

SAIGOLS



KOHINOOR
ENERGY LIMITED



KEL/COR/STOK/2018/164
October 01, 2018

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building/Road,
Karachi.

Subject: Transmission of Annual Report for the Year Ended June 30, 2018

Dear Sir,

We have to inform you that the Annual Report of the Company for the year ended June 30, 2018 have been transmitted through PUCARS and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours faithfully,
for KOHINOOR ENERGY LIMITED

(Muhammad Asif)
Company Secretary

SAY NO TO CORRUPTION

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

Head Office & Plant: Near Tablighi Jtama, Raiwind Bypass Postcode 55140 Lahore, Pakistan Tel: +92 42 35392317 Fax: +92 42 35393415-17

Lahore Office: 17- Aziz Avenue Unit # 4, Canal Bank Gulberg V, Lahore, Pakistan. Tel: +92 42 35717861-2 Fax: +92 42 35715090 E-mail: info@kel.com.pk Web: www.kel.com.pk



KOHINOOR
ENERGY LIMITED

2018

ANNUAL
REPORT

CONTENTS

| | |
|--------------------------------------------------------------|-----------|
| CORPORATE INFORMATION | 02 |
| NOTICE OF ANNUAL GENERAL MEETING | 03 |
| CHAIRMAN'S REVIEW | 05 |
| DIRECTORS' REPORT | 06 |
| FINANCIAL DATA | 18 |
| STATEMENT OF COMPLIANCE | 20 |
| REVIEW REPORT TO THE MEMBERS | 22 |
| AUDITORS' REPORT TO THE MEMBERS | 23 |
| BALANCE SHEET | 26 |
| PROFIT OR LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME | 28 |
| CASH FLOW STATEMENT | 29 |
| STATEMENT OF CHANGES IN EQUITY | 30 |
| NOTES TO AND FORMING PART | 31 |
| PATTERN OF SHAREHOLDING | 62 |
| PROXY FORM | |

CORPORATE INFORMATION

Board of Directors

Mr. M. Naseem Saigol
Chairman
Mr. S M Shakeel
Chief Executive Officer
Mr. Ichiro Kawano
Non-Executive
Mr. Hirotoshi Ugajin
Independent
Ms. Mariko Ueda
Independent
Mr. Shingo Ito
Independent
Mr. Muhammad Asad Khan

Company Secretary

Mr. Muhammad Asif

Audit Committee

Mr. Shingo Ito
Chairman
Mr. Hirotoshi Ugajin
Ms. Mariko Ueda

HR & Remuneration Committee

Mr. Shingo Ito
Chairman
Mr. S M Shakeel
Mr. Hirotoshi Ugajin
Ms. Mariko Ueda

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

Legal Advisor

LMA | Ebrahim Hosain

Bankers

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

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

Company Registration No.

0032461 of 1993-94

Company NTN No

0656788-6

Website

www.kel.com.pk



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 25th Annual General Meeting of shareholders of Kohinoor Energy Limited will be held on October 23, 2018 (Tuesday) at 12:30 PM, at Hotel Margala Islamabad, M-2 Near Convention Centre, Islamabad to transact the following business:

1. To confirm minutes of the Annual General Meeting held on October 23, 2017.
2. To receive and adopt the Annual Audited Accounts of the Company for the financial year ended June 30, 2018 alongwith Directors' and Auditors' Reports thereon.
3. To approve final dividend @10% i.e. Rs. 1.00 per share as recommended by the Board of Directors in addition to the two interim dividends already paid @15% i.e. Rs. 1.50 per share and @10% i.e. Rs. 1.00 per share making a total dividend @35% i.e. Rs. 3.5 per share for the financial year 2017-18.
4. To appoint Auditors to hold office till the conclusion of the next Annual General Meeting and to fix their remuneration.
5. To elect seven directors as fixed by the Board under Sections 159 and 161 of the Companies Act, 2017 for a term of three years commencing from October 30, 2018. The retiring Directors are:
 1. Mr. M. Naseem Saigol
 2. Mr. S M Shakeel
 3. Mr. Ichiro Kawano
 4. Mr. Hirotooshi Ugajin
 5. Mr. Shingo Ito
 6. Ms. Mariko Ueda
 7. Mr. Muhammad Asad Khan
6. Any other business with the permission of the Chair.

By order of the Board

Lahore:
September 11, 2018

(Muhammad Asif)
Company Secretary

Notes:

1. The Share Transfer Books of the Company will remain closed from October 17, 2018 to October 23, 2018 (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 16, 2018 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. Any person who seeks to contest the election of directors shall file at Head Office of the Company, Near Tablighi Ijtima, Raiwind Bypass, Lahore, not later than fourteen days before the day of the meeting, his intention to offer himself for election of directors in terms of Section 159(3) of the Companies Act, 2017.
3. 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 members through CDC are requested to bring original CNIC, A/C No. and Participant ID to produce at the time of attending the meeting.
4. As per Section 242 of the Companies Act, 2017 dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder. Members who have not yet provided their International Banking Account Number (IBAN) are requested to provide the IBAN together with a copy of CNIC to the Central Depository Company or to their participant or to us in case of physical shareholding. In case of non-submission, all future dividend payments may be withheld. Members are also requested to submit declaration (CZ-50) as per Zakat & Ushr Ordinance, 1980 for Zakat exemption and to advise change in address, if any.

5. Members, who by any reason, could not claim their dividend or bonus shares, are advised to contact our shares Registrar M/S Corplink (Pvt.) Limited to collect/enquire about their unclaimed dividend or pending shares, if any. Please note that in compliance with Section 244 of the Companies Act, 2017 after having completed the stipulated procedure, all dividends unclaimed for a period of three years, from the date due and payable, shall be deposited to the credit of the Federal Government and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan(SECP).
6. As per Circular No. 10 of 2014 dated May 21, 2014, issued by the SECP the members holding aggregate ten percent or more shareholding residing in geographical location may participate in the meeting through video conference. In this regard a prescribed form is available at <http://kel.com.pk/investorinfo.htm>. To avail this facility, please provide the information to the shares registrar of the Company.
7. As per SRO 787(I) (2014) dated Sep 08, 2014 issued by the SECP the shareholders have an option to receive annual financial statements and notice of AGM through email. In this regard the members are advised to send their consent on prescribed format as available at www.kel.com.pk to our shares registrar. The SECP through its SRO 470(I)/2016 dated May 31, 2016 has allowed the companies to circulate the annual financial statements through CD/DVD/USB. However, a shareholder may request to the Company at Tablighi Ijtima Raiwind Bypass Lahore to provide the printed copy of annual financial statements which shall be provided free of cost.



CHAIRMAN'S REVIEW

The Board of Directors holds annual reviews of its performance both individually and collectively; seeking ways to contribute more towards the sustainable performance of the business. The board of the Company comprises of diversified and multi regional people from Japan and Pakistan and thus poised to help the Company towards its primary objective of enhancing value for the shareholders.

The Board works with senior management to train, model and reinforce the expected behaviors keeping in mind of the need to encourage and sustain a healthy corporate culture with emphasis on ethical and safe practices. In addition, the Board works with management to continually improve the efficient, safe and reliable operations of the power plant.

Resultantly, the Company despite of relatively low dispatch requirement from the power purchaser and ever-increasing overdue amounts, has demonstrated a sound financial performance.

The Company posted net profit after tax of Rs.729.898 million and demonstrated earning per share (EPS) of Rs. 4.31 as compared to net profit after tax of Rs. 804.167 million with an EPS of Rs. 4.75 last year. Because of induction of new capacity of about 11,000 MW, the electricity off take from RFO fired power plants has relatively decreased during the year which is the main reason for reduction in the profit for the year. However because our plant is situated in the heart of the demand centre, therefore I anticipate that we will get more dispatch requirement for the power purchaser than the rest of RFO fired plants.

I take pleasure to inform you that inspite of the mounting overdue amounts receivable from the power purchaser, the Board has proposed a final cash dividend of Rs 1.00 per share. This makes the annual payout to be Rs 3.50 (35%), including two interim distributions of Rs 1.50 and Rs. 1.00 per share paid during the FY 2017-18.

During the year under review the Board regularly visited Company offices and plant and met the key management



executives and gained first hand knowledge of the ongoing operations, business, plans, key developments and challenges confronting the business of the Company. Kohinoor Energy Limited is privileged with a committed workforce of nearly 150 people who are well versed with the efficient, safe and cost effective practices for operation and maintenance of the power complex; This has helped achieve the confidence and satisfaction of our customer through interruption-free and dependable source of power generation. Therefore, on behalf of the Directors, I would like to acknowledge the hard work and enthusiasm of all the men and women at Kohinoor Energy Limited over the past year. Additionally, I would like to extend thanks to the management for their dedication and strong commitment for ensuring reliable, safe and efficient operations of the Company.

M Naseem Saigol
Chairman

Lahore
September 11, 2018

DIRECTORS' REPORT

The Board of Directors feel pleasure to present the Annual Report together with the audited financial statements of the Company for the financial year ended June 30, 2018.

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 2017-18, total sales of the Company remained at Rs. 8.283 billion compared to Rs. 8.224 billion in the last financial year. Increase in fuel oil prices has attributed to increase in sales revenue. The Company earned net profit after tax of Rs. 730 million (EPS 4.31) as compared to Rs. 804 million (EPS 4.75) earned during the last financial year. Lower dispatch to WAPDA is the main cause of decline in profit of the Company. The financial results of the Company for the year ended June 30, 2018 are summarized as follows:-

| | 2018 | 2017 |
|------------------------------------------------------------------------------------------------------|----------------------|-----------|
| | (Rupees in thousand) | |
| Profit before taxation | 730,138 | 804,878 |
| Taxation | (240) | (711) |
| Profit after taxation | 729,898 | 804,167 |
| Other comprehensive (loss) / income | (18,781) | 8,354 |
| Total comprehensive income for the year | 711,117 | 812,521 |
| Un-appropriated profit brought forward | 4,362,323 | 4,397,095 |
| Available for appropriations | 5,073,440 | 5,209,616 |
| Final Dividend 2016-17 @ 20% (Final Dividend 2015-16 @ 17.5% paid during FY 2016-17) | (338,917) | (296,553) |
| 1st Interim Dividend 2017-18 @ 15% (1st Interim Dividend 2016-17@17.5% paid during FY 2016-17) | (254,187) | (296,553) |
| 2nd Interim Dividend 2017-18 @ 10% (2nd Interim Dividend 2016-17@ 15% paid during FY 2016-17) | (169,459) | (254,187) |
| | (762,563) | (847,293) |
| Un-appropriated profit carried forward | 4,310,877 | 4,362,323 |
| Earnings per share | Rupees 4.31 | 4.75 |



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 the 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 made provision in the attached financial statements.

Moreover, 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. As informed to you in our earlier reports, 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 the 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.

We would also like to report that recoveries from the power purchaser (WAPDA) are less as compare to our billings on account of power supply. Resultantly, overdue amount payable by WAPDA is mounting up. In this regard the management is consistently pursuing the power purchaser, PPIB and the Ministry of Energy for an early recovery of over dues. We reiterate 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.

Dividend Distribution

We take pleasure in recommending to the shareholders of the Company for approval in the ensuing AGM, a final dividend at the rate of Rs. 1.00 per share (i.e. @ 10%) 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 @ 15% in March 2018 and @ 10% in May 2018, shall make the cumulative dividend distribution for the financial year 2017-18 to be 35%.



Operations

We report that during the financial year under review, due to less demand from the power purchaser, the power complex operated at 59.42% capacity factor as compared to the last year's dispatch of 72.93%. As a result the Company delivered 645,395 MWHs of electricity to WAPDA while last year the dispatch was 792,147 MWHs of electricity. During the FY 2017-18 three engines surpassing 116k and three engines surpassing 108k operational hours have been overhauled under 8k major maintenance program as compared to six engines which were dealt under major maintenance program last year.

It was reported earlier that during the year one of the engines had to be shut down due to electrical malfunction of the generator. Consequent to successful repairing at site the same is available at system and running successfully. The detail of the matter has been reported in note 18.7 to these financial statements.



The board report with a profound satisfaction that after taking the charge of maintenance of the plant, all maintenances activities have been carried out by our own well trained technical team. All of the scheduled and unscheduled maintenances have been successfully carried out in accordance with the highest possible standard of quality and budgeted plans. We pleaurably report

that all of the engines and their respective auxiliary equipment are in good condition for safe and reliable operations.

We re-report that the Company maintaining its track record successfully qualified the Annual Dependable Capacity Test (ADC), conducted by WAPDA on May 04, 2018. It is pertinent to mention that even after laps of 20 operational years the plant is in excellent condition and we demonstrated a capacity of 129.41 MW, which is pretty higher than the net contractual capacity of 124 MW. The Board appreciates and applauds the dedication and efforts of the management and all the employees of the Company that resulted in such achievement.

Risk Management

The risk management principles are geared to identifying and analyzing the risks to which the Company is exposed and to establishing the appropriate control mechanisms. The principles of risk management and the processes applied are regularly reviewed, taking due regard and changes in the industry and in the activities of the Company. The ultimate goal is to develop controls, based on the existing training management guidelines and conscious approach to risks.

Operational Risks

The management has established a very comprehensive system of identifying the operational risks. The Quality & EHS function at plant is fully responsible to discharge its responsibilities to identify, measure and to take necessary steps to address and mitigate the probabilities of malfunctioning or any unforeseen event. Standard operational procedures and contingency plans consistent with international quality standards, backed by thorough studies and practices, are in place to ensure safe and reliable operations.

Financial Risks

The financial risk management is disclosed in note 31 to the financial statements of the Company.



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.

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 2017-18 and their attendance is as follows:

| Name of Director | Attendance | |
|------------------------|------------|-----|
| | BOD | AC |
| Mr. M. Naseem Saigol | 3/5 | |
| Mr. S M Shakeel | 5/5 | 3/3 |
| Mr. Mikihiro Moriya | 1/3 | 1/3 |
| Mr. Tatsuo Hisatomi | 3/3 | |
| Mr. Shinichi Ushijima | 1/3 | 1/3 |
| Mr. Ichiro Kawano | 2/2 | |
| Mr. Hirotooshi Ugajin | 5/5 | 5/5 |
| Mr. Shingo Ito | 2/2 | 2/2 |
| Ms. Mariko Ueda | 2/2 | 2/2 |
| 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 Ms. Mariko Ueda, Mr. Hirotooshi Ugajin and Mr. S M Shakeel 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, 2017 to June 30, 2018.
- 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, 2018 was Rs. 271.64 million.
- The Board has formed Audit Committee. It comprises of three non-executive directors. An independent director is the Chairman of the Committee.
- The Board as required by CCG for reporting on trade in shares of the Company, has defined that the expression 'Executive' shall means the CEO, COO, CFO, Head of Internal Audit, Company Secretary and the Managers / Departmental Heads of the Company by whatever name called.



