

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

4.8.3 Offsetting of financial assets and financial liabilities

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

4.9 Trade debts and other receivables

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

4.10 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 short term finances under mark up arrangements with original maturities of three months or less.

4.11 Borrowings

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

4.12 Borrowing costs

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

4.13 Trade and other payables

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

4.14 Provisions

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

4.15 Revenue recognition

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

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

4.16 Foreign currency transactions and translation

a) Functional and presentation currency

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

b) Transactions and balances

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

4.17 Dividend

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

5. Issued, subscribed and paid up capital

2017 (Number of shares)	2016		2017 (Rupees in thousand)	2016
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
<u>169,458,614</u>	<u>169,458,614</u>		<u>1,694,586</u>	<u>1,694,586</u>

5.1 33,891,722 (2016: 33,891,722) ordinary shares of the company are held by an associated undertaking, Toyota Tsusho Corporation.

	Note	2017 (Rupees in thousand)	2016
6. Employee benefits			
Gratuity	- note 6.1	(174)	20,092
Leave salary		9,785	8,511
		<u>9,611</u>	<u>28,603</u>
6.1 This represents staff gratuity and the amounts recognized in the balance sheet are as follows:			
Present value of defined benefit obligation		253,064	219,494
Fair value of plan assets		(253,238)	(199,402)
Net (Asset) / Liability as at June 30		<u>(174)</u>	<u>20,092</u>
Net (Asset) / Liability as at July 1		20,092	(130)
Charge to profit and loss account		16,539	21,237
Contribution by the Company		(28,451)	(9,000)
Re-measurement chargeable to other comprehensive income		(8,354)	7,985
Net (Asset) / Liability as at June 30		<u>(174)</u>	<u>20,092</u>
The movement in the present value of defined benefit obligation is as follows:			
Present value of defined benefit obligation as at July 1		219,494	178,242
Current service cost		16,012	15,808
Past service cost		-	10,298
Interest cost		19,601	18,497
Benefits paid		(3,401)	-
Gain and Losses arising on plan settlements		-	(4,164)
Remeasurements		(258)	1,129
Experience loss		1,616	(316)
Present value of defined benefit obligation as at June 30		<u>253,064</u>	<u>219,494</u>
The movement in fair value of plan assets is as follows:			
Fair value as at July 1,		199,402	178,372
Interest income on plan assets		19,074	19,202
Contribution by the Company		28,451	9,000
Benefits paid		(3,401)	-
Return on plan assets excluding interest income		9,712	(7,172)
		<u>253,238</u>	<u>199,402</u>

6.2 Plan assets of the Fund

	2017 (Rupees in thousand)	%	2016 (Rupees in thousand)	%
The breakup of Plan assets of the Fund is as follows:				
Investment in bonds and term deposits	143,515	56.7%	104,885	52.6%
Investment in equity shares of the Company	16,733	6.6%	15,952	8.0%
Investment in other shares	32,557	12.9%	27,079	13.6%
Investment in units in mutual funds	57,811	22.8%	50,090	25.1%
Cash and bank / receivables	2,622	1.0%	1,396	0.7%
	253,238	100%	199,402	100%

6.3 Sensitivity analysis of the Fund

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

	2017 (Rupees in thousand)	2016 (Rupees in thousand)
Discount rate + 1%	205,062	196,929
Discount rate - 1%	255,280	245,712
Salary increase + 1%	255,554	246,098
Salary increase - 1%	204,418	196,199

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:

	2017	2016	2015	2014	2013
	(Rupees in thousand)				
As at June 30					
Present value of defined benefit obligation	253,064	219,494	178,242	160,436	142,472
Fair value of plan assets	253,238	199,402	178,372	127,924	112,630
Surplus / (Loss)	174	(20,092)	130	(32,512)	(29,842)
Experience adjustment arising on obligation (losses)/gain	(1,358)	(813)	(4,478)	(8,046)	20,373
Experience adjustment arising on plan assets (losses) / gain	9,712	(7,172)	5,423	(232)	6,777

	Note	2017 (Rupees in thousand)	2016
7. Short term finances - secured			
Under mark up arrangements	- note 7.1	1,797,349	1,690,585
Under arrangements permissible under shariah	- note 7.1	1,781,322	783,398
		<u>3,578,671</u>	<u>2,473,983</u>

7.1 Short term finances available from commercial banks under mark up arrangements amount to Rs. 6,260 million (June 30, 2016: Rs. 5,610 million), out of which finances available from Islamic banks under Islamic arrangements amount to Rs. 2,780 million (June 30, 2016: Rs. 3,000 million). The rates of mark up for finances under mark up arrangement ranged from 6.14% to 6.92% per annum (June 30, 2016: 6.41% to 8.26 % per annum) and for finances under arrangement permissible under Shariah ranged from 6.12% to 6.66% per annum (June 30, 2016: 6.46 % to 8.22% per annum) on the balances outstanding. The security and other agreements, negotiable instruments and documents to be executed by the Company in favor 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.

7.2 Out of the aggregate running finances availed by the Company, Rs. 5,510 million are secured by joint pari passu charge and Rs. 750 million are secured by ranking charge on the current assets of the Company.

7.3 Of the aggregate facility of Rs. 373 million (2016: Rs. 405 million) for opening letters of credit and Rs. 345 million (2016: Rs. 342 million) for guarantees, the amount utilized as at June 30, 2017 were Rs. 11 million (2016: Rs. 6 million) and Rs. 187.15 million (2016: Rs. 184.15 million) respectively.