Changes on the Board

We write to inform you that since the last annual general meeting held on October 23, 2017. Mr. Shinichi Ushijima, Mr. Tatsuo Hisatomi and Mr. Mikihiro Moriya have relinquished the office of Director and in their places the Board has appointed Mr. Ichiro Kawano, Ms Mariko Ueda and Mr. Shingo Ito as Directors of the Company with effect from April 16, 2018 for the remainder of the term of the outgoing directors.

The Board wishes to record its appreciation for the valuable services rendered by Mr. Ushijima, Mr. Hisatomi and Mr. Moriya as Directors and member of the board committees and extends its warm welcome to Mr. Kawano, Ms. Ueda and Mr. Ito as new Director of the Company.

Corporate Social Responsibility (CSR)

The board takes pleasure to report that community welfare programs are consistently running with full dedication and enthusiasm. We pleurably inform you that supporting to 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

The Company paying attention to one of the corporate social responsibility (CSR) program is providing free medical treatment facility to the deserving people of the neighboring area 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. During the FY 2017-18 total 13,040 deserving patients have been provided with medical care at a cost of Rs. 6.270 million.

b) Education Facility

The management of the Company is committed and playing its role in uplifting the living standard of the surrounding community. The Company is contributing to its second CSR program by providing free education to the deserving children of the community. We profoundly report that presently 224 students are being provided with education, of which the earliest two batches of students have passed out secondary school certificate.

We also take pleasure to inform you that from among the passing out students, the Company is also fully supporting the talented students seeking further education. Among the passing out

students, six talented children have been selected for providing higher secondary school education. Said students have been enrolled in private colleges where they are being provided with uniform, tuition fee and transportation fully sponsored by the Company. Overall, during the year the Company has contributed Rs. 6.129 million on account of education facility.

Impact on Environment

The Company is committed in minimizing the environmental impacts of its operations through adoption of sustainable practices and continuous improvement in environmental performance. The management 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 the fact of protecting the environment and realizes its role to avoid disturbing the ecosystem as a result of its operations.

The processes of the Company are tried at best to follow the international standards of Environmental Management System, and comply with the applicable policies, laws and regulations relating to the environment.

In this regard we are taking some additional measures to restore eco friendly environment that includes:

- Conservation of rain water for uplifting the ground water level.
- Composting of mess kitchen and garden waste which is used to increase the fertility of the land by adding rich food nutrients to the plants while on the other side it reduces the garbage generation.
- The water used during operations activities is ultimately moved to feeding our fish ponds and gardening.
- The waste water is treated at waste water treatment plant before releasing to the main drain.



- We are putting our efforts to minimize the use of paper and trying to create an environment where most of the documentation is done electronically.
- We are conducting energy audits and monitoring the efficient use of energy at the areas of power complex and offices.
- We have replaced conventional lights with the energy efficient LED's (environment friendly lights).
- Lux level monitoring and motion sensors are being applied for reduction of lighting energy cost. Lux sensors are being used to measure the amount of available daylight and adjust the light levels accordingly to reduce unnecessary energy consumption.



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 re-appointment. The Audit Committee and the Board of Directors of the Company have endorsed their re-appointment for shareholders consideration in the forthcoming AGM.

Change in Format of Auditor's Report

The Securities and Exchange Commission of Pakistan (SECP) has issued Auditors (Reporting Obligations) Regulations, 2018 vide SRO 558(I)/2018 dated April 26, 2018 through which the revised formats of the auditor's reports have been specified. One of the significant changes that have been brought in by the said regulations is the inclusion of 'Key Audit Matters' in the audit report on the financial statements of the listed companies.

Accordingly, the report to the members of the Company complies with the revised format as specified in the regulations.

Pattern of Shareholding

A statement of pattern of shareholding and additional information as at June 30, 2018 is annexed to the Annual Report.

Acknowledgement

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

For and on behalf of the Board




Lahore
September 11, 2018

S M Shakeel
Chief Executive

Shingo Ito
Director



ڈائریکٹرز رپورٹ



بورڈ آف ڈائریکٹرز کمپنی کے مالی حسابات کے ساتھ سالانہ رپورٹ برائے مدت ختمہ 30 جون 2018 خوشی محسوس کرتے ہوئے پیش کرتے ہیں۔

اہم سرگرمیاں

کمپنی کا بنیادی مقصد فرانس آئل سے چلنے والے 124 میگا واٹ کی خالص گنجانش (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 2017-18 کے دوران کمپنی کی مجموعی فروخت 8.283 بلین روپے رہی جب کہ اس سے پچھلے مالی سال یہ 8.224 بلین روپے تھی۔ فروخت کی رقم میں اضافے کی اصل وجہ خام تیل کی قیمت میں اضافہ ہے۔ کمپنی نے پچھلے مالی سال کے 804 ملین روپے کے مقابلے میں 730 ملین روپے کا خالص بعد از ٹیکس منافع حاصل کیا۔ خالص منافع پچھلے مالی سال کے 4.75 روپے کے مقابلے میں 4.31 روپے فی شیئر آمدنی کو ظاہر کرتا ہے۔ کمپنی کے منافع میں کمی کی بڑی وجہ واپڈا کی طرف سے بجلی کی کم ڈیمانڈ ہے۔ 30 جون 2018 کو ختم ہونے والے سال کے لیے کمپنی کے مالی نتائج مختصراً اس طرح ہے۔

ہم واپڈا 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 نمائندگی کے حوالے کیا گیا تو اس کا تصفیہ کمپنی کے حق میں ہونے کے واضح امکان ہیں۔ اس لیے کمپنی نے ان رقوم نفع و نقصان کے حساب میں نہیں لیا۔ اسکے علاوہ وفاقی بورڈ آف ریونیو کی طرف سے اٹھائے جانے والی سبزی 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 31 اکتوبر 2016 لاہور ہائی کورٹ کی اعلیٰ عدالت پہلے ہی کمپنی کے حق میں فیصلہ کر چکی ہے۔ اسکے بعد ریفرنس آرڈر 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۔

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

2017 2018

(روپے ہزار میں)

| | |
|-------------|-------------|
| 804,878 | 730,138 |
| (711) | (240) |
| 804,167 | 729,898 |
| 8,354 | (18,781) |
| 812,521 | 711,117 |
| 4,397,095 | 4,362,323 |
| 5,209,616 | 5,073,440 |
| (296,553) | (338,917) |
| (296,553) | (254,187) |
| (254,187) | (169,459) |
| (847,293) | (762,563) |
| 4,362,323 | 4,310,877 |
| 4.75 | 4.31 |

روپے

قبل از ٹیکس منافع

ٹیکس

بعد از ٹیکس منافع

دیگر جامع (خسارہ) / آمدنی

کل وسیع جامع آمدنی برائے سال

غیر مختص شدہ منافع

حتمی منافع منقسمہ 20% @ 2016-17 (حتمی منافع منقسمہ 17.5% @ 2015-16 مالی سال 2016-17 کے دوران ادا کیا گیا)
 پہلا عبوری منافع منقسمہ 15% @ 2017-18 (پہلا عبوری منافع منقسمہ 17.5% @ 2016-17 جو مالی سال 2016-17 میں ادا کیا گیا)
 دوسرا عبوری منافع منقسمہ 10% @ 2017-18 (دوسرا عبوری منافع منقسمہ 15% @ 2016-17 جو مالی سال 2016-17 میں ادا کیا گیا)

غیر ادا شدہ منافع

آمدنی فی شیئر

نے 129.41 MW استعداد کی قابل تعریف پرفارمنس کا مظاہرہ کیا جو 124 MW کی مجموعی معاہداتی استعداد سے کہیں زیادہ ہے۔

رسک مینجمنٹ

خطرات کے انتظامی اصول خطرات کی نشاندہی، ان کا تجزیہ کرنے اور انکو روکنے کے لئے مناسب اور مربوط طریقہ کار وضع کرتے ہیں جس کا کمپنی کو سامنا ہے۔ انڈسٹری میں ہونے والی تبدیلیوں اور کمپنی کی موجودہ سرگرمیوں کو مد نظر رکھتے ہوئے خطرات کے انتظام کے تمام لاگو قواعد و ضوابط کا باقاعدگی سے جائزہ لیا جاتا ہے۔ جس کا اہم مقصد خطرات سے نمٹنے کے لئے موجودہ ترتیبی نظام کے نقطہ نظر اور اصولوں کے مطابق طریقہ کار وضع کرنا ہے۔

آپریٹل خطرات

مینجمنٹ نے آپریٹل خطرات کی شناخت کے لئے ایک مکمل اور مربوط طریقہ کار وضع کیا ہے۔ پلانٹ پر کسی بھی قسم کے خطرے کی شناخت کرنے اور غیر متوقع خطرے کے وقوع پذیر ہونے کو کم کرنے کے لئے ضروری حفاظتی اقدامات کو مکمل طور پر کو ایچ ایس اور ایف ایس کے فنکشن کی ذمہ داری ہے۔

مالیاتی خطرات

کمپنی کے مالیاتی خطرات کے انتظام کو کمپنی کے مالیاتی حسابات کے نوٹ نمبر 31 میں واضح کر دیا گیا ہے۔

کریڈٹ ریٹنگ

کمپنی کی کریڈٹ ریٹنگ جیسا کہ پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے کمپنی کی طویل المدت اور قلیل المدت entity ریٹنگوں طے کی ہیں، اسی طرح سے بالترتیب "AA" (ڈبل 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 آپریٹنگ اینڈ مینٹننس (O&M) سرگرمیوں کے کامیاب انتظام کا اعتراف اور فنی اعتبار سے مضبوط انتظام، مستحکم

سٹرکچر اور کنٹرولز اور کمپنی کے طاقت وراثی ڈھانچے کی عکاسی کرتی ہیں۔

کوڈ آف کارپوریٹ گورننس کی تعمیل میں اسٹیٹمنٹس

ڈائریکٹرز بیان کرتے ہیں کہ:

☆ فنانشل اسٹیٹمنٹس، جو کمپنی کی انتظامیہ کی طرف سے تیار کیے گئے ہیں، اس کے حالات، آپریٹنگ نتائج، کیش فلوز، اور ایکویٹی میں تبدیلیوں کی سچائی کے ساتھ عکاسی کرتے ہیں۔

☆ کمپنی کے حسابات کو کھاتوں میں مناسب طریقے سے درج کیا گیا ہے۔

☆ فنانشل اسٹیٹمنٹس کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کا مسلسل اطلاق کیا گیا ہے اور اکاؤنٹنگ کے تخمینوں کی بنیاد مناسب اور معقول فیصلوں پر ہے۔

☆ فنانشل اسٹیٹمنٹس کی تیاری میں فنانشل رپورٹنگ کے بین الاقوامی معیارات، جیسے کہ پاکستان میں قابل اطلاق ہیں کی پابندی کی گئی ہے

☆ داخلی کنٹرول کے نظام کو موثر طریقے سے نافذ کیا گیا اور اس پر نظر رکھی گئی ہے۔

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

منافع منقسمہ کی تقسیم

بورڈ آف ڈائریکٹرز خوشی کے ساتھ کمپنی کے شیئرز ہولڈرز کے لیے اگلے سالانہ اجلاس عام میں 1.00 روپے فی شیئر (10% کی شرح سے) حتمی منافع منقسمہ کی منظوری کی سفارش کرتے ہیں، 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 2018 میں 15% اور مئی 2018 میں 10% کی شرح سے ادا کیے جا چکے ہیں، کو ساتھ ملا کر یہ حتمی منافع منقسمہ 2017-18 کے مالی سال کے لیے کل منافع منقسمہ بنے گا، 35% ہو جائے گا۔

آپریٹنگ

ہم آگاہ کرتے ہیں کہ زیر بحث مالی سال کے دوران پاور کمپلیکس نے 59.42% استعدادی محرک کے طور پر کام کیا جبکہ پچھلے سال کی ترسیل 72.93 فیصد کی استعداد پر رہی۔ اس کے نتیجے میں کمپنی نے واپڈا کو 645,935 MWhs بجلی فراہم کی، جبکہ پچھلے سال یہ فراہمی 792,147 MWhs تھی۔ زیر غور مالی سال کے دوران تین انجن جو کہ 116K اور تین انجن 108K آپریٹل گھنٹے مکمل کر چکے تھے انھیں 8K میجر مینٹی نینس پروگرام کے تحت اور ہال کیا گیا جبکہ پچھلے سال چھ انجنوں کو 8K میجر مینٹی نینس پروگرام کے تحت اور ہال کیا گیا۔ یہ پہلے بتایا جا چکا ہے کہ انجنوں میں سے ایک انجن جرنیشن کی خرابی کی وجہ سے بند ہو گیا تھا، پلانٹ پر یہ کامیابی کے ساتھ مرمت کرنے کے بعد اب کامیابی کے ساتھ چل رہا ہے جس کی تفصیل مالی حسابات کے نوٹ نمبر 18.7 میں درج کر دی گئی ہے



بورڈ یہ بتاتے ہوئے مطمئن ہے کہ مینٹی نینس کا چارج لینے کے بعد تمام مینٹی نینس ہماری اپنی ٹیم نے انجام دی ہے۔ تمام شیڈولڈ اور پریوینٹیو مینٹی نینس مقررہ طریقہ کار کے مطابق کی گئی ہے۔

ہمیں یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ تمام انجن اور معاون آلات محفوظ اور قابل بھروسہ آپریٹنگ کے لیے بالکل ٹھیک حالت میں ہیں۔ ہمیں یہ بتاتے ہوئے بھی خوشی ہے کہ ہم نے واپڈا کی طرف سے 04 مئی 2018 کو لیے جانے والے Annual Dependable Capacity Test (ADC) کو کامیابی سے کوالیفائی کیا۔ ہم مکمل یقین کے ساتھ یہ بتا رہے ہیں کہ کارکردگی کے 20 سال مکمل کرنے کے باوجود پاور پلانٹ بہترین حالت میں ہے۔ نتیجتاً اس



ڈائریکٹر مقرر کیا ہے۔ جناب مکی ہیر و موریا، جناب ناتسو پیسا ٹومی اور جناب شی نیچی اوشی جیما 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 اچیر و کوانو، جناب شنگو ایتو اور محترمہ ماریکو اویدا کا پر جوش خیر مقدم کرتا ہے۔

کارپوریٹ سماجی ذمہ داریاں (CSR)