	Note	2017 (Rupees in thousand)	2016
8. Current portion of long term financing			
Long term financing secured	- note 8.1	-	30,413

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

This loan was secured by first pari passu charge over all fixed assets of the Company, including land and buildings, to the extent of Rs. Nil (2016: Rs. 667 million). The loan was repaid in full during the year.

	Note	2017	2016
(Rupees in thousand)			
9. Trade and other payables			
Trade creditors	- note 9.1	16,137	18,255
Accrued liabilities		4,601	3,475
Withholding tax payable		29	4,589
Workers' Profit Participation Fund	- note 9.2	40,244	2,783
Workers' Welfare Fund	- note 9.3	115,451	99,358
Unclaimed dividend		14,302	14,949
Other payables		6,095	6,255
		196,859	149,664

9.1 Trade creditors include amount due to related parties of Rs. 0.075 million (2016: Rs. 0.064 million).

	Note	2016	2015
(Rupees in thousand)			

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

Opening balance		2,783	42,188
Provision for the year	- note 18.2	40,244	34,783
		43,027	76,971
Less: Payments made during the year		(2,783)	(74,188)
Closing balance		40,244	2,783

9.3 Movement in Workers' Welfare Fund is as follows:

Opening balance		99,358	85,445
Provision for the year	- note 18.3	16,093	13,913
		115,451	99,358
Less: Payments made during the year		-	-
Closing balance		115,451	99,358

10. Accrued finance cost

Mark up accrued on short term finances and long term financing.		33,361	14,828
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11. Contingencies and commitments

11.1 Contingencies

11.1.1 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. 430.51 million relating to the period from September, 2008 to September, 2009 but subsequently withheld this amount in June, 2010 against the invoices of April, 2010 (Dispute 2).

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

Article XV of PPA requires that if a dispute arises the matter shall be decided by (i) mutual discussions, failing which (ii) through mediation by an expert and as a last resort through (iii) arbitration. During the year ended 30 June 2011, the management of the Company referred the matter to the expert. Consequently an expert was engaged with the consent of both the parties. The expert had given his decision / recommendation on December 30, 2011 which states that the adjustment of Rs. 430.51 million is unlawful, therefore, WAPDA is required to pay this amount to the Company.

WAPDA had not accepted the decision / recommendation of the expert (on Dispute 2) .The management of the Company and legal advisor is of the opinion that the matter will be settled in Company's favor and consequently the Company has not provided for Rs. 430.51 million in these financial statements.

11.1.2 WAPDA has imposed Liquidated Damages (LD) on the Company amounting to Rs. 478.31 million (2016: Rs. 415.44 million) during the period from 2011 to 2017. The reasons of LDs are as follows:

- i) Rs 353.85 million is because of failure to dispatch electricity due to WAPDA's non-payment of dues on timely basis and consequential inability of the Company to make advance payments to its fuel supplier - Pakistan State Oil Company Limited (PSO), that resulted in inadequate level of electricity production owing to shortage of fuel, and;

- ii) Rs 124.46 million is due to incorrect calculation of LDs by WAPDA as while calculating the LDs, certain factors were ignored by WAPDA that were to be considered under the terms of Power Purchase Agreement (PPA).

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

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

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

11.1.3 A sales tax demand of Rs. 505.41 million was raised against the Company through order dated August 29, 2014 by the Assistant Commissioner Inland Revenue ('ACIR') by disallowing input sales tax for the tax periods from August, 2009 to June, 2013. Such amount was disallowed on the grounds that the revenue derived by the Company on account of 'capacity purchase price' was against a non-taxable supply and thus, the entire amount of input sales tax claimed by the Company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy purchase price' admissible to the Company. Against the aforesaid order, the Company preferred an appeal before the Commissioner Inland Revenue (Appeals) ('CIR(A)') who vide its order dated November 6, 2014, upheld the ACIR's order on the issue regarding apportionment of input sales tax with the caveat that tax demand pertaining to period of show cause notice beyond the limitation of five years cannot be sustained and reduced from the tax demand. Subsequently, the Company preferred an appeal before the Appellate Tribunal Inland Revenue ('ATIR'). Additionally, the Company had filed an application with the Lahore High Court seeking a stay in recovery of tax arrears, default surcharge and penalty. The Lahore High Court, in its order dated December 31, 2014, stayed the recovery of the tax demand along with default surcharge and penalty till adjudication by the ATIR, subject to deposit of Rs. 10 million with the Tax Department which the Company duly submitted on January 7, 2015. The ATIR vide its order dated May 4, 2015, upheld the CIR(A)'s order on the issue regarding apportionment of input sales tax. Thereafter, the Company filed an appeal against the decision of ATIR in the Lahore High Court.

The Lahore High Court vide its judgment dated October 31, 2016 has decided the case in favor of the Company. Subsequently, The Tax department being aggrieved, filed a leave for appeal before the Supreme Court of Pakistan. The management is of the view that there are meritorious grounds available to defend the foregoing demands in the Supreme Court of Pakistan. Consequently, no provision for such demand has been made in these financial statements.

11.1.4 The Company has issued the following guarantees in favor 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. 185 million (June 30, 2016: Rs. 182 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, 2016: Rs 2.15 million).

11.2 Commitments

- (i) Letters of credit / Bank contracts other than capital expenditure are Rs. 18.10 million (June 30, 2016: Rs. 8.65 million).
- (ii) Letters of credit / Bank contracts for capital expenditure Rs. 49.62 million (June 30, 2016: Nil).