☆ کمپنی کے آگے بڑھنے کی قابلیت کے بارے میں کوئی شبہ نہیں ہے۔
☆ پچھلے چھ سال کا آپریٹنگ اور فنانس ڈیٹا اس رپورٹ کے ساتھ منسلک ہے۔
☆ زیر جائزہ مالی سال کے دوران بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی کے پانچ اجلاس ہوئے اور سال 2017-18 کی دوران بورڈ پر رہنے والے ڈائریکٹرز کے نام اور حاضری درج ذیل ہے:

| حاضری | | | حاضری | | |
|-----------|------|-------------------------|-----------|------|------------------------|
| آڈٹ کمیٹی | بورڈ | ڈائریکٹر کا نام | آڈٹ کمیٹی | بورڈ | ڈائریکٹر کا نام |
| | 2/2 | جناب اچیر و کوانو | | 3/5 | جناب نسیم سہگل |
| 5/5 | 5/5 | جناب ہیر و ٹوشی اوگا جن | 3/3 | 5/5 | جناب ایس ایم تکلیل |
| 2/2 | 2/2 | جناب شنگو ایتو | 1/3 | 1/3 | جناب مکی ہیر و موریا |
| 2/2 | 2/2 | محترمہ ماریکو اویدا | | 3/3 | جناب ناتسو پیسا ٹومی |
| | 2/5 | جناب محمد اسد خان | | 1/3 | جناب شی نیچی اوشی جیما |

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

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 صلاحیت میڈیکل ٹیم پورے خلوص کے ساتھ مریضوں کی خدمت کر رہی ہے۔ ہم آگاہ کرتے ہیں کہ مالی سال 2017-18 کے دوران 6,270 ملین روپے سے 13,040 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 224 اسٹوڈنٹس کو تعلیم دی جا رہی ہے، جن میں سے طلبہ کے دو بیچ 10 ویں جماعت پاس کر چکے ہیں۔ 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 6.129 ملین روپے خرچ کیے۔

ماحول پر اثرات

کمپنی اپنے آپریٹنگ کی وجہ سے ہونے والے ماحولیاتی اثرات کو کم کرنے کے لئے بہترین طریقوں کو استعمال کرتے ہوئے ماحولیاتی کارکردگی کو بہتر بنانے کے لئے کوشاں ہے۔ مینجمنٹ ہمیشہ اس بات کا خیال رکھتی ہے جو ویسٹ اور ضیاع کو کم کر سکے۔ آپریشنل صلاحیتوں میں بہتری اور غیر قابل تجدید

☆ زیر غور مالی سال کے دوران ایچ آر اور مشاہرہ کمیٹی کا ایک اجلاس ہوا جس میں محترمہ ماریکو اویدا، جناب ہیر و ٹوشی اوگا جن اور جناب ایس ایم تکلیل شریک ہوئے۔
☆ یکم جولائی 2017 سے 30 جون 2018 کے سال کے دوران چیف ایگزیکٹو آفیسر، ڈائریکٹر، چیف فنانس آفیسر، کمپنی سیکرٹری، ان کی بیگمات اور نابالغ بچوں نے کمپنی کے شیئرز کی کوئی خرید و فروخت نہیں کی۔
☆ کمپنی نے ایبلیٹا گریپوٹی فنڈ قائم کیا اور اسے متعلقہ اتھارٹی کے پاس رجسٹر کر لیا۔ سالانہ تخصیص اصل ویلیویشن کی بنیاد پر کی گئی تاکہ اس اسکیم کے تحت ان تمام ملازمین کی ذمہ داری پوری کی جاسکے جو کوالیفائیڈ مدت سے قطع نظر گریپوٹی کے فوائد کا حق رکھتے ہیں۔ 30 جون 2018 کو گریپوٹی فنڈ میں سرمایہ کاری کی ویلیو 271.64 ملین روپے تھی۔
☆ بورڈ نے آڈٹ کمیٹی قائم کی ہے۔ یہ تین ممبران پر مشتمل ہے، جن میں سے تین نان ایگزیکٹو ڈائریکٹرز ہیں۔ غیر جانبدار ڈائریکٹرز اس کمیٹی کا چیئرمین ہے۔
☆ بورڈ نے، جیسا کہ کمپنی کے انڈسٹریز کی خرید و فروخت کے بارے میں اطلاع دینے کے لیے CCG کا اقتضا ہے، یہ تفریح کی ہے کہ لفظ "ایگزیکٹو" کا مطلب CEO, COO, ہیڈ آف انٹرنل آڈٹ، کمپنی سیکرٹری، اور کمپنی کے مینجرز / شعبہ جاتی سربراہ ہوں گے خواہ انہیں کسی بھی نام سے پکارا جائے۔

بورڈ میں تبدیلیاں

ہم آپ کو آگاہ کرتے ہیں کہ 23 اکتوبر 2017 کو منعقد ہونے والے سالانہ اجلاس عام کے بعد جناب مکی ہیر و موریا، جناب ناتسو پیسا ٹومی اور جناب شی نیچی اوشی جیما نے ڈائریکٹر کا عہدہ چھوڑ دیا ہے اور بورڈ نے ان کی جگہ جناب اچیر و کوانو، جناب شنگو ایتو اور محترمہ ماریکو اویدا جن کو سبکدوش ہونے والے ڈائریکٹر کی بقید مدت کے لیے 23 اپریل 2018 سے کمپنی کا

قابل اعتماد مالیاتی معلومات کی بروقت تیاری ہے

آڈیٹرز

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

آڈیٹرز رپورٹ کے طریقہ کار میں تبدیلی

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے SRO 558(1)/2018 بتاریخ 26 اپریل 2018 کو آڈیٹرز ریگولیشن 2018 جاری کیا ہے جس میں نظر ثانی شدہ آڈیٹرز رپورٹ کا طریقہ کار وضع کیا گیا ہے۔ اس ریگولیشن کی ایک اہم تبدیلی جو سامنے آئی ہے وہ کمپنی کے مالی حسابات کی آڈٹ رپورٹ میں "Key Audit Matters" کا شامل ہونا ہے۔ اس کے مطابق ممبران کے لئے رپورٹ اس نئے نظر ثانی شدہ طریقہ کار کے قواعد و ضوابط کو پورا کرتی ہے۔


شیئرز ہولڈنگ کا پیٹرن

اسٹیٹ آف پیٹرن آف شیئرز ہولڈنگ اور اضافی معلومات، جیسا کہ 30 جون 2018 کو تھیں، اس سالانہ رپورٹ کے ساتھ منسلک ہیں۔

اظہار تشکر

بورڈ، گران قدر شیئرز ہولڈرز، واڈا، 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 یکسوئی کے ساتھ اپنے فرائض کی انجام دہی پر خراج تحسین پیش کرتا ہے اور ہم کمپنی کے تمام ایگزیکٹوز کی انتھک محنت، خلوص اور لگن کے بھی شکر گزار ہیں کہ انہوں 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



English

ایس ایم گللی

شکو ایٹو

لاہور

چیف ایگزیکٹو

ڈائریکٹر

11 ستمبر 2018

قدرتی وسائل کی کم سے کم کھپت ہماری ترجیحات میں شامل ہے۔ کمپنی ماحول کے تحفظ کو تسلیم کرتی ہے اور اپنے آپریشنز سے ہونے والے اثرات سے ماحول کو بچانے کے لئے اپنی ذمہ داری سے بخوبی عیاں ہے۔



کمپنی کے تمام پراسسز کی اپنے طور پر بہترین کوشش ہے کہ بین الاقوامی ماحولیاتی انتظامی طریقہ کار کو اپنایا جائے اور تمام نافذ العمل پالیسیز اور قواعد و ضوابط کی پاسداری کی جائے اس سلسلے میں ہم ماحول کو ماحول دوست بنانے کے لیے کچھ اضافی اقدامات کر رہے ہیں جس میں شامل ہے:-

زمین کے پانی کی سطح بلند کرنے کے لئے بارش کے پانی کی حفاظت

چکن اور باغ کی ویسٹ جہاں زمین کی زرخیزی اور پودوں کی نشوونما کے لئے غذائی خوراک کے طور پر استعمال ہو رہی ہے وہاں دوسری طرف کچرے کی بڑھوتی میں بھی کمی کر رہی ہے

آپریشنز کے دوران استعمال ہونے والا پانی بالآخر چھلی کے تالابوں اور باغیچوں کے لئے استعمال کیا جاتا ہے۔

ضائع شدہ پانی کو بڑے نالے میں نکاس سے پہلے واٹر ٹریٹمنٹ پلانٹ پر نکاس کے قابل بنایا جاتا ہے۔

ہم اپنی بھرپور کوشش کر رہے ہیں کہ کاغذ کے استعمال کو کم کیا جائے اور ایسا ماحول بنانے کی کوشش کر رہے ہیں جہاں پر زیادہ تر خط و کتابت الیکٹرانکلی ہو۔

ہم توانائی کے استعمال کا آڈٹ کر رہے ہیں۔ پاور کپلیکس اور دفاتر کے حصوں میں موثر توانائی کے حصول کی نگرانی کر رہے ہیں۔

ہم نے پرانی روایتی لائٹس کو نئی ماحول دوست موثر اور بہتر LED لائٹس کے ساتھ تبدیل کر دیا ہے۔

بجلی کی کھپت کو کم کرنے کے لئے ریکس لیول مانیٹرنگ اور موثر سینرز استعمال کئے جا رہے ہیں۔ کس سینرز دن کی روشنی کی موجودگی کو جانچنے کے لئے استعمال کئے جا رہے ہیں اور جو غیر ضروری توانائی کی کھپت میں موجودہ روشنی کی مقدار کے مطابق کمی کرتے ہیں۔

کمپنی کا اندرونی نظام کنٹرول

انتظامیہ نے انتظام کے مقاصد کو حاصل کرنے کو یقینی بنانے کے لئے تمام اندرونی کنٹرول کی پالیسیوں کو اپنایا ہے۔ جہاں عملی طور پر اس کے کاروبار کے منظم اور موثر انداز میں انتظامی پالیسیوں کی تعمیل، امانتوں کی حفاظت، دھوکے دہی اور غلطی کا پتہ لگانے سمیت، اکاؤنٹنگ ریکارڈ کی درستگی اور مکمل



HUMAN RESOURCE MANAGEMENT

Our Human Resources (HR) policies, procedures and infrastructure exist to ensure that we recruit, retain and develop a diverse, talented and committed workforce while meeting our statutory obligations as an employer. Highly professional and skilled engineers are among our valuable assets of the Company.

Equality and diversity considerations are central to all aspects of HR. We have extensive monitoring procedures and ensure that all our main policies and procedures are covered by equality assessments.



We believe in the retain policy and accordingly we have designed our policies and have provided excellent working environment to employees across the Company to achieve this goal. We take care of the mental and physical health and fitness of our human resource.



CORPORATE SOCIAL RESPONSIBILITY (CSR)



The community welfare programs are consistently running with full dedication and enthusiasm. We pleasurablely inform you that supporting to 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

The Company paying attention to one of the corporate social responsibility (CSR) program is providing free medical treatment facility to the deserving people of the neighboring area 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. During the FY 2017-18 total 13,040 deserving patients



have been provided with medical care at a cost of Rs. 6.270 million.

b) Education Facility

The management of your Company is committed and playing its role in uplifting the living standard of the surrounding community. The Company is contributing to its second CSR program by providing free education to the deserving children of the community. We profoundly report that presently 224 students are being provided



with education, of which the earliest two batches of students have passed out secondary school certificate.

We also take pleasure to inform you that from among the passing out students the Company is also fully supporting to the talented students seeking further education. Among the passing out students, six talented children have been selected for providing higher secondary school education. Said students have been enrolled in private colleges where they are being provided with uniform, tuition fee and transportation fully sponsored by the Company. Overall, during the year the Company has contributed Rs. 6.129 million on account of education facility,



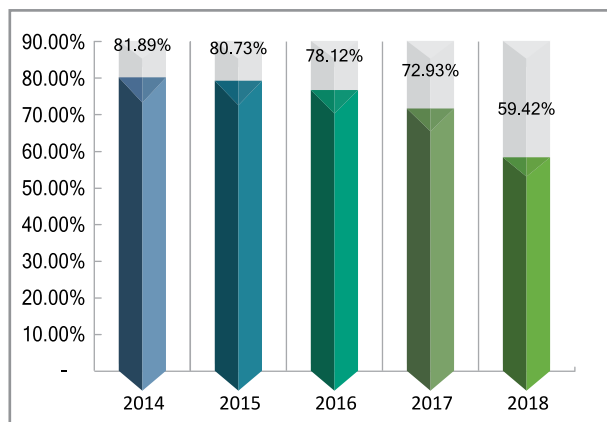
FINANCIAL DATA

| | 2017-2018 | 2016-2017 | 2015-2016 | 2014-2015 | 2013-2014 |
|--------------------------------------------|------------------|------------------|------------------|-------------------|-------------------|
| DISPATCH LEVEL (%) | 59.42% | 72.93% | 78.12% | 80.73% | 81.89% |
| DISPATCH (MWH) | 645,395 | 792,147 | 850,945 | 876,897 | 889,521 |
| REVENUE (Rs. 000) | | | | | |
| ENERGY FEE | 7,124,100 | 7,113,363 | 6,209,568 | 10,578,874 | 13,905,992 |
| CAPACITY FEE | 1,158,541 | 1,110,498 | 1,074,368 | 1,082,190 | 1,052,174 |
| TOTAL REVENUE | 8,282,641 | 8,223,861 | 7,283,936 | 11,661,064 | 14,958,166 |
| COST OF SALES | 7,019,967 | 6,988,329 | 6,174,928 | 10,292,710 | 13,379,179 |
| GROSS PROFIT | 1,262,674 | 1,235,532 | 1,109,008 | 1,368,354 | 1,578,987 |
| PROFITABILITY (Rs. 000) | | | | | |
| PROFIT/(LOSS) BEFORE TAX | 730,138 | 804,878 | 695,661 | 843,759 | 1,071,618 |
| PROVISION FOR INCOME TAX | 240 | 711 | 445 | 1,283 | 3,054 |
| PROFIT/(LOSS) AFTER TAX | 729,898 | 804,167 | 695,216 | 842,476 | 1,068,564 |
| OTHER COMPREHENSIVE (LOSS) / INCOME | (18,781) | 8,354 | (7,985) | 9,901 | 7,814 |
| FINANCIAL POSITION (Rs. 000) | | | | | |
| NON CURRENT ASSETS | 3,503,541 | 3,690,802 | 3,908,948 | 4,141,922 | 4,324,055 |
| CURRENT ASSETS | 8,022,394 | 6,184,818 | 4,880,224 | 4,818,886 | 5,856,887 |
| LESS CURRENT LIABILITIES | 5,520,472 | 3,818,711 | 2,697,491 | 2,593,739 | 3,490,374 |
| NET WORKING CAPITAL | 2,501,922 | 2,366,107 | 2,182,733 | 2,225,147 | 2,366,513 |
| CAPITAL EMPLOYED | 6,005,463 | 6,056,909 | 6,091,681 | 6,367,069 | 6,690,568 |
| LESS LONG TERM LOANS | - | - | - | 30,597 | 189,721 |
| SHARE HOLDERS EQUITY | 6,005,463 | 6,056,909 | 6,091,681 | 6,336,472 | 6,500,847 |
| REPRESENTED BY (Rs. 000) | | | | | |
| SHARE CAPITAL | 1,694,586 | 1,694,586 | 1,694,586 | 1,694,586 | 1,694,586 |
| UNAPPROPRIATED PROFIT BEFORE APPROPRIATION | 5,073,440 | 5,209,616 | 5,329,117 | 5,658,638 | 6,712,670 |
| APPROPRIATION / DIVIDENDS | 762,563 | 847,293 | 932,022 | 1,016,752 | 1,906,409 |
| UNAPPROPRIATED PROFIT BROUGHT FORWARD | 4,310,877 | 4,362,323 | 4,397,095 | 4,641,886 | 4,806,261 |
| | 6,005,463 | 6,056,909 | 6,091,681 | 6,336,472 | 6,500,847 |
| SHARE PRICES AS ON JUNE 30, | 40.00 | 43.07 | 41.20 | 50.50 | 41.42 |
| EARNING PER SHARE | 4.31 | 4.75 | 4.10 | 4.97 | 6.31 |
| RATIOS: | | | | | |
| RETURN ON ASSETS | 0.06 | 0.08 | 0.08 | 0.09 | 0.10 |
| PRICE EARNING RATIO | 9.28 | 9.07 | 10.05 | 10.16 | 6.56 |
| BREAK UP VALUE PER SHARE OF Rs. 10 EACH | 35.44 | 35.74 | 35.95 | 37.39 | 38.36 |
| CURRENT RATIO | 1.45 | 1.62 | 1.81 | 1.86 | 1.68 |
| NET PROFIT/(LOSS) TO SALES (%AGE) | 8.81% | 9.78% | 9.54% | 7.22% | 7.14% |
| DIVIDEND PER SHARE | 4.50 | 5.00 | 5.50 | 6.00 | 11.20 |

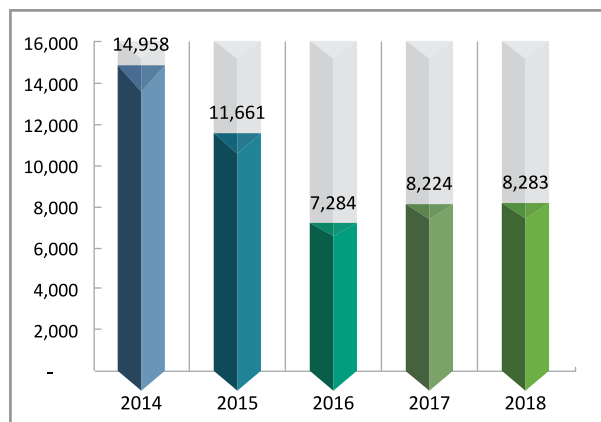


PERFORMANCE OVERVIEW

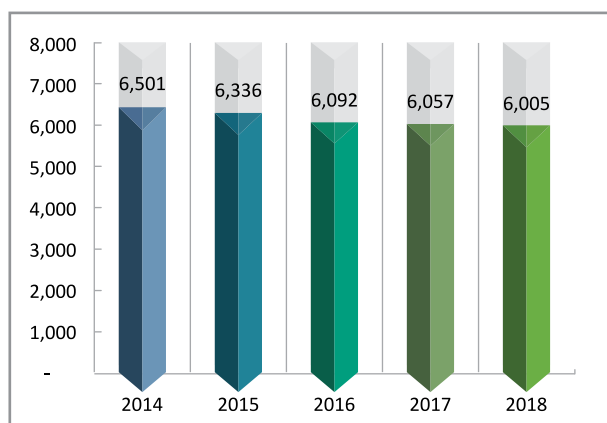
“Despatch Percentage”



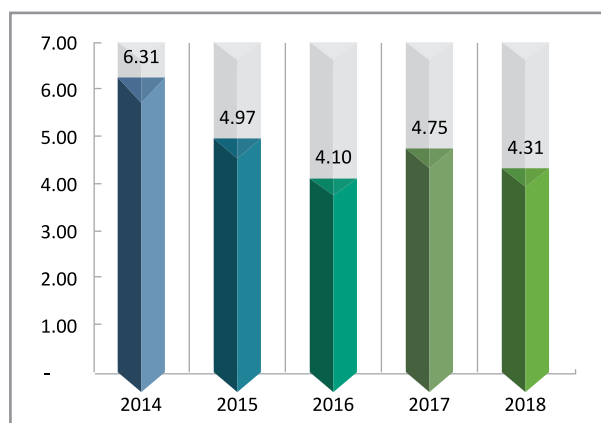
“Turnover” (Rupees in Million)



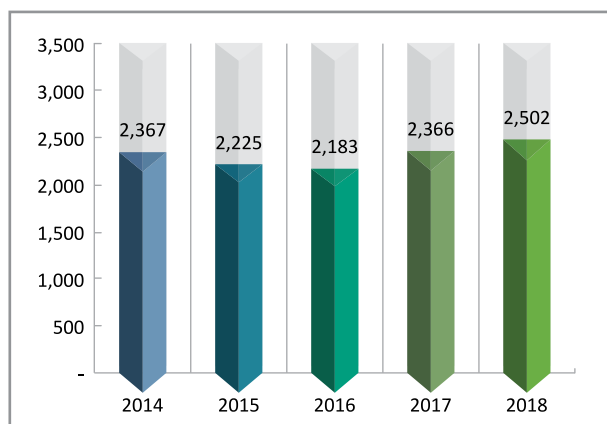
“Share Holder Equity” (Rupees in Million)



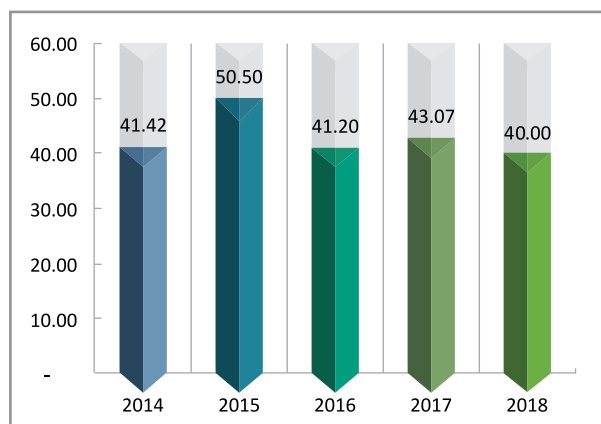
“Earning Per Share” (Rupees)



“Working Capital Analysis” (Rupees in Million)



“Share Price” (Rupees)



STATEMENT OF COMPLIANCE

With Listed Companies (Code of Corporate Governance) Regulations, 2017

For the Year ended June 30, 2018

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 07 as per the following:

a. Male: 06 (Six) **b. Female:** 01 (One)

2. The composition of board is as follows:

| Independent Directors | Non-Executive Directors | Executive Directors |
|------------------------------------------------------------|---------------------------------------------------------------------|----------------------------|
| Mr. Hirotooshi Ugajin Mr. Shingo Ito Ms. Mariko Ueda | Mr. M. Naseem Saigol Mr. Muhammad Asad Khan Mr. Ichiro Kawano | Mr. S M Shakeel |

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
4. 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.
5. 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.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. 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. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board has arranged Directors' Training programs for the following:

| Name of Directors: | Name of Executive & Designation |
|---------------------------|------------------------------------------------------------|
| 1. Mr. Hirotooshi Ugajin | 1. Syed Ghazanfar Ali Zaidi General Manager Technical |
| 2. Mr. Ichiro Kawano | 2. Mr. Muhammad Ashraf Chief Financial Officer |
| 3. Mr. Shingo Ito | 3. Mr. Muhammad Asif Company Secretary |
| 4. Ms. Mariko Ueda | |

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

| Audit Committee | HR and Remuneration Committee |
|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|
| 1. Mr. Shingo Ito Chairman 2. Mr. Hirotooshi Ugajin 3. Ms. Mariko Ueda | 1. Mr. Shingo Ito Chairman 2. Mr. S M Shakeel 3. Mr. Hirotooshi Ugajin 4. Ms. Mariko Ueda |

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee were as per following:

- a) Audit Committee : Five Quarterly Meetings during the Financial Year 2017- 2018
- b) HR and Remuneration Committee : One Meetings during the Financial Year 2017- 2018

15. 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.

16. 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 and registered with Audit Oversight Board of Pakistan, 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

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.


18. We confirm that all other requirements of the Regulations have been complied with.

for and on behalf of the Board

Lahore:
September 11, 2018



M. Naseem Saigol
Chairman/Director



S M Shakeel
Chief Executive/Director

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Kohinoor Energy Limited (the Company) for the year ended June 30, 2018 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

As a 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 Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2018.

A. F. Ferguson & Co.
Chartered Accountants



Engagement Partner: Hammad Ali Ahmad

Lahore
October 01, 2018



AUDITORS' REPORT TO THE MEMBERS

Opinion

We have audited the annexed financial statements of Kohinoor Energy Limited ('the Company'), which comprise the statement of financial position as at June 30, 2018, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2018 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matter:

Sr.# Key audit matter

1 Additional disclosures required under the 4th schedule of Companies Act, 2017:

(Refer note 2 to the financial statements)

The Fourth Schedule to the Companies Act, 2017 became applicable to the Company for the first time for the preparation of annual financial statements for the year ended June 30, 2018.

As part of this transition to the requirements, the management performed an analysis to identify differences between the previous and the current Fourth Schedule and as a result certain amendments relating to presentation and disclosures were made in the accompanying financial statements.

In view of the various new disclosures prepared and presented in the financial statements, we considered this a key audit matter.

How the matter was addressed in our audit

We reviewed and understood the requirements of the fourth schedule to the Companies Act, 2017. Our audit procedures included the following:

- considered the management's process to identify the additional disclosures required in the Company's annexed financial statements.
- obtained relevant underlying supports for the additional disclosures and assessed their appropriateness for the sufficient audit evidence.
- verified on test basis the supporting evidence for the additional disclosures and ensured appropriateness of the disclosures made.

Information other than the Financial Statements and Auditor's Report thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on



the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Based on our audit, we further report that in our opinion:

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) The statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) 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 note 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.

The engagement partner on the audit resulting in this independent auditor's report is Hammad Ali Ahmad.

A. F. Ferguson & Co.
Chartered Accountants

Engagement Partner: Hammad Ali Ahmad

Lahore
October 01, 2018

STATEMENT OF FINANCIAL POSITION

Note 2018 2017
(Rupees in thousand)

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

| | | | |
|------------------------------------------------------------------------------------------------------------------|---|------------------|------------------|
| Authorized share capital 170,000,000 (June 2017: 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 2017: 169,458,614) ordinary shares of Rs. 10 each | 6 | 1,694,586 | 1,694,586 |
| Un-appropriated profit | | 4,310,877 | 4,362,323 |
| | | <u>6,005,463</u> | <u>6,056,909</u> |

CURRENT LIABILITIES

| | | | |
|-------------------------------|----|------------------|------------------|
| Employee benefits | 7 | 29,950 | 9,611 |
| Short term finances - secured | 8 | 5,285,780 | 3,578,671 |
| Trade and other payables | 9 | 84,120 | 182,766 |
| Accrued finance cost | 10 | 48,878 | 33,361 |
| Unclaimed dividend | | 10,305 | 14,302 |
| Provision for taxation - net | | 61,439 | - |
| | | <u>5,520,472</u> | <u>3,818,711</u> |

CONTINGENCIES AND COMMITMENTS

| | | | |
|--|----|-------------------|------------------|
| | 11 | - | - |
| | | <u>11,525,935</u> | <u>9,875,620</u> |



Chief Executive Officer



Director

AS AT JUNE 30, 2018

| | Note | 2018 (Rupees in thousand) | 2017 |
|-----------------------------------------------------------------|------|------------------------------|-----------|
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 12 | 3,491,232 | 3,674,756 |
| Intangible assets | 13 | 4,606 | 5,111 |
| Long term loans and deposits | 14 | 7,703 | 10,935 |
| | | 3,503,541 | 3,690,802 |
| CURRENT ASSETS | | | |
| Stores, spares and loose tools | 15 | 305,767 | 334,621 |
| Stock in trade | 16 | 381,717 | 234,340 |
| Trade debts | 17 | 6,645,211 | 4,910,059 |
| Loans, advances, deposits, prepayments and other receivables | 18 | 535,126 | 531,838 |
| Advance tax - net receivable | | - | 29,041 |
| Cash and bank balances | 19 | 154,573 | 144,919 |
| | | 8,022,394 | 6,184,818 |
| | | 11,525,935 | 9,875,620 |

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



Chief Financial Officer

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2018

| | Note | 2018 (Rupees in thousand) | 2017 |
|---------------------------------------------------------------------|------|------------------------------|-------------|
| Sales | 20 | 8,282,641 | 8,223,861 |
| Cost of sales | 21 | (7,019,967) | (6,988,329) |
| Gross profit | | 1,262,674 | 1,235,532 |
| Administrative expenses | 22 | (266,101) | (254,976) |
| Operating profit | | 996,573 | 980,556 |
| Other income | 23 | 1,869 | 2,294 |
| Finance costs | 24 | (268,304) | (177,972) |
| Profit before taxation | | 730,138 | 804,878 |
| Taxation | 25 | (240) | (711) |
| Profit after tax | | 729,898 | 804,167 |
| Other comprehensive income | | | |
| Items that will not be reclassified subsequently to profit or loss: | | | |
| Re-measurement of staff gratuity fund | | (18,781) | 8,354 |
| Items that may be reclassified subsequently to profit or loss | | | |
| | | - | - |
| Total other comprehensive (loss) / income | | (18,781) | 8,354 |
| Total comprehensive income for the year | | 711,117 | 812,521 |
| Earnings per share - basic and diluted - Rupees | 32 | 4.31 | 4.75 |

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



Chief Executive Officer



Director



Chief Financial Officer

STATEMENT OF CASH FLOW

FOR THE YEAR ENDED JUNE 30, 2018



KOHINOOR
ENERGY LIMITED

| | Note | 2018 (Rupees in thousand) | 2017 |
|---------------------------------------------------------------|------|------------------------------|-------------|
| Cash flows from operating activities | | | |
| Cash (used in) / generated from operations | 26 | (542,468) | 212,022 |
| Employee benefits paid | | (32,178) | (42,427) |
| Mark up on borrowings paid | | (252,787) | (159,439) |
| Taxes refund / (paid) | | 90,240 | (15,017) |
| Net cash used in operating activities | | (737,193) | (4,861) |
| Cash flows from investing activities | | | |
| Purchase of property, plant and equipment | | (203,829) | (116,131) |
| Interest / mark up income received | | 800 | 257 |
| Net decrease / (increase) in long term loans and deposits | | 3,232 | (1,327) |
| Proceeds from sale of property, plant and equipment | | 6,095 | 7,031 |
| Net cash used in investing activities | | (193,702) | (110,170) |
| Cash flows from financing activities | | | |
| Dividend paid | | (766,560) | (847,940) |
| Long term loans repaid during the year | | - | (30,413) |
| Net cash used in financing activities | | (766,560) | (878,353) |
| Net decrease in cash and cash equivalents | | (1,697,455) | (993,384) |
| Cash and cash equivalents at the beginning of the year | | (3,433,752) | (2,440,368) |
| Cash and cash equivalents at the end of the year | 27 | (5,131,207) | (3,433,752) |

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

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2018

| | Share Capital | Un-appropriated Profit (Rupees in thousand) | Total |
|----------------------------------------------------------------------------------------|------------------|---------------------------------------------------|-----------|
| Balance as on July 1, 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 |
| Final dividend for the year ended June 30, 2017 at the rate of Rs. 2.00 per share | - | (338,917) | (338,917) |
| Interim dividend for the year ended June 30, 2018 at the rate of Rs. 1.50 per share | - | (254,187) | (254,187) |
| Interim dividend for the year ended June 30, 2018 at the rate of Rs. 1.00 per share | - | (169,459) | (169,459) |
| Profit for the year | - | 729,898 | 729,898 |
| Other comprehensive income: | | | |
| Re-measurement of staff gratuity fund | - | (18,781) | (18,781) |
| Total comprehensive income for the year | - | 711,117 | 711,117 |
| Balance as on June 30, 2018 | 1,694,586 | 4,310,877 | 6,005,463 |

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



Chief Executive Officer



Director



Chief Financial Officer



NOTES TO AND FORMING PART

OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

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 repealed Companies Ordinance, 1984 (the Ordinance) repealed with the enactment of the Companies Act, 2017 on May 30, 2017. 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 address of the registered office of the Company is 301, 3rd Floor, Green Trust Tower, Blue Area, Islamabad, Lahore Office is situated at 17-Aziz Avenue, Unit # 4, Canal Bank, Gulberg V, Lahore and the Company's power plant has been set up at Post Office Raja Jang, Near Tablighi Ijtima, Raiwind Bypass, Lahore.