Note **2017** **2016**
(Rupees in thousand)

12. Property, plant and equipment

Operating fixed assets	- note 12.1	3,600,913	3,852,559
Stores held for capitalization	- note 12.2	63,981	66,316
		3,664,894	3,918,875

12.1 Property, plant and equipment

(Rupees in thousand)

Net carrying value basis (NBV)

Year ended June 30, 2017

	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
Opening balance	93,209	233,693	3,475,279	1,194	4,131	11,051	923	78	33,001	3,852,559
Additions (at cost)	-	-	100,896	180	-	1,270	1,362	-	14,758	118,466
Disposals	-	-	-	-	-	-	-	-	(4,994)	(4,994)
Write-offs	-	-	(5,071)	-	-	-	-	-	-	(5,071)
Depreciation charge	-	(21,310)	(327,902)	(376)	(556)	(2,103)	(926)	(10)	(6,864)	(660,047)
Closing balance	93,209	212,383	3,243,202	998	3,575	10,218	1,359	68	35,901	3,600,913

Gross carrying value basis

As at June 30, 2017

Cost	93,209	625,458	8,127,000	5,418	5,561	29,077	48,739	7,884	62,841	9,005,137
Accumulated depreciation	-	(413,075)	(4,883,798)	(4,420)	(1,986)	(18,809)	(47,380)	(7,816)	(26,940)	(5,404,224)
Net book value (NBV)	93,209	212,383	3,243,202	998	3,575	10,218	1,359	68	35,901	3,600,913
Depreciation rate % per annum		4% - 6%	5% - 20%	10%	10%	10%	10% - 33%	10%	20%	

Net carrying value basis (NBV)

Year ended June 30, 2016

Opening balance	93,209	252,528	3,681,324	1,173	4,687	10,491	1,204	120	34,778	4,079,514
Additions (at cost)	-	2,300	116,029	425	-	2,774	562	-	16,200	138,290
Disposals	-	-	-	-	-	-	-	-	(10,841)	(10,841)
Write-offs	-	-	(6,450)	-	-	-	-	-	-	(6,450)
Depreciation charge	-	(21,135)	(315,624)	(404)	(556)	(2,214)	(843)	(42)	(7,136)	(347,954)
Closing balance	93,209	233,693	3,475,279	1,194	4,131	11,051	923	78	33,001	3,852,559

Gross carrying value basis

As at June 30, 2016

Cost	93,209	625,458	8,039,791	5,239	5,561	27,757	48,105	7,884	61,488	8,914,492
Accumulated depreciation	-	(391,765)	(4,564,512)	(4,045)	(1,430)	(16,706)	(47,182)	(7,806)	(28,487)	(5,061,933)
Net book value (NBV)	93,209	233,693	3,475,279	1,194	4,131	11,051	923	78	33,001	3,852,559
Depreciation rate % per annum		4% - 6%	5% - 20%	10%	10%	10%	10% - 33%	10%	20%	

12.1.1 The cost of fully depreciated assets which are still in use as at June 30, 2017 is Rs. 290.06 million (2016: Rs. 289.1 million).

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

	Note	2017	2016
		(Rupees in thousand)	
Cost of sales			
Administrative expenses - Depreciation on operating fixed assets	- Note 21	352,828	340,194
Community welfare expenses	- Note 22	7,185	7,733
	- Note 22	34	27
		<u>360,047</u>	<u>347,954</u>

12.1.3 Disposal of operating fixed assets

2017

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

(Rupees in thousand)

Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposals
Vehicles						
	Employees					
	Mr. Ghazanfar Ali Zaidi	1,775	1,136	639	639	Company Policy
	Mr. Muhammad Asif	1,792	932	860	860	-do-
	Mr. Muhammad Yahya	1,771	897	874	874	-do-
	Mr. S M Shakeel	1,731	1,108	623	623	-do-
	Mr. Barkat Ali	697	335	362	362	-do-
	Mr. Shua Din	1,033	537	496	496	-do-
	Mr. Altaf Ahmad	682	328	354	354	-do-
	Mr. Tariq Sharif	886	709	177	626	Negotiation
	Mr. Mumtaz Ahmad Khan	1,081	865	216	901	Negotiation
	Outsiders					
	Mr. Shamron Suri	1,835	1,468	367	1,250	Negotiation

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

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

2016
(Rupees in thousand)

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

	Note	2017 (Rupees in thousand)	2016 (Rupees in thousand)
12.2 Stores held for capitalization			
Stores held for capitalization	- note 12.3	63,981	66,316
		<u>63,981</u>	<u>66,316</u>

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

13. Intangible assets	Computer software	Others	Total
	(Rupees in thousand)		
Net carrying value basis			
Year ended June 30, 2017			
Opening net book value (NBV)	5,164	612	5,776
Additions at cost	-	-	-
Amortization charge	(609)	(56)	(665)
	<u>4,555</u>	<u>556</u>	<u>5,111</u>
Gross carrying value basis			
As at June 30, 2017			
Cost	22,117	1,000	23,117
Accumulated amortization	(17,562)	(444)	(18,006)
Net book value (NBV)	<u>4,555</u>	<u>556</u>	<u>5,111</u>
Amortization rate % per annum	<u>6.25% - 10%</u>	<u>5.56%</u>	
Net carrying value basis			
Year ended June 30, 2016			
Opening net book value (NBV)	1,867	667	2,534
Additions at cost	3,841	-	3,841
Amortization charge	(544)	(55)	(599)
Closing net book value (NBV)	<u>5,164</u>	<u>612</u>	<u>5,776</u>
Gross carrying value basis			
As at June 30, 2016			
Cost	22,117	1,000	23,117
Accumulated amortization	(16,953)	(388)	(17,341)
Net book value (NBV)	<u>5,164</u>	<u>612</u>	<u>5,776</u>
Amortization rate % per annum	<u>6.25% - 10%</u>	<u>5.56%</u>	

	Note	2017 (Rupees in thousand)	2016
13.1	The amortization charge for the year has been allocated as follows:		
Administrative expenses	- note 22	665	599

13.2 The cost of fully amortized assets which are still in use as at June 30, 2017 is Rs 16.50 million (2016: Rs 13.30 million).