1.1 Summary of significant events and transactions in the current reporting period

The Company's financial position and performance was particularly affected by the following events and transactions during the reporting period:

- During the year, one of the engines of the power plant had to be shut down due to an electrical malfunction of the generator. The Company filed an insurance claim as per the terms of the insurance policy, as detailed in Note 18.7.
- The provisions of the fourth schedule to the Companies Act, 2017 became applicable to the Company for the first time in the preparation of these financial statements, as detailed in Note 3.1.1.

2. Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- i) International Financial Reporting Standards ('IFRS') issued by the International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017; and
- ii) Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

During the year, the Company has opted for the presentation of a combined 'Statement of Profit or Loss and Other Comprehensive Income' as allowed in the Companies Act, 2017 in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' instead of a separate 'Statement of Profit and Loss Account' and 'Statement of Comprehensive Income'.

3. Basis of preparation

3.1 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, as detailed below:

3.1.1 Changes in accounting standards, interpretations and pronouncements

a) Standards, amendments to published standards and interpretations that are effective in the current year

The Companies Act, 2017 has also brought certain changes with regard to preparation and presentation of financial statements of the Company. These changes also include change in nomenclature of the primary statements, etc.

Further, the disclosure requirements contained in the fourth schedule to the Act have been revised, resulting in the:

- elimination of duplicative disclosures with the IFRS disclosure requirements;
- incorporation of significant additional disclosures; and
- a single statement of profit and loss and other comprehensive income which was previously prepared as two separate statements.

Keeping in view of the above, the presentation of these financial statements has been realigned with the provisions contained in the Act, however, does not have any impact on the recognition and measurement of the amounts included in these financial statements of the Company.

b) Standards, Interpretations and Amendments to published approved accounting standards that became effective during the year but are not relevant

There are new accounting standards, amendments that are mandatory from accounting periods beginning on or after July 01, 2017 and are considered not to be relevant to the Company's financial statements and are therefore, not detailed in these financial statements.

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

| | |
|------------------------------------------------------------------------|-----------------|
| IFRS 15, 'Revenue from contracts with customers' | July 1, 2018 |
| Amendments to 'Revenue from contracts with customers' - Clarifications | July 1, 2018 |
| IFRIC 22, 'Foreign currency transactions and advance consideration' | January 1, 2018 |
| IFRS 9, 'Financial instruments' | July 1, 2018 |
| IAS 19, 'Employee benefits' | January 1, 2019 |
| 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, 2018 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.

3.1.3 Exemption from applicability of certain interpretations to standards

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:

| | 2018 | 2017 |
|-----------------------------------------------------------------|-----------------------------|--------------------|
| | (Rupees in thousand) | |
| De-recognition of property, plant and equipment | (3,225,158) | (3,392,268) |
| Recognition of lease debtor | 429,279 | 469,450 |
| Decrease in un-appropriated profit at the beginning of the year | (2,922,818) | (3,142,967) |
| Increase in profit for the year | 126,939 | 220,149 |
| Decrease in un-appropriated profit at the end of the year | <u>(2,795,879)</u> | <u>(2,922,818)</u> |

4. Basis of measurement

- 4.1** 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 5. 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 5.2.

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.

5. 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.

5.1 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.

5.2 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, 2018 and the actual return on plan assets during the year was Rs. 7.91 million (2017: Rs. 28.79 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 | 10.00% per annum (2017: 9.25% per annum) |
| - Expected rate of increase in salary level | 9.00% per annum (2017: 8.25% 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.

5.3 Property, plant and equipment

5.3.1 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 5.12.

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, 2018 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 instalments 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 5.5).

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.

5.3.2 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.

5.3.3 Stores held for capitalization

Stores held for capitalization qualify as property, plant and equipment when an entity expects to use them for more than one year. Transfers are made to relevant operating fixed assets category as and when such items are available for use.

5.4 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 5.5).

5.5 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.

5.6 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.

5.7 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.

5.8 Financial instruments

5.8.1 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 reporting 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 statement of financial position.

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 reporting 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 receivables is described in note 5.9.

5.8.2 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 recognized in the profit and loss account.



5.8.3 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.

5.9 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.

5.10 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.

5.11 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.

5.12 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.

5.13 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.

5.14 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 reporting date and adjusted to reflect the current best estimate.

5.15 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5.16 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.

5.17 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.

5.18 Dividend

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

6. Issued, subscribed and paid up capital

| 2018 (Number of shares) | 2017 | | 2018 (Rupees in thousand) | 2017 |
|----------------------------|--------------------|------------------------------------------------------------------|------------------------------|------------------|
| 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> |

6.1 33,891,722 (2017: 33,891,722) ordinary shares of the Company are held by an associated company, Toyota Tsusho Corporation.



| | Note | 2018 (Rupees in thousand) | 2017 |
|-----------------------------------------------------------------------------------------------------------------------------|-------------|--------------------------------------------|----------------|
| 7. Employee benefits | | | |
| Gratuity | 7.1 | 19,885 | (174) |
| Leave salary | | 10,065 | 9,785 |
| | | <u>29,950</u> | <u>9,611</u> |
| 7.1 This represents staff gratuity and the amounts recognized in the statement of financial position are as follows: | | | |
| Present value of defined benefit obligation | | 291,527 | 253,064 |
| Fair value of plan assets | | (271,642) | (253,238) |
| Net liability / (asset) as at June 30 | | <u>19,885</u> | <u>(174)</u> |
| 7.1.2 For the year | | | |
| Net (asset) / liability as at July 1 | | (174) | 20,092 |
| Charge to profit and loss account | | 17,243 | 16,539 |
| Contribution by the Company | | (15,965) | (28,451) |
| Re-measurement chargeable to other comprehensive income | | 18,781 | (8,354) |
| Net liability / (asset) as at June 30 | | <u>19,885</u> | <u>(174)</u> |
| 7.1.3 The movement in the present value of defined benefit obligation is as follows: | | | |
| Present value of defined benefit obligation as at July 1 | | 253,064 | 219,494 |
| Current service cost | | 17,997 | 16,012 |
| Past service cost | | - | - |
| Interest cost | | 23,155 | 19,601 |
| Benefits paid | | (5,475) | (3,401) |
| Gain and losses arising on plan settlements | | - | - |
| Remeasurements | | (734) | (258) |
| Experience loss | | 3,520 | 1,616 |
| Present value of defined benefit obligation as at June 30 | | <u>291,527</u> | <u>253,064</u> |
| 7.1.4 The movement in fair value of plan assets is as follows: | | | |
| Fair value as at July 1, | | 253,238 | 199,402 |
| Interest income on plan assets | | 23,909 | 19,074 |
| Contribution by the Company | | 15,965 | 28,451 |
| Benefits paid | | (5,475) | (3,401) |
| Return on plan assets excluding interest income | | (15,995) | 9,712 |
| | | <u>271,642</u> | <u>253,238</u> |

7.2 Plan assets of the Fund

| | 2018 (Rupees in thousand) | % | 2017 (Rupees in thousand) | % |
|-------------------------------------------------------|---------------------------------|-------|---------------------------------|-------|
| The breakup of Plan assets of the Fund is as follows: | | | | |
| Investment in bonds and term deposits | 131,249 | 48.3% | 143,515 | 56.7% |
| Investment in equity shares of the Company | 15,540 | 5.7% | 16,733 | 6.6% |
| Investment in other shares | 20,845 | 7.7% | 32,557 | 12.9% |
| Investment in units in mutual funds | 98,172 | 36.2% | 57,811 | 22.8% |
| Cash and bank / receivables | 5,836 | 2.1% | 2,622 | 1.0% |
| | 271,642 | 100% | 253,238 | 100% |

Investments out of fund have been made in accordance with the provisions of section 218 of the Act and the conditions specified thereunder.

7.3 Sensitivity analysis of the Fund

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

| | 2018 (Rupees in thousand) | 2017 (Rupees in thousand) |
|----------------------|------------------------------|------------------------------|
| Discount rate + 1% | 264,711 | 205,062 |
| Discount rate - 1% | 322,305 | 255,280 |
| Salary increase + 1% | 322,759 | 255,554 |
| Salary increase - 1% | 263,843 | 204,418 |

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:

| | 2018 | 2017 | 2016 (Rupees in thousand) | 2015 | 2014 |
|--------------------------------------------------------------|----------|---------|------------------------------|---------|----------|
| As at June 30 | | | | | |
| Present value of defined benefit obligation | 291,527 | 253,064 | 219,494 | 178,242 | 160,436 |
| Fair value of plan assets | 271,642 | 253,238 | 199,402 | 178,372 | 127,924 |
| (Deficit) / surplus | (19,885) | 174 | (20,092) | 130 | (32,512) |
| Experience adjustment arising on obligation losses | (2,786) | (1,358) | (813) | (4,478) | (8,046) |
| Experience adjustment arising on plan assets (losses) / gain | (15,995) | 9,712 | (7,712) | 5,423 | (232) |

| Note | 2018 (Rupees in thousand) | 2017 (Rupees in thousand) |
|------|------------------------------|------------------------------|
|------|------------------------------|------------------------------|

8. Short term finances - secured

| | | | |
|----------------------------------------------|-----|-----------|-----------|
| Under mark up arrangements | 8.1 | 3,590,533 | 1,797,349 |
| Under arrangements permissible under shariah | 8.1 | 1,695,247 | 1,781,322 |
| | | 5,285,780 | 3,578,671 |



- 8.1** Short term finances available from commercial banks under mark up arrangements amount to Rs. 6,760 million (June 30, 2017: Rs. 6,260 million), out of which finances available from Islamic banks under Islamic arrangements amount to Rs. 2,780 million (June 30, 2017: Rs. 2,780 million). The rates of mark up for finances under mark up arrangement ranged from 6.46% to 7.67% per annum (June 30, 2017: 6.14% to 6.92% per annum) and for finances under arrangement permissible under Shariah ranged from 6.55% to 7.08% per annum (June 30, 2017: 6.12% to 6.66% 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.
- 8.2** Out of the aggregate running finances availed by the Company, Rs. 6,260 million are secured by joint pari passu charge and Rs. 500 million are secured by ranking charge on the current assets of the Company.
- 8.3** Of the aggregate facility of Rs. 476.85 million (2017: Rs. 373 million) for opening letters of credit and Rs. 207.05 million (2017: Rs. 345 million) for guarantees, the amount utilized as at June 30, 2018 were Rs. 151.4 million (2017: Rs. 11 million) and Rs. 207.05 million (2017: Rs. 184.15 million) respectively.

| 9. Trade and other payables | Note | 2018 (Rupees in thousand) | 2017 |
|-------------------------------------------------------------------------------------------------------|-------------|--------------------------------------------|-------------|
| Trade creditors | 9.1 | 17,092 | 16,137 |
| Accrued liabilities | | 2,860 | 4,601 |
| Withholding tax payable | | 4,616 | 29 |
| Workers' Profit Participation Fund | 9.2 | 36,507 | 40,244 |
| Workers' Welfare Fund | 9.3 | 367 | 115,451 |
| Security deposit payable | 9.4 | 153 | 153 |
| Payable against imports | | 16,714 | 209 |
| Other payables | | 5,811 | 5,942 |
| | | 84,120 | 182,766 |
| 9.1 Trade creditors include amount due to related parties of Rs. Nil (2017: Rs. 0.74 million). | | | |
| 9.2 Movement in Workers' Profit Participation Fund is as follows: | | | |
| Opening balance | | 40,244 | 2,783 |
| Provision for the year | 18.3 | 36,507 | 40,244 |
| | | 76,751 | 43,027 |
| Less: Payments made during the year | | (40,244) | (2,783) |
| Closing balance | | 36,507 | 40,244 |
| 9.3 Movement in Workers' Welfare Fund is as follows: | | | |
| Opening balance | | 115,451 | 99,358 |
| Provision for the year | 18.4 | 11 | 16,093 |
| | | 115,462 | 115,451 |
| Less: Reversal made during the year | 18.6 | (115,095) | - |
| Closing balance | | 367 | 115,451 |

- 9.4** This represents advances and security deposits received from customers against scrap sales, which by virtue of agreement are interest free and are repayable on demand or on the cancellation of agreement.

10. Accrued finance cost

2018
(Rupees in thousand)

Mark up accrued on short term finances

48,878

33,361

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).

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 June 30, 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 as follows:

(i) For Dispute 1, Company is not entitled to continued indexation of the NEC after repayment of foreign currency loans.

However, Management of the Company is of the view that under the terms of the PPA the Company is entitled to the continued indexation of the NEC even after repayment of foreign currency loans; and

(ii) For Dispute 2, the adjustment of Rs. 430.51 million is unlawful, therefore, WAPDA is required to pay this amount to the Company. WAPDA has waived its right to seek revision of such invoices in terms of section 9.7 (d) of the PPA since the invoices for the period from September 2008 to September 2009 were not disputed within the prescribed period of 180 days."

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. Indexation on non-escalable of capacity purchase price was not claimed by the Company subsequent to September 2009. Consequently, there is no implication in subsequent periods.

11.1.2 WAPDA has imposed Liquidated Damages (LD) on the Company amounting to Rs. 510.97 million (2017: Rs. 478.31 million) during the period from 2011 to 2018. 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 157.12 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.

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 and which has been refunded to the company during the current year. 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. 205 million (June 30, 2017: Rs. 185 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, 2017: Rs 2.15 million).

11.2 Commitments

- (i) Letters of credit / bank contracts other than capital expenditure are Rs. 68.13 million (June 30, 2017: Rs. 18.10 million).
- (ii) Letters of credit / bank contracts for capital expenditure Rs. 131.35 million (June 30, 2017: Rs. 49.62 million).

Note **2018** **2017**
(Rupees in thousand)

12. Property, plant and equipment

| | | | |
|--------------------------------|------|------------------|------------------|
| Operating fixed assets | 12.1 | 3,432,549 | 3,600,913 |
| Stores held for capitalization | 12.2 | 58,683 | 73,843 |
| | | <u>3,491,232</u> | <u>3,674,756</u> |

12.1 Property, plant and equipment

| (Rupees in thousand) | | | | | | | | | | |
|----------------------|----------------------------|---------------------|---------------------------------|----------------------|-----------------------------------|-----------|------------------------|----------|-----------|--|
| Freehold land | Buildings on freehold land | Plant and machinery | Office appliances and equipment | Laboratory equipment | Electric appliances and equipment | Computers | Furniture and fixtures | Vehicles | Total | |
| 93,209 | 212,383 | 3,243,202 | 998 | 3,575 | 10,218 | 1,359 | 68 | 35,901 | 3,600,913 | |
| - | - | 204,262 | - | - | 184 | 1,117 | - | 13,426 | 218,989 | |
| - | - | - | - | - | - | - | - | (5,026) | (5,026) | |
| - | (21,310) | (10,892) | - | - | - | - | - | - | (10,892) | |
| - | (339,172) | (339,172) | (160) | (556) | (1,922) | (956) | (10) | (7,349) | (371,435) | |
| 93,209 | 191,073 | 3,097,400 | 838 | 3,019 | 8,480 | 1,520 | 58 | 36,952 | 3,432,549 | |

Net carrying value basis (NBV)

Year ended June 30, 2018

| | | | | | | | | | | |
|---------------------|--------|-----------|-----------|-------|-------|---------|-------|------|---------|-----------|
| Opening balance | 93,209 | 212,383 | 3,243,202 | 998 | 3,575 | 10,218 | 1,359 | 68 | 35,901 | 3,600,913 |
| Additions (at cost) | - | - | 204,262 | - | - | 184 | 1,117 | - | 13,426 | 218,989 |
| Disposals | - | - | - | - | - | - | - | - | (5,026) | (5,026) |
| Write-offs | - | (21,310) | (10,892) | - | - | - | - | - | - | (10,892) |
| Depreciation charge | - | (339,172) | (339,172) | (160) | (556) | (1,922) | (956) | (10) | (7,349) | (371,435) |
| Closing balance | 93,209 | 191,073 | 3,097,400 | 838 | 3,019 | 8,480 | 1,520 | 58 | 36,952 | 3,432,549 |

Gross carrying value basis

As at June 30, 2018

| | | | | | | | | | |
|-------------------------------|--------|-----------|-------------|---------|---------|----------|---------|----------|-------------|
| Cost | 93,209 | 625,458 | 8,298,947 | 5,418 | 5,561 | 29,211 | 7,884 | 65,110 | 9,180,254 |
| Accumulated depreciation | - | (434,385) | (5,201,547) | (4,580) | (2,542) | (20,731) | (7,826) | (28,158) | (5,747,705) |
| Net book value (NBV) | 93,209 | 191,073 | 3,097,400 | 838 | 3,019 | 8,480 | 58 | 36,952 | 3,432,549 |
| Depreciation rate % per annum | - | 4% - 6% | 4.5% - 30% | 10% | 10% | 10% | 10% | 20% | 20% |

Net carrying value basis (NBV)

Year ended June 30, 2017

| | | | | | | | | | |
|---------------------|--------|----------|-----------|-------|-------|---------|------|---------|-----------|
| Opening balance | 93,209 | 233,693 | 3,475,279 | 1,194 | 4,131 | 11,051 | 78 | 33,001 | 3,852,559 |
| Additions (at cost) | - | - | 100,896 | 180 | - | 1,270 | - | 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) | (10) | (6,864) | (360,047) |
| Closing balance | 93,209 | 212,383 | 3,243,202 | 998 | 3,575 | 10,218 | 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 | 29,027 | 7,884 | 62,841 | 9,005,137 |
| Accumulated depreciation | - | (413,075) | (4,883,798) | (4,420) | (1,986) | (18,809) | (7,816) | (26,940) | (5,404,224) |
| Net book value (NBV) | 93,209 | 212,383 | 3,243,202 | 998 | 3,575 | 10,218 | 68 | 35,901 | 3,600,913 |
| Depreciation rate % per annum | - | 4% - 6% | 5% - 20% | 10% | 10% | 10% | 10% | 20% | 20% |

12.1.1 The cost of fully depreciated assets which are still in use as at June 30, 2018 is Rs. 318.42 million (2017: Rs. 290.06 million).

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

| Note | 2018 | 2017 |
|------------------------------------------------------------------|----------------------|---------|
| | (Rupees in thousand) | |
| Cost of sales | 21 | 352,828 |
| Administrative expenses - depreciation on operating fixed assets | 22 | 7,185 |
| Community welfare expenses | 22 | 67 |
| | 371,435 | 360,047 |

12.1.3 Disposal of operating fixed assets

2018

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

| Particulars of assets | (Rupees in thousand) | | | | | | |
|-----------------------|----------------------|-------|--------------------------|------------|---------------|---------------|-------------------|
| | Sold to | Cost | Accumulated depreciation | Book value | Sale proceeds | Gain / (loss) | Mode of disposals |
| Vehicles | | | | | | | |
| Employees | | | | | | | |
| Mr. Rehamatullah | | 2,401 | 1,153 | 1,248 | 1,248 | — | Company Policy |
| Mr. Abdul Rauf Irfan | | 2,054 | 986 | 1,068 | 1,068 | — | -do- |
| Mr. Usman Saeed | | 2,038 | 978 | 1,060 | 1,060 | — | -do- |
| Mr. Imran Afzal | | 1,089 | 581 | 508 | 508 | — | -do- |

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:

2017

(Rupees in thousand)

| Particulars of assets | (Rupees in thousand) | | | | | | |
|-------------------------|----------------------|-------|--------------------------|------------|---------------|---------------|-------------------|
| | Sold to | Cost | Accumulated depreciation | Book value | Sale proceeds | Gain / (loss) | 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- |



| | Note | 2018 (Rupees in thousand) | 2017 |
|--------------------------------------------|------|------------------------------|---------------|
| 12.2 Stores held for capitalization | | | |
| Stores held for capitalization | 12.3 | 58,683 | 73,843 |
| | | <u>58,683</u> | <u>73,843</u> |

12.3 This amount represents the mechanical store items including cylinder liners, turbine blade coated and nozzle ring which are held for capitalization.

12.4 Immovable fixed assets of the company are situated at Project/Head Office, Post Office Raja Jang, Near Tablighi Ijtima, Raiwind Bypass, Lahore, Pakistan. Freehold land represents 256 kanal of land situated at Post Office Raja Jang, Near Tablighi Ijtima, Raiwind Bypass, Lahore out of which approximately 16 kanal represents covered area.

| 13. Intangible assets | Computer software | Others | Total |
|-----------------------------------|----------------------|--------------|--------------|
| | (Rupees in thousand) | | |
| Net carrying value basis | | | |
| Year ended June 30, 2018 | | | |
| Opening net book value (NBV) | 4,555 | 556 | 5,111 |
| Additions at cost | - | - | - |
| Amortization charge | (450) | (55) | (505) |
| | <u>4,105</u> | <u>501</u> | <u>4,606</u> |
| Gross carrying value basis | | | |
| As at June 30, 2018 | | | |
| Cost | 22,117 | 1,000 | 23,117 |
| Accumulated amortization | (18,012) | (499) | (18,511) |
| Net book value (NBV) | <u>4,105</u> | <u>501</u> | <u>4,606</u> |
| Amortization rate % per annum | <u>6.25% - 8.82%</u> | <u>5.56%</u> | |
| 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) |
| Closing net book value (NBV) | <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> | |



| | Note | 2018 (Rupees in thousand) | 2017 (Rupees in thousand) |
|-------------------------|---------------------------------------------------------------------|------------------------------|------------------------------|
| 13.1 | The amortization charge for the year has been allocated as follows: | | |
| Administrative expenses | 22 | 505 | 665 |

13.2 The cost of fully amortized assets which are still in use as at June 30, 2018 is Rs. 16.50 million (2017: Rs. 16.50 million).

| | Note | 2018 (Rupees in thousand) | 2017 (Rupees in thousand) |
|--|------|------------------------------|------------------------------|
|--|------|------------------------------|------------------------------|

14. Long term loans and deposits

| | | | |
|--------------------------------------------------|------|----------|----------|
| Loans to employees - considered good | | | |
| - Executives | 14.1 | 7,362 | 7,191 |
| - Others | 14.1 | 13,921 | 17,983 |
| | | 21,283 | 25,174 |
| Less: Current portion included in current assets | | | |
| - Loans to employees - executives | 14.1 | (5,159) | (4,209) |
| - Loans to employees - others | 14.1 | (8,666) | (10,275) |
| | | (13,825) | (14,484) |
| | | 7,458 | 10,690 |
| Security deposits | | 245 | 245 |
| | | 7,703 | 10,935 |

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.

| | 2018 (Rupees in thousand) | 2017 (Rupees in thousand) |
|--|------------------------------|------------------------------|
|--|------------------------------|------------------------------|

14.2 Reconciliation of carrying amount of loans to executives

| | | |
|----------------------------------|---------|---------|
| Opening balance | 7,191 | 5,695 |
| Disbursements | 6,134 | 6,500 |
| Employees promoted as executives | 498 | 1,221 |
| | 13,823 | 13,416 |
| Less: Repayments | (6,461) | (6,225) |
| Closing balance | 7,362 | 7,191 |

14.3 The maximum amount outstanding at the end of any month from executives aggregated Rs. 8.51 million (2017: Rs. 9.27 million).

| | Note | 2018 (Rupees in thousand) | 2017 (Rupees in thousand) |
|------------------------------------------------------|------|------------------------------|------------------------------|
| 15. Stores, spares and loose tools | | | |
| Stores | | 5,600 | 8,541 |
| Spares | | 313,402 | 338,964 |
| Loose tools | | 903 | 1,254 |
| | | <u>319,905</u> | <u>348,759</u> |
| Less : Provision for obsolete items | 15.1 | (14,138) | (14,138) |
| | | <u>305,767</u> | <u>334,621</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 | | 375,389 | 227,853 |
| Diesel | | 733 | 769 |
| Lubricating oil | | 5,595 | 5,718 |
| | | <u>381,717</u> | <u>234,340</u> |
| 17. Trade debts | | | |
| Trade receivables from WAPDA - secured | | | |
| - Considered good | | 6,645,211 | 4,910,059 |
| - Considered doubtful | | - | - |
| | 17.1 | <u>6,645,211</u> | <u>4,910,059</u> |
| Less: Provision for doubtful debts | 17.2 | - | - |
| | | <u>6,645,211</u> | <u>4,910,059</u> |

17.1 This includes an overdue amount of Rs. 5,458.62 million (2017: Rs. 4,031.50 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 to 9.25% (2017: 8.25%) per annum.

| | Note | 2018 (Rupees in thousand) | 2017 (Rupees in thousand) |
|------------------------------------------|------|------------------------------|------------------------------|
| 17.2 Provision for doubtful debts | | | |
| Opening balance | | - | - |
| Written off during the year | | - | - |
| Closing balance | | <u>-</u> | <u>-</u> |



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

| | Note | 2018 (Rupees in thousand) | 2017 |
|-------------------------------------------------------|------|------------------------------|---------|
| Current portion of long term loans to employees | 14 | 13,825 | 14,484 |
| Advances - considered good | | | |
| - To employees | 18.1 | 1,425 | 1,011 |
| - To suppliers | 18.2 | 140,469 | 116,882 |
| Prepayments | | 23,732 | 1,756 |
| Claims recoverable from WAPDA for pass through items: | | | |
| - Workers' Profit Participation Fund | 18.3 | 202,299 | 170,792 |
| - Workers' Welfare Fund | 18.4 | 367 | 115,451 |
| Sales tax receivable | | 128,421 | 110,899 |
| Insurance claim receivable | 18.7 | 23,751 | - |
| Other receivables - considered good | | 837 | 563 |
| | | 535,126 | 531,838 |

18.1 Included in advances to employees are amounts due from executives of Rs. 0.41 million (2017: Rs. 0.20 million).

18.2 Included in advances to suppliers are amounts due from related parties of Rs. 0.149 million (2017: Rs. Nil).

| | Note | 2018 (Rupees in thousand) | 2017 |
|-----------------------------------|------|------------------------------|---------|
| Opening balance | | 170,792 | 130,548 |
| Provision for the year - note 9.2 | | 36,507 | 40,244 |
| | | 207,299 | 170,792 |
| Less: Receipts during the year | | (5,000) | - |
| Closing balance | 18.5 | 202,299 | 170,792 |

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

| | | | |
|-----------------------------------|------|-----------|---------|
| Opening balance | | 115,451 | 99,358 |
| Provision for the year - note 9.3 | | 11 | 16,093 |
| | | 115,462 | 115,451 |
| Less: Reversal during the year | 18.6 | (115,095) | - |
| Closing balance | | 367 | 115,451 |

18.5 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 pass through items.

18.6 Consequent to certain amendments made in the Workers' Welfare Fund ('WWF') Ordinance, 1971 through Finance Act, 2006, the definition of income upon which WWF was computed was changed. The changes were challenged at appellate forums, however the Company recognized an accumulated provision of Rs. 115.45 million to account for aforesaid change.

The Honorable Supreme Court of Pakistan ('SC') vide its order dated November 10, 2016 declared the amendments made in the WWF Ordinance, 1971 through Finance Act, 2006 ultra vires.

The Company in consultation with its legal advisor is of the view that the WWF provision on exempt income is no longer required in view of the SC order mentioned above. Based on the legal advice and considering the remote likelihood of such payment being made, the management has reversed the provision of Rs. 115.1 million in these financial statements.