	Note	2017 (Rupees in thousand)	2016
14. Long term loans and deposits			
Loans to employees - considered good			
- Executives	- note 14.1	20,196	22,435
- Others	- note 14.1	4,978	3,540
		25,174	25,975
Less: Current portion included in current assets			
- Loans to employees - executives	- note 14.1	(11,720)	(14,340)
- Loans to employees - others	- note 14.1	(2,764)	(2,722)
		(14,484)	(17,062)
		10,690	8,913
Security deposits		245	695
		10,935	9,608

14.1 These represent interest free loans to executives and other employees for purchase of residential plot, construction of house, purchase of motor cars, motorcycles etc. and are repayable in monthly instalments 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 motorcycles 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 motorcycles.

	2017 (Rupees in thousand)	2016
14.2 Reconciliation of carrying amount of loans to executives		
Opening balance	22,435	22,883
Disbursements	16,213	15,260
Employees promoted as executives	-	1,340
	38,648	39,483
Less: Repayments	(18,452)	(17,048)
Closing balance	20,196	22,435

14.3 The maximum amount outstanding at the end of any month from executives aggregated Rs. 29.12 million (2016: Rs. 22.60 million).

	Note	2017 (Rupees in thousand)	2016
15. Stores, spares and loose tools			
Stores		8,541	9,960
Spares (including in transit: Nil (2016: Nil))		348,826	358,402
Loose tools		1,254	730
		<u>358,621</u>	<u>369,092</u>
Less : Provision for obsolete items	- note 15.1	(14,138)	(14,138)
		<u>344,483</u>	<u>354,954</u>
15.1 Provision for obsolete stores and spares			
Opening balance		14,138	14,138
Provision / (reversal) for the year		-	-
Closing balance		<u>14,138</u>	<u>14,138</u>
16. Stock in trade			
Furnace oil		227,853	153,344
Diesel		769	632
Lubricating oil		5,718	4,878
		<u>234,340</u>	<u>158,854</u>
17. Trade debts			
Trade receivables from WAPDA - secured			
- Considered good		4,910,059	3,607,405
- Considered doubtful		-	-
	- note 17.1	<u>4,910,059</u>	<u>3,607,405</u>
Less: Provision for doubtful debts	- note 17.2	-	-
		<u>4,910,059</u>	<u>3,607,405</u>

17.1 This includes an overdue amount of Rs. 4,031.50 million (2016: Rs. 2,824.27 million) receivable from WAPDA. The trade debts are secured by a guarantee from the Government of Pakistan under the Implementation Agreement. These are in the normal course of business and are interest free, however, a penal mark up at the rate of Base Rate plus 2% per annum is charged in case the amounts are not paid within due dates, the Base Rate being the State Bank of Pakistan's Reverse Repo Rate. The penal mark up rate charged during the year is 8.25% (2016: 8.25 % to 9 %) per annum.

	Note	2017 (Rupees in thousand)	2016
17.2 Provision for doubtful debts			
Opening balance		-	-
Written off during the year		-	-
Closing balance		<u>-</u>	<u>-</u>

	Note	2017 (Rupees in thousand)	2016
18. Loans, advances, deposits, prepayments and other receivables			
Current portion of long term loans to 'employees'	- note 14	14,484	17,062
Advances - considered good			
- To employees	- note 18.1	1,011	4,001
- To suppliers		116,673	398,657
Prepayments		1,756	2,100
Claims recoverable from WAPDA for pass through items:			
- Workers' Profit Participation Fund	- note 18.2	170,792	130,548
- Workers' Welfare Fund	- note 18.3	115,451	99,358
Sales tax receivable		110,899	33,624
Other receivables - considered good		563	-
		531,629	685,350

18.1 Included in advances to employees are amounts due from executives Rs. 0.86 million (2016: Rs. 3.66 million).

Note	2017 (Rupees in thousand)	2016
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18.2 Movement in Workers' Profit Participation Fund is as follows:

Opening balance		130,548	95,765
Provision for the year - note 9.2		40,244	34,783
		170,792	130,548
Less: Receipts during the year		-	-
Closing balance	- note 18.4	170,792	130,548

18.3 Movement in Workers' Welfare Fund is as follows:

Opening balance		99,358	85,445
Provision for the year - note 9.3		16,093	13,913
		115,451	99,358
Less: Receipts during the year		-	-
Closing balance	- note 18.4	115,451	99,358

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

	Note	2017 (Rupees in thousand)	2016
19. Cash and bank balances			
Balance at banks on:			
Current accounts		2	265
Saving accounts			
-Under interest / mark up arrangements	- note 19.1	113,611	11,336
-Under arrangements permissible under Shariah	- note 19.1	30,069	20,028
		<u>143,680</u>	<u>31,364</u>
		143,682	31,629
Cash in hand		1,237	1,986
		<u>144,919</u>	<u>33,615</u>

19.1 The balance in savings bank accounts bear mark up at rates ranging from 3.75% to 4.50% per annum (2016: 3.75 % to 4.50 % per annum) and balance in accounts under arrangements permissible under Shariah bear profit at the rates ranging from 2.39% to 5.01% per annum (2016: 2.61% to 4.00%).