18.7 During the year, one of the engines of the power plant had to be shut down due to an electrical malfunction of the generator. The Company filed an insurance claim in respect of the loss due to this damage which comprises Property Damage ('PD') and Business Interruption Loss ('BIL') as per the terms of the insurance policy. Furthermore, the Company has entered into letter of credit arrangements with its bankers for procurement of the new generator as disclosed in note 11.2 (ii).

The Company has incurred restoration/repair costs of Rs. 48.07 million during the year as a temporary solution to minimize the BIL. The operations of the generator were restored in April 2018 and the repaired generator will be replaced by the newly purchased generator in the next year.

The amount of Rs. 23.75 million represents provisional amount on account of repair of the damaged generator. This amount has been reimbursed by the insurer to the Company subsequent to the year end. The total amount of claim will be recognized upon its final settlement by the insurer. The management of the Company is confident that the claim will be acknowledged and settled by the insurer.

| | Note | 2018 (Rupees in thousand) | 2017 |
|------------------------------------------------|------|------------------------------|---------|
| 19. Cash and bank balances | | | |
| Balance at banks on: | | | |
| Current accounts | | 100,262 | 2 |
| Saving accounts | | | |
| - Under interest / mark up arrangements | 19.1 | 22,966 | 113,611 |
| - Under arrangements permissible under Shariah | 19.1 | 30,049 | 30,069 |
| | | 53,015 | 143,680 |
| | | 153,277 | 143,682 |
| Cash in hand | | 1,296 | 1,237 |
| | | 154,573 | 144,919 |

19.1 The balance in savings bank accounts bear mark up at rates ranging from 3.7% to 4.0% per annum (2017: 3.75 % to 4.50 % per annum) and balance in accounts under arrangements permissible under Shariah bear profit at the rates ranging from 2.47% to 5.50% per annum (2017: 2.39% to 5.01%).

| | Note | 2018 (Rupees in thousand) | 2017 |
|-------------------------|------|------------------------------|-----------|
| 20. Sales | | | |
| Energy purchase price | 20.1 | 7,124,100 | 7,113,363 |
| Capacity purchase price | | 1,158,541 | 1,110,498 |
| | | 8,282,641 | 8,223,861 |

20.1 Energy purchase price is exclusive of sales tax of Rs. 1,164.91 million (2017: Rs. 1,180.99 million).



| | Note | 2018 (Rupees in thousand) | 2017 |
|------------------------------------------|------|------------------------------|------------------|
| 21. Cost of sales | | | |
| Raw material consumed | | 6,092,886 | 6,100,116 |
| Salaries, wages and benefits | 21.1 | 229,911 | 212,285 |
| Fee for produce of energy (FPE) | | - | 1,925 |
| Stores and spares consumed | | 236,318 | 230,559 |
| Depreciation on operating fixed assets | 12.1 | 363,969 | 352,828 |
| Fee and subscription | | 3,952 | 2,416 |
| Insurance | | 27,243 | 29,597 |
| Travelling, conveyance and entertainment | | 12,866 | 13,263 |
| Repairs and maintenance | | 15,211 | 19,816 |
| Communication charges | | 2,233 | 1,839 |
| Electricity consumed in-house | | 7,412 | 2,476 |
| Environmental expenses | | 910 | 1,360 |
| Assets written-off | | 10,891 | 5,071 |
| Contracted services | | 13,801 | 12,054 |
| Miscellaneous | | 2,364 | 2,724 |
| | | <u>7,019,967</u> | <u>6,988,329</u> |

2018 **2017**
(Rupees in thousand)

21.1 Salaries, wages and other benefits

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

| | | |
|--------------------------------|---------------|--------------|
| Current service cost | 10,798 | 9,607 |
| Past service cost | - | - |
| Interest cost for the year | 13,893 | 11,761 |
| Expected return on plan assets | (14,345) | (11,444) |
| | <u>10,346</u> | <u>9,924</u> |

In addition to above, salaries, wages and other benefits included in admin expenses include Rs. 8.25 million (2017: Rs. 7.62 million) in respect of provision for leave encashment.

| | Note | 2018 (Rupees in thousand) | 2017 |
|------------------------------------------|------|------------------------------|----------------|
| 22. Administrative expenses | | | |
| Salaries, wages and benefits | 22.1 | 151,980 | 141,444 |
| Communication charges | | 2,093 | 2,208 |
| Depreciation on operating fixed assets | 12.1 | 7,399 | 7,185 |
| Amortization on intangible assets | 13.1 | 505 | 665 |
| Insurance | | 3,323 | 3,160 |
| Travelling, conveyance and entertainment | | 30,962 | 33,917 |
| Repairs and maintenance | | 7,425 | 6,551 |
| Legal and professional charges | 22.2 | 10,904 | 6,059 |
| Community welfare expenses | | 12,466 | 13,128 |
| Donations | 22.3 | - | 200 |
| Rents, rates and taxes | | 2,364 | 1,957 |
| Fee and subscription | | 2,218 | 1,827 |
| Security expenses | | 8,160 | 7,319 |
| Environmental expenses | | 9,596 | 10,574 |
| Contracted services | | 10,896 | 10,258 |
| Miscellaneous | | 5,810 | 8,524 |
| | | <u>266,101</u> | <u>254,976</u> |

22.1 Salaries, wages and other benefits

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

| | 2018 (Rupees in thousand) | 2017 (Rupees in thousand) |
|--------------------------------------------|------------------------------|------------------------------|
| Current service cost | 7,199 | 6,405 |
| Past service cost | - | - |
| Interest cost for the year | 9,262 | 7,840 |
| Expected return on plan assets | (9,564) | (7,630) |
| Gain and losses arising on plan settlement | - | - |
| | <u>6,897</u> | <u>6,615</u> |

In addition to above, salaries, wages and other benefits included in admin expenses include Rs. 8.25 million (2017: Rs. 7.62 million) in respect of provision for leave encashment.

22.2 Legal and professional charges include the following:

In respect of auditors' services for:

| | 2018 (Rupees in thousand) | 2017 (Rupees in thousand) |
|------------------------------------------|------------------------------|------------------------------|
| - Statutory audit | 1,500 | 1,428 |
| - Half yearly review and sundry services | 640 | 712 |
| - Out of pocket expenses | 123 | 220 |
| | <u>2,263</u> | <u>2,360</u> |

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

22.4 Employees of the company

| | 2018 | 2017 |
|---------------------------------------------------------|------------|------------|
| Total number of employees as at June 30 | <u>153</u> | <u>154</u> |
| Total number of employees at plant site as at June 30 | <u>115</u> | <u>116</u> |
| Average number of employees | <u>154</u> | <u>152</u> |
| Average number of employees at plant site as at June 30 | <u>110</u> | <u>111</u> |

Note 2018 2017 (Rupees in thousand)

23. Other income

| | Note | 2018 | 2017 |
|-----------------------------------------------------|------|--------------|--------------|
| Income on bank deposits | 23.1 | 800 | 257 |
| Profit on disposal of property, plant and equipment | | 1,069 | 2,037 |
| | | <u>1,869</u> | <u>2,294</u> |

23.1 Income on bank deposits

| | | |
|----------------------------------------------------------------------|------------|------------|
| Income on bank deposits under mark up arrangements | 534 | 185 |
| Income on bank deposits under arrangements permissible under Shariah | 266 | 72 |
| | <u>800</u> | <u>257</u> |



24. Finance cost

| | 2018 (Rupees in thousand) | 2017 |
|--------------------------------|------------------------------|---------|
| Mark up on short term finances | 266,839 | 176,587 |
| Bank guarantee and commission | 764 | 750 |
| Others | 701 | 635 |
| | 268,304 | 177,972 |

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.

| | 2018 (Rupees in thousand) | 2017 |
|-----------------------------------------------------|------------------------------|-----------|
| Profit before tax | 730,138 | 804,878 |
| Tax @ 30% (2017: 31%) | 219,041 | 249,512 |
| Tax effect of exempt income referred to in note 5.1 | (218,801) | (248,801) |
| Tax charge | 240 | 711 |

25.1 Tax charge reconciliation

25.2 Management assessment on sufficiency of provision for income taxes

| | 2017 | 2016 (Rupees in thousand) | 2015 |
|------------------------------------------------|------|------------------------------|--------|
| Tax assessed as per most recent tax assessment | 59 | 90 | 14,930 |
| Provision in accounts for income tax | 711 | 445 | 1,283 |

The tax assessed as per most recent tax assessed for the year 2017 and 2016 is based on "deemed assessment" as per income tax return filed for respective years.

As at June 30, 2018, as per the treatments adopted in tax returns filed that are based on the applicable tax laws and decisions of appellate authorities on similar matters, the provision in accounts for income tax is sufficient as there are strong grounds that the said treatments are likely to be accepted by the tax authorities.

26. Cash generated from operations

| | 2018 (Rupees in thousand) | 2017 |
|-----------------------------------------------------|------------------------------|-----------|
| Profit before taxation | 730,138 | 804,878 |
| Adjustment for: | | |
| - Depreciation on property, plant and equipment | 371,435 | 360,047 |
| - Amortization on intangible assets | 505 | 665 |
| - Fixed assets written-off during the period | 10,892 | 5,071 |
| - Gain on disposal of property, plant and equipment | (1,069) | (2,037) |
| - Income on bank deposits | (800) | (257) |
| - Charge for employee retirement benefits | 33,736 | 31,789 |
| - Finance cost on borrowings | 268,304 | 177,972 |
| Profit before working capital changes | 1,413,141 | 1,378,128 |

2018
(Rupees in thousand)

Effect on cash flow due to working capital changes:
 - Decrease in stores and spares
 - Increase in stock in trade
 - Increase in trade debts
 - (Increase) / decrease in loans, advances, deposits, prepayments and other receivables
 - (Decrease) / increase in trade and other payables

| | 2018 | 2017 |
|--|------------------|----------------|
| | 28,854 | 10,471 |
| | (147,377) | (75,486) |
| | (1,735,152) | (1,302,654) |
| | (3,288) | 153,721 |
| | (98,646) | 47,842 |
| | (1,955,609) | (1,166,106) |
| | <u>(542,468)</u> | <u>212,022</u> |

27. Cash and cash equivalents

Cash and bank balances
 Finances under mark up arrangements

| | 2018 | 2017 |
|--|--------------------|--------------------|
| | 154,573 | 144,919 |
| | (5,285,780) | (3,578,671) |
| | <u>(5,131,207)</u> | <u>(3,433,752)</u> |

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

| | Chief Executive | | Executive Director | | Non-Executive Director | | Executives | |
|----------------------------------------|-----------------------------|---------------|--------------------|---------------|------------------------|---------------|----------------|----------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| | (Rupees in thousand) | | | | | | | |
| Managerial remuneration and allowances | 11,276 | 10,842 | - | 13,165 | - | 13,165 | 41,084 | 33,612 |
| Housing | 5,070 | 4,874 | - | 5,920 | - | 5,920 | 18,428 | 15,070 |
| Utilities | 1,127 | 1,083 | - | 1,315 | - | 1,315 | 4,095 | 3,349 |
| Retirement benefits | 1,985 | 1,909 | - | - | - | - | 7,232 | 5,913 |
| Medical expenses | 194 | - | - | - | - | - | 1,361 | 697 |
| Bonus | 5,824 | 5,572 | - | - | - | - | 21,111 | 17,362 |
| Club expenses | 88 | 81 | - | - | - | - | 519 | 492 |
| Others | 9,069 | 7,783 | - | 6,902 | - | 6,902 | 29,003 | 23,651 |
| | <u>34,633</u> | <u>32,144</u> | <u>-</u> | <u>27,302</u> | <u>-</u> | <u>27,302</u> | <u>122,833</u> | <u>100,146</u> |
| Number of persons | 1 | 1 | 0 | 1 | 0 | 1 | 16 | 12 |

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

28.3 Aggregate amount charged in the financial statements for the year for fee to Directors is Rs. Nil (2017: Nil).

28.4 The Companies Act, 2017 has changed the definition of "Executives" therefore for the purpose of comparability, corresponding figures of executive remuneration have been changed.

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:



| Relation with undertaking | Nature of transaction | 2018 | | 2017 | |
|---------------------------|---------------------------|----------------------|--|---------|--|
| | | (Rupees in thousand) | | | |
| Associated companies | Purchase of services | 3,347 | | 4,532 | |
| | Reimbursement of expenses | 149 | | 237 | |
| | Purchase of goods | 1,084 | | 460 | |
| | Dividend paid | 274,523 | | 305,026 | |
| Retirement benefit plan | Dividend paid | 1,748 | | 1,943 | |
| | Expense charged | 17,243 | | 16,539 | |
| Key management personnel | Dividend paid | 99,313 | | 110,349 | |

29.1 The names of related parties with whom the Company has entered into transactions or had agreements / arrangements in place during the year and whose names have not been disclosed elsewhere in these financial statements are as follows:

| Name of the related party | Basis of relationship | Percentage of shareholding % |
|------------------------------------------------------------|-------------------------|------------------------------|
| Toyota Tsusho Corporation | Associated company | 20% |
| Tomen Power (Singapore) (Private) Limited | -do- | 16% |
| Red Communication Arts (Private) Limited | Common directorship | - |
| Kohinoor Power Company Limited | -do- | - |
| Pak Elektron Limited | -do- | - |
| PEL Marketing (Private) Limited | -do- | - |
| Wartsila Pakistan (Private) Limited | -do- | - |
| Trustee Kohinoor Energy Limited Employees Gratuity Fund | Retirement benefit plan | 0% |

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

29.2 Information about the related party incorporated outside the Pakistan with whom the company had entered into transactions is as follows:

| | |
|-----------------------------------------------------------------|---------------------------------------------------------------------|
| 29.2.1 Name of company: | Toyota Tsusho Corporation |
| Registered address of the company: | 9-8, Meieki 4-chome, Nakamura-ku, Nagoya 450-8575, Japan. |
| Country of incorporation: | Japan |
| Basis of association: | Associated company |
| Aggregate percentage of shareholding: | 20% |
| President and Chief Executive Officer: | Mr. Ichiro Kashitani |
| Operational status: | Operational |
| Auditors opinion on latest financial statements: | Unmodified opinion |
| 29.2.2 Name of company: | Tomen Power (Singapore) (Private) Limited |
| Registered address of the company: | 600 North Bridge Road, #04-09 Parkview Square, Singapore 188778. |
| Country of incorporation: | Singapore |
| Basis of association: | Associated company |
| Aggregate percentage of shareholding: | 16% |
| Chief Executive Officer/Principal Officer/ Authorized Agent: | Mr. Ichiro Kawano |
| Operational status: | Operational |
| Auditors opinion on latest financial statements: | Unmodified opinion |