	Note	2017 (Rupees in thousand)	2016
20. Sales			
Energy purchase price	- note 20.1	7,113,363	6,209,568
Capacity purchase price		1,110,498	1,074,368
		<u>8,223,861</u>	<u>7,283,936</u>

20.1 Energy purchase price is exclusive of sales tax of Rs. 1,180.99 million (2016: Rs. 1,031.94 million).

	Note	2017 (Rupees in thousand)	2016
21. Cost of sales			
Raw material consumed		6,100,116	5,280,068
Salaries, wages and benefits	- note 21.1	212,285	199,119
Fee for Produce of Energy (FPE)		1,925	45,643
Stores and spares consumed		230,559	213,474
Depreciation on operating fixed assets	- note 12.1	352,828	340,194
Fee and subscription		2,416	2,072
Insurance		29,597	38,675
Travelling, conveyance and entertainment		13,263	11,570
Repairs and maintenance		19,816	15,259
Communication charges		1,839	2,303
Electricity consumed in-house		2,476	2,353
Environmental expenses		1,360	1,178
Assets written-off		5,071	6,450
Contracted services		12,054	11,538
Miscellaneous		2,724	5,032
		<u>6,988,329</u>	<u>6,174,928</u>

2017 **2016**
(Rupees in thousand)

21.1 Salaries, wages and other benefits

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

Current service cost	9,607	8,378
past service cost	-	5,458
Interest cost for the year	11,761	9,803
Expected return on plan assets	(11,444)	(10,177)
	9,924	13,462

In addition to the above, salaries, wages and other benefits include a charge of Rs. 7.62 million (2016: Rs. 5.43 million) in respect of accumulating compensated absences.

Note **2017** **2016**
(Rupees in thousand)

22. Administrative expenses

Salaries, wages and benefits	- note 22.1	141,444	161,785
Communication charges		2,208	2,518
Depreciation on operating fixed assets	- note 12.1	7,185	7,733
Amortization on intangible assets	- note 13.1	665	599
Insurance		3,160	3,681
Travelling, conveyance and entertainment		33,917	29,555
Repairs and maintenance		6,551	6,764
Legal and professional charges	- note 22.2	6,059	4,845
Community welfare expenses		13,128	10,231
Donations	- note 22.3	200	2,500
Rents, rates and taxes		1,957	4,387
Fee and subscription		1,827	4,527
Security expenses		7,319	6,704
Environmental expenses		10,574	10,852
Contracted services		10,258	10,683
Miscellaneous	- note 22.4	8,524	6,904
		254,976	274,268

22.1 Salaries, wages and other benefits

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

Current service cost	6,405	7,430
past service cost	-	4,840
Interest cost for the year	7,840	8,693
Expected return on plan assets	(7,630)	(9,025)
Gain and losses arising on plan settlement	-	(4,164)
	6,615	7,774

In addition to above, salaries, wages and other benefits include a charge of Rs. 7.62 million (2016: Rs. 5.43 million) in respect of accumulating compensated absences.

2017 **2016**
(Rupees in thousand)

22.2 Legal and professional charges include the following:

In respect of auditors' services for:

- Statutory audit	1,428	1,360
- Half yearly review and sundry services	712	503
- Out of pocket expenses	220	199
	<u>2,360</u>	<u>2,062</u>

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

22.4 Employees of the company

	2017	2016
Number of employees	154	137
Average number of employees	152	137

Note **2017** **2016**
(Rupees in thousand)

23. Other income

Income on bank deposits	257	388
Profit on disposal of property, plant and equipment	2,037	1,002
	<u>2,294</u>	<u>1,390</u>

23.1 Income on bank deposits

Income on bank deposits under mark up arrangements	185	284
Income on bank deposits under arrangements permissible under Shariah	72	104
	<u>257</u>	<u>388</u>

24. Finance cost

Mark up on short term finances	176,587	138,919
Bank guarantee and commission	750	1,091
Others	635	459
	<u>177,972</u>	<u>140,469</u>

25. Taxation

This represents the provision for current taxation for the year. No provision for taxation on reserves of the Company and super tax imposed under Finance Act 2016 has been made since the profits and gains of the Company derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

	2017	2016
	(Rupees in thousand)	
25.1 Tax charge reconciliation		
Profit before tax	804,878	695,661
Tax @ 31% (2016: 32%)	249,512	222,612
Tax effect of exempt income referred to in note 4.1	(248,801)	(222,167)
Tax charge	711	445
26. Cash generated from operations		
Profit before taxation	804,878	695,661
Adjustment for:		
- Depreciation on property, plant and equipment	360,047	347,954
- Amortization on intangible assets	665	599
- Fixed assets written-off during the period	5,071	6,450
- Gain on disposal of property, plant and equipment	(2,037)	(1,002)
- Income on bank deposits	(257)	(388)
- Charge for employee retirement benefits	31,789	32,105
- Finance cost on borrowings	177,972	140,469
Profit before working capital changes	1,378,128	1,221,848
Effect on cash flow due to working capital changes:		
- Decrease in stores and spares	10,471	21,769
- Decrease / (Increase) in stock in trade	(75,486)	78,694
- Increase in trade debts	(1,302,654)	(55,595)
- (Increase) / Decrease in loans, advances, deposits, prepayments and other receivables	153,721	(200,091)
- (Decrease) / Increase in trade and other payables	47,842	(47,072)
	(1,166,106)	(202,295)
	212,022	1,019,553
27. Cash and cash equivalents		
Cash and bank balances	144,919	33,615
Finances under mark up arrangements	(3,578,671)	(2,473,983)
	(3,433,752)	(2,440,368)

28. Remuneration of Chief Executive, Directors and Executives

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

	Chief Executive		Executive Director		Non-Executive Director		Executives	
	2017	2016	2017	2016	2017	2016	2017	2016
	(Rupees in thousand)							
Managerial remuneration and allowances	10,842	10,068	-	13,165	7,261	12,875	75,719	69,443
Housing	4,874	4,526	-	5,920	3,264	5,789	34,018	31,194
Utilities	1,083	1,006	-	1,315	725	1,286	7,560	6,932
Retirement Benefits	1,909	1,773	-	-	-	-	13,409	12,290
Medical Expenses	-	45	-	-	101	-	3,883	4,171
Bonus	5,572	6,777	-	-	4,850	-	37,982	37,409
Club Expenses	81	82	-	-	53	-	492	396
Others	9,066	8,367	-	6,902	7,468	6,736	44,647	47,625
	<u>33,427</u>	<u>32,644</u>	<u>-</u>	<u>27,302</u>	<u>23,722</u>	<u>26,686</u>	<u>217,710</u>	<u>209,460</u>
Number of persons	1	2	0	1	1	1	69	69

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

28.2 Remuneration to other directors

Aggregate amount charged in the financial statements for the year for fee to Directors is Rs. Nil (2016: Nil).

29. 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 28. Other significant transactions with related parties are as follows:

		2017	2016
		(Rupees in thousand)	
Relationship with company	Nature of transaction		
i) Associated undertakings and Other related parties	Purchase of services	336	389
	Purchase of goods	237	64
	Sale of goods	-	1,010
	Dividend paid	306,968	337,665
ii) Key management personnel	Dividend paid	220,508	242,558
ii) Post retirement benefit plan	Expense charged	16,540	21,237

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

		2017	2016
		MWh	
30. Capacity and production			
Installed capacity (Based on 8,760 hours)		1,086,240	1,089,216
Actual energy delivered		792,147	850,945

Under-utilisation of available capacity is due to less demand and delayed payments by WAPDA.

31. Financial risk management

31.1 Financial risk factors

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

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

a) Market risk

i) Currency risk

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

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

The following significant exchange rates were applied during the year:

	2017	2016
Rupees per Euro		
Average rate	114.39	115.58
Reporting date rate	120.14	116.31

If the functional currency, at reporting date, had fluctuated by 5% against the Euro with all other variables held constant, the impact on profit after taxation for the year would have been Rs. Nil (2016: Nil) higher / lower. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

ii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Company is not exposed to any significant equity price risk since there are no investments in equity securities. The Company is also not exposed to commodity price risk since it has a diverse portfolio of commodity suppliers.

iii) Interest rate risk

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

The Company has no significant long-term interest-bearing assets. The Company's interest rate risk arises from 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:

	2017	2016
	(Rupees in thousand)	
Fixed rate instruments		
Financial assets		
Bank balances - savings accounts	143,680	30,037
Net exposure	<u>143,680</u>	<u>30,037</u>
Floating rate instruments		
Financial assets		
Trade debts - overdue	4,031,496	2,824,272
Financial liabilities		
Long term finance - secured	-	(30,413)
Finances under mark up arrangements - secured	(3,578,671)	(2,473,983)
Net exposure	<u>452,825</u>	<u>319,876</u>

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 before tax would have been Rs. 35.78 million (2016: Rs. 25.04 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:

	2017	2016
	(Rupees in thousand)	
Long term loans and deposits	10,935	9,608
Trade debts	4,910,059	3,607,405
Loans, advances, deposits, prepayments and other receivables	412,189	280,575
Balances with banks	143,682	31,629
	<u>5,476,865</u>	<u>3,929,217</u>

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

- Not past due	878,563	783,133
- Past due 0 - 180 days	3,041,258	1,792,236
- Past due 181 - 365 days	71,166	70,962
- 1 - 2 years	122,822	189,471
- More than 2 years	796,250	771,603
	<u>4,910,059</u>	<u>3,607,405</u>

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

Opening balance	-	-
Written off during the year	-	-
Closing balance	<u>-</u>	<u>-</u>

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

ii) Credit quality of major financial assets

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

	Short Term	Long Term	Rating Agency	2017 (Rupees in thousand)	2016
Trade debts					
WAPDA		Not available		4,910,059	3,607,405
Other receivables					
WAPDA		Not available		286,243	229,906
Banks					
Bank Alfalah Limited	A1+	AA	PACRA	20,024	-
Standard Chartered Bank	A1+	AAA	PACRA	1	1
Askari Commercial Bank	A1+	AA+	PACRA	21,658	10,852
MCB Bank Limited	A1+	AA-	PACRA	5	264
Habib Bank Limited	A-1+	AAA	JCR-VIS	30,063	20,025
Al-Baraka Bank	A1	A	PACRA	391	481
United Bank Limited	A-1+	AAA	JCR-VIS	71,006	6
National Bank of Pakistan	A1+	AAA	PACRA	535	-
				<u>5,339,985</u>	<u>3,868,940</u>

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, 2017, the Company had Rs. 6,260 million available borrowing limits from financial institutions and Rs. 144.92 million cash and bank balances.

The following are the contractual maturities of financial liabilities as at June 30, 2017:

	Carrying amount	Less than one year	One to five years	More than five years
	(Rupees in thousand)			
Finances under mark up arrangements	3,578,671	3,578,671	-	-
Trade and other payables	36,563	36,563	-	-
Accrued finance cost	33,361	33,361	-	-
	<u>3,648,595</u>	<u>3,648,595</u>	<u>-</u>	<u>-</u>

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

	Carrying amount	Less than one year	One to five years	More than five years
	(Rupees in thousand)			
Long term finance - secured	30,413	30,413	-	-
Short term finances	2,473,983	2,473,983	-	-
Trade and other payables	42,952	42,952	-	-
Accrued finance cost	14,828	14,828	-	-
	<u>2,562,176</u>	<u>2,562,176</u>	<u>-</u>	<u>-</u>

31.2 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.

31.3 Financial instruments by categories

	At fair value through profit and loss		Loans and receivables		Total	
	2017	2016	2017	2016	2017	2016
	(Rupees in thousand)					
Assets as per balance sheet						
Long term loans and deposits	-	-	10,935	9,608	10,935	9,608
Trade debts	-	-	4,910,059	3,607,405	4,910,059	3,607,405
Loans, advances, deposits, prepayments and other receivables	-	-	412,189	280,575	412,189	280,575
Cash and bank balances	-	-	143,682	31,629	143,682	31,629
	<u>-</u>	<u>-</u>	<u>5,476,865</u>	<u>3,929,217</u>	<u>5,476,865</u>	<u>3,929,217</u>

Financial liabilities at amortized cost
2017 **2016**
(Rupees in thousand)

Financial liabilities as per balance sheet

Current portion of long term finance - note 8	-	30,413
Short term finances	3,578,671	2,473,983
Trade and other payables	36,563	42,952
Accrued finance cost	33,361	14,828
	<u>3,648,595</u>	<u>2,562,176</u>

31.4 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 the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings including current and non-current borrowings, less cash and bank balances as disclosed in note 19. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt. The gearing ratio as at June 30, 2017 and June 30, 2016 is as follows:

	2017	2016
	(Rupees in thousand)	
Short term borrowings including current portion of long term finance - note 7 & note 8	3,578,671	2,504,396
Less: Cash and bank balances - note 19	(144,919)	(33,615)
Net debt	<u>3,433,752</u>	<u>2,470,781</u>
Total equity	6,056,909	6,091,681
Total capital	<u>9,490,661</u>	<u>8,562,462</u>
Gearing ratio %	36.2%	28.9%

32. Earnings per share

32.1 Basic earnings per share

		2017	2016
Net profit for the year	Rupees in thousand	804,167	695,216
Weighted average number of ordinary shares	Number in thousand	169,459	169,459
Earnings per share	Rupees	4.75	4.10

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, 2017 and June 30, 2016 which would have any effect on the earnings per share if the option to convert is exercised.

33. Date of authorization for issue

These financial statements were authorised for issue on September 20, 2017 by the Board of Directors of the Company.

34. Events after the balance sheet date

The Board of Directors have proposed a final dividend for the year ended June 30, 2017 of Rs. 2.00 (2016: Rs. 1.75) per share, amounting to Rs. 338.92 million (2016: Rs. 296.55 million) at their meeting held on September 20, 2017 for approval of the members at the Annual General Meeting to be held on October 23, 2017. These financial statements do not reflect this dividend payable.

35. Corresponding figures

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

Corresponding figures, where necessary, have been rearranged for the purposes of comparison. Significant reclassification for better presentation include:

Stores, spares and loose tools amounting to Rs. 25.31 million is now presented under property, plant and equipment.

36. General

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



Chief Executive Officer



Director

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2017

NO. OF SHAREHOLDERS	FROM	SHAREHOLDING TO	TOTAL SHARES HELD
140	1	100	3,900
247	101	500	103,331
242	501	1,000	227,094
412	1,001	5,000	1,296,142
189	5,001	10,000	1,526,630
64	10,001	15,000	832,691
35	15,001	20,000	640,279
33	20,001	25,000	769,254
22	25,001	30,000	627,100
12	30,001	35,000	393,500
15	35,001	40,000	576,938
5	40,001	45,000	216,700
21	45,001	50,000	1,044,500
9	50,001	55,000	476,000
6	55,001	60,000	349,250
9	60,001	65,000	573,000
5	65,001	70,000	337,000
2	70,001	75,000	147,000
2	75,001	80,000	156,500
3	80,001	85,000	250,375
1	85,001	90,000	87,500
2	90,001	95,000	189,000
12	95,001	100,000	1,198,500
2	100,001	105,000	204,282
2	105,001	110,000	219,000
1	115,001	120,000	120,000
1	120,001	125,000	121,000
1	125,001	130,000	127,000
1	135,001	140,000	136,000
3	145,001	150,000	446,500
3	155,001	160,000	476,000
1	185,001	190,000	187,820
3	195,001	200,000	600,000
2	205,001	210,000	414,673
1	210,001	215,000	214,000
1	215,001	220,000	216,500
1	250,001	255,000	255,000
1	270,001	275,000	271,500
2	275,001	280,000	556,269
1	290,001	295,000	295,000
2	295,001	300,000	600,000
1	305,001	310,000	308,000
1	345,001	350,000	350,000
1	370,001	375,000	375,000
1	385,001	390,000	388,500
1	405,001	410,000	409,881
1	495,001	500,000	500,000
1	505,001	510,000	510,000
1	620,001	625,000	621,500
1	630,001	635,000	632,500
1	650,001	655,000	655,000

1	755,001	760,000	757,000
1	870,001	875,000	876,257
1	995,001	1,000,000	1,000,000
1	1,175,001	1,180,000	1,175,895
1	1,300,001	1,305,000	1,304,000
1	1,495,001	1,500,000	1,500,000
1	1,800,001	1,805,000	1,800,392
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	6,205,001	6,210,000	6,205,600
2	7,900,001	7,905,000	15,805,998
1	10,135,001	10,140,000	10,135,351
2	14,125,001	14,130,000	28,253,241
1	27,110,001	27,115,000	27,113,378
1	33,890,001	33,895,000	33,891,722
1,547			169,458,614

Categories of shareholders

Categories of shareholders	No. of Shareholder	Share held	Percentage
Directors, Chief Executive Officers, and their spouse and minor children	8	22,032,770	13.0019
Associated Companies, undertakings and related parties. (Parent Company)	3	61,393,600	36.2293
NIT and ICP		–	–
Banks Development Financial Institutions	5	10,148,758	5.9889
Non Banking Financial Institutions.			
Insurance Companies	3	353,269	0.2085
Modarabas and Mutual Funds	3	1,435,257	0.8470
General Public	1,461	63,507,023	37.4764
Others (to be specified)			
Investment Companies	2	1,000,187	0.5902
Pension Funds	1	24,282	0.0143
Others Companies	21	3,314,995	1.9562
Joint Stock Companies	32	2,823,922	1.6664
Foreign Companies	8	3,424,551	2.0209
*Includes Foreign Shareholders holding 10% or more	2	61,005,100	36.0000

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Catagories of Shareholding required under Code of Coprorate Governance (CCG)

As on june 30, 2017

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties:			
1	TOYOTA TSUSHO CORPORATION	33,891,722	20.0000
2	TOMEN POWER (SINGAPORE) (PVT) LIMITED	27,113,378	16.0000
3	TRUSTEE KOHINOOR ENERGY LTD EMPLOYEES GRATUTITY FUND (CDC)	388,500	0.2293
4	MR. M. AZAM SAIGOL (CDC)	22,069,619	13.0000
Mutual Funds:			
1	CDC - TRUSTEE MEEZAN ISLAMIC FUND (CDC)	510,000	0.3010
2	CDC - TRUSTEE NATIONAL INVSTMENT (UNIT) TRUST (CDC)	876,257	0.5171
Directors, CEO and their Spouse and Minor Children:			
1	MR. M. NASEEM SAIGOL (CDC)	14,126,621	8.3363
2	MRS. SEHYR SAIGOL W/O MR. M. NASEEM SAIGOL (CDC)	7,902,999	4.6637
3	SHEIKH MUHAMMAD SHAKEEL	650	0.0004
4	MR. TATSUO HISATOMI	500	0.0003
5	MR. MUHAMAMD ASAD KHAN	500	0.0003
6	MR. HIROTOSHI UGAJIN	500	0.0003
7	MR. SHINICHI USHIJIMA	500	0.0003
8	MR. MIKIHIRO MORIYA	500	0.0003
Executives:			
	SYED GHAZANFAR ALI ZAIDI (CDC)	36,500	0.0215
Public Sector Companies & Corporations:			
		—	—
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		11,575,496	6.8309
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. HIROTOSHI UGAJIN	-	500
2	MR. MANABU IIDA	500	-

PROXY FORM

Ledger Folio/CDC A/C No.

Shares Held

I/We _____

of _____ being member(s) of Kohinoor Energy Limited

hereby appoint _____

of _____ or failing him _____

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

for me/us and on my/our behalf at the twenty fourth Annual General Meeting of Kohinoor Energy Limited to be held on October 23, 2017 at 12:30 P.M. and/or at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2017

signed by _____

in the presence of _____

Signed by the said

Witness: _____
Name _____

CNIC No. _____

Address _____

Witness: _____
Name _____

CNIC No. _____

Address _____

**Revenue
Stamps**

Notes:

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

For CDC Account Holders/Corporate Entities

In addition to the above, the following requirements be met :

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

تشکیل نیابت داری

سی ڈی سی کا شراکتی آئی ڈی نمبر

عام حصص بمطابق شیئر رجسٹرڈ / فولیو نمبر

میں / ہم

ساکن

بطور کوہ نور انرجی لمیٹڈ کے رکن و حامل

ساکن

یا بصورت دیگر

ساکن کو اپنی جگہ، بروز پیر 23 اکتوبر 2017 کو دوپہر بارہ بج کر تیس

منٹ (12:30) پر اسلام آباد کلب، مین مری روڈ، اسلام آباد میں منعقد یا ملتوی ہونے والے سالانہ اجلاس عام میں رائے دہندگی کے لیے اپنا ناما ہندہ مقرر کرتا / کرتی ہوں۔

دستخط مورخہ ستمبر 2017

گواہی:

5/- روپے کا محصول ٹکٹ

1- دستخط	.....	2- دستخط	.....
نام	.....	نام	.....
پتہ	.....	پتہ	.....
قومی شناختی کارڈ نمبر	.....	قومی شناختی کارڈ نمبر	.....

دستخط

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

قومی شناختی کارڈ نمبر / پاسپورٹ نمبر

ضروری:

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

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

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

"SAY NO TO CORRUPTION"

Contribution to Social Welfare