30. Capacity and production

| | 2018 | 2017 |
|-------------------------------------------|-----------|-----------|
| Installed capacity (Based on 8,760 hours) | 1,086,240 | 1,086,240 |
| Actual energy delivered | 645,395 | 792,147 |

Under utilization 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 minimize 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 only 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 reporting date, no amounts were receivable from the foreign entities. The Company's exposure to currency risk is as follows:

| | 2018 (FCY in thousand) | 2017 |
|--------------------------|---------------------------|------|
| Trade and other payables | 86 | - |

The following significant exchange rates were applied during the year:

| | 2018 | 2017 |
|------------------------|--------|--------|
| Rupees per Euro | | |
| Average rate | 131.43 | 114.39 |
| Reporting date rate | 141.57 | 120.14 |

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. 0.73 million (2017: 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 reporting date, the interest rate profile of the Company's interest bearing financial instruments was:

| | 2018 | 2017 |
|-----------------------------------------------|----------------------|----------------|
| | (Rupees in thousand) | |
| Fixed rate instruments | | |
| Financial assets | | |
| Bank balances - savings accounts | 53,015 | 143,680 |
| Net exposure | <u>53,015</u> | <u>143,680</u> |
| Floating rate instruments | | |
| Financial assets | | |
| Trade debts - overdue | 5,458,623 | 4,031,496 |
| Financial liabilities | | |
| Finances under mark up arrangements - secured | (5,285,780) | (3,578,671) |
| Net exposure | <u>172,843</u> | <u>452,825</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 reporting 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. 52.86 million (2017: Rs. 35.78 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:

| | 2018 (Rupees in thousand) | 2017 |
|------------------------------------------------------------------------|------------------------------|------------------|
| Long term loans and deposits | 7,703 | 10,935 |
| Trade debts | 6,645,211 | 4,910,059 |
| Loans, advances, deposits, prepayments and other receivables | 369,500 | 412,189 |
| Balances with banks | 153,277 | 143,682 |
| | <u>7,175,691</u> | <u>5,476,865</u> |
| The age of trade receivables as at reporting date is as follows: | | |
| - Not past due | 1,186,588 | 878,563 |
| - Past due 0 - 180 days | 4,445,736 | 3,041,258 |
| - Past due 181 - 365 days | 111,580 | 71,166 |
| - 1 - 2 years | 137,235 | 122,822 |
| - More than 2 years | 764,072 | 796,250 |
| | <u>6,645,211</u> | <u>4,910,059</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 | 2018 (Rupees in thousand) | 2017 |
|---------------------------|---------------|--------------|------------------|------------------------------|------------------|
| Trade debts | | | | | |
| WAPDA | Not available | | | 6,645,211 | 4,910,059 |
| Other receivables | | | | | |
| WAPDA | Not available | | | 202,666 | 286,243 |
| Banks | | | | | |
| Bank Alfalah Limited | A1+ | AA+ | PACRA | 744 | 20,024 |
| Standard Chartered Bank | A1+ | AAA | PACRA | 100,250 | 1 |
| Askari Commercial Bank | A1+ | AA+ | PACRA | 21,267 | 21,658 |
| MCB Bank Limited | A1+ | AAA | PACRA | 1 | 5 |
| Habib Bank Limited | A-1+ | AAA | JCR-VIS | 30,031 | 30,063 |
| Al-Baraka Bank | A1 | A | PACRA | 18 | 391 |
| United Bank Limited | A-1+ | AAA | JCR-VIS | 2 | 71,006 |
| National Bank of Pakistan | A1+ | AAA | PACRA | 78 | 535 |
| Faysal Bank Limited | A1+ | AA+ | PACRA | 886 | - |
| | | | | <u>7,001,154</u> | <u>5,339,985</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, 2018, the Company had Rs. 6,760 million available borrowing limits from financial institutions and Rs. 154.57 million cash and bank balances.

The following are the contractual maturities of financial liabilities as at June 30, 2018:

| | Carrying amount | Less than one year (Rupees in thousand) | One to five years | More than five years |
|-------------------------------------|------------------|--------------------------------------------|-------------------|----------------------|
| Finances under mark up arrangements | 5,285,780 | 5,285,780 | - | - |
| Trade and other payables | 47,246 | 47,246 | - | - |
| Accrued finance cost | 48,878 | 48,878 | - | - |
| Unclaimed dividend | 10,305 | 10,305 | - | - |
| | <u>5,392,209</u> | <u>5,392,209</u> | <u>-</u> | <u>-</u> |

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

| | Carrying amount | Less than one year (Rupees in thousand) | One to five years | More than five years |
|-------------------------------------|------------------|--------------------------------------------|-------------------|----------------------|
| Finances under mark up arrangements | 3,578,671 | 3,578,671 | - | - |
| Trade and other payables | 27,071 | 27,071 | - | - |
| Accrued finance cost | 33,361 | 33,361 | - | - |
| Unclaimed dividend | 14,302 | 14,302 | - | - |
| | <u>3,653,405</u> | <u>3,653,405</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 | |
|--------------------------------------------------------------|---------------------------------------|----------|-----------------------|------------------|------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| | | | (Rupees in thousand) | | | |
| Long term loans and deposits | - | - | 7,703 | 10,935 | 7,703 | 10,935 |
| Trade debts | - | - | 6,645,211 | 4,910,059 | 6,645,211 | 4,910,059 |
| Loans, advances, deposits, prepayments and other receivables | - | - | 369,500 | 412,189 | 369,500 | 412,189 |
| Cash and bank balances | - | - | 153,277 | 143,682 | 153,277 | 143,682 |
| | <u>-</u> | <u>-</u> | <u>7,175,691</u> | <u>5,476,865</u> | <u>7,175,691</u> | <u>5,476,865</u> |

Assets as per statement of financial position

Financial liabilities at amortized cost
2018 **2017**
(Rupees in thousand)

Financial liabilities as per statement of financial position

| | | |
|--------------------------|-----------|-----------|
| Short term finances | 5,285,780 | 3,578,671 |
| Trade and other payables | 47,246 | 27,071 |
| Accrued finance cost | 48,878 | 33,361 |
| Unclaimed dividend | 10,305 | 14,302 |
| | 5,392,209 | 3,653,405 |

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 statement of financial position plus net debt. The gearing ratio as at June 30, 2018 and June 30, 2017 is as follows:

| | 2017 | 2016 |
|----------------------------------------|-----------------------------|-------------|
| | (Rupees in thousand) | |
| Short term borrowings - note 8 | 5,285,780 | 3,578,671 |
| Less: Cash and bank balances - note 19 | (154,573) | (144,919) |
| Net debt | 5,131,207 | 3,433,752 |
| Total equity | 6,005,463 | 6,056,909 |
| Total capital | 11,136,670 | 9,490,661 |
| Gearing ratio % | 46.1% | 36.2% |

32. Earnings per share

32.1 Basic earnings per share

| | | 2018 | 2017 |
|--------------------------------------------|----------------------------|-------------|-------------|
| Net profit for the year | Rupees in thousand | 729,898 | 804,167 |
| Weighted average number of ordinary shares | Number in thousands | 169,459 | 169,459 |
| Earnings per share | Rupees | 4.31 | 4.75 |

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, 2018 and June 30, 2017 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 authorized for issue on September 11, 2018 by the Board of Directors of the Company.

34. Subsequent events

The Board of Directors have proposed a final dividend for the year ended June 30, 2018 of Rs. 1 (2017: Rs. 2) per share, amounting to Rs. 169.459 million (2017: Rs. 338.92 million) at their meeting held on September 11, 2018 for approval of the members at the Annual General Meeting to be held on October 23, 2018. These financial statements do not reflect this dividend payable.

35. Corresponding figures

Corresponding figures have been reclassified or arranged, wherever necessary, to comply with the requirements of the fourth schedule of the Companies Act, 2017 and for better and fair presentation. However, no significant reclassifications / rearrangement have been made during the year, except for the following as per requirement of the fourth schedule of the Companies Act, 2017 :

2017
(Rupees in
thousand)

| | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| - 'Unclaimed dividend' previously presented under 'Trade and other payables' now separately presented on the face of the statement of financial position. | 14,302 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------|

36. General

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



Chief Executive Officer



Director



Chief Financial Officer

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2018

| NO. OF SHAREHOLDERS | FROM | SHAREHOLDING TO | TOTAL SHARES HELD |
|------------------------|-----------|--------------------|----------------------|
| 142 | 1 | 100 | 3,646 |
| 223 | 101 | 500 | 91,163 |
| 203 | 501 | 1,000 | 188,076 |
| 382 | 1,001 | 5,000 | 1,195,805 |
| 179 | 5,001 | 10,000 | 1,463,713 |
| 59 | 10,001 | 15,000 | 781,148 |
| 29 | 15,001 | 20,000 | 537,750 |
| 30 | 20,001 | 25,000 | 689,050 |
| 23 | 25,001 | 30,000 | 653,928 |
| 11 | 30,001 | 35,000 | 355,650 |
| 14 | 35,001 | 40,000 | 542,094 |
| 3 | 40,001 | 45,000 | 130,700 |
| 19 | 45,001 | 50,000 | 940,000 |
| 9 | 50,001 | 55,000 | 474,140 |
| 6 | 55,001 | 60,000 | 348,250 |
| 8 | 60,001 | 65,000 | 510,500 |
| 4 | 65,001 | 70,000 | 269,500 |
| 3 | 70,001 | 75,000 | 217,900 |
| 2 | 75,001 | 80,000 | 156,000 |
| 3 | 80,001 | 85,000 | 248,625 |
| 1 | 85,001 | 90,000 | 90,000 |
| 2 | 90,001 | 95,000 | 186,500 |
| 12 | 95,001 | 100,000 | 1,196,000 |
| 1 | 100,001 | 105,000 | 103,382 |
| 1 | 115,001 | 120,000 | 120,000 |
| 1 | 125,001 | 130,000 | 127,000 |
| 1 | 135,001 | 140,000 | 136,000 |
| 3 | 145,001 | 150,000 | 446,500 |
| 2 | 155,001 | 160,000 | 320,000 |
| 1 | 185,001 | 190,000 | 187,820 |
| 3 | 195,001 | 200,000 | 600,000 |
| 1 | 205,001 | 210,000 | 208,000 |
| 1 | 210,001 | 215,000 | 214,000 |
| 1 | 215,001 | 220,000 | 216,500 |
| 1 | 230,001 | 235,000 | 231,500 |
| 2 | 250,001 | 255,000 | 510,000 |
| 1 | 260,001 | 265,000 | 264,000 |
| 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 | 385,001 | 390,000 | 388,500 |
| 1 | 495,001 | 500,000 | 500,000 |
| 1 | 630,001 | 635,000 | 632,500 |
| 1 | 650,001 | 655,000 | 655,000 |
| 1 | 755,001 | 760,000 | 757,000 |
| 1 | 805,001 | 810,000 | 805,500 |
| 1 | 875,001 | 880,000 | 876,257 |
| 1 | 995,001 | 1,000,000 | 1,000,000 |
| 1 | 1,175,001 | 1,180,000 | 1,175,895 |



| | | | |
|---|------------|------------|------------|
| 1 | 1,240,001 | 1,245,000 | 1,244,500 |
| 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 | 3,995,001 | 4,000,000 | 4,000,000 |
| 1 | 4,995,001 | 5,000,000 | 5,000,000 |
| 2 | 7,900,001 | 7,905,000 | 15,805,998 |
| 1 | 8,700,001 | 8,705,000 | 8,702,600 |
| 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 |

1,419

169,458,614

Categories of shareholders

Share held

Percentage

| | | |
|-------------------------------------------------------------------------------|------------|---------|
| Directors, Chief Executive Officers, and their spouse and minor children | 22,032,770 | 13.0019 |
| Associated Companies, undertakings and related parties | 61,393,600 | 36.2293 |
| NIT and ICP | - | - |
| Banks Development Financial Institutions, Non Banking Financial Institutions. | 10,148,758 | 5.9889 |
| Insurance Companies | 353,269 | 0.2085 |
| Modarabas and Mutual Funds | 925,257 | 0.5460 |
| Share holders holding 10% or more | 61,005,100 | 36.0000 |
| General Public | | |
| a. Local | 64,101,896 | 37.8275 |
| b. Foreign | 10,020 | 0.0059 |
| Others (to be specified) | | |
| 1- Investment Companies | 1,000,187 | 0.5902 |
| 2- Pension Funds | 24,282 | 0.0143 |
| 3- Others Companies | 3,315,322 | 1.9564 |
| 4- Joint Stock Companies | 2,723,702 | 1.6073 |
| 5- Foreign Companies | 3,429,551 | 2.0238 |

www.jamapunji.pk



سرمایہ کاری سمجھداری کی دنیا

Key features:

- 📄 Licensed Entities Verification
- 🚫 Scam meter*
- 🎮 Jamapunji games*
- 📄 Tax credit calculator*
- 🔍 Company Verification
- 📄 Insurance & Investment Checklist
- 🗨️ FAQs Answered
- 📈 Stock trading simulator (based on live feed from KSE)
- 📚 Knowledge center
- 📊 Risk profiler*
- 📊 Financial calculator
- 📧 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 📖 Online Quizzes

Be aware, Be alert, Be safe
Learn about investing at www.jamapunji.pk

Jamapunji is an Investor Education Institute of Securities and Exchange Commission of Pakistan

*Mobile apps are also available for download for android and ios devices

Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2018

| 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 GRATUITY FUND (CDC) | 388,500 | 0.2293 |
| 4 | MR. M. AZAM SAIGOL (CDC) | 14,126,620 | 8.3363 |
| 5 | MRS. AMBER HAROON SAIGOL W/O M. AZAM SAIGIL (CDC) | 7,902,999 | 4.6637 |
| Mutual Funds: | | | |
| 1 | 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. MUHAMAMD ASAD KHAN | 500 | 0.0003 |
| 5 | MR. HIROTOSHI UGAJIN | 500 | 0.0003 |
| 6 | MR. SHINGO ITO | 500 | 0.0003 |
| 7 | MISS MARIKO UEDA | 500 | 0.0003 |
| 8 | MR. ICHIRO KAWANO | 500 | 0.0003 |
| Executives: | | 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 interest 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 |
| 6 | MST. ATIQA BEGUM (CDC) | 8,702,600 | 5.1355 |

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. SHINGO ITO | - | 500 |
| 2 | MR. MIKOHURO MORIYA | 500 | - |
| 3 | MISS MARIKO UEDA | - | 500 |
| 4 | MR. TATSUO HISATOMI | 500 | - |
| 5 | MR. ICHIRO KAWANO | - | 500 |
| 6 | MR. SHINICHI USHIJIMA | 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 fifth Annual General Meeting of the Company to be held on October 23, 2018 at 12:30 P.M. at Hotel Margala Islamabad, M-2 Near Convention Centre, Islamabad and/or at any adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2018

signed by _____

in the presence of _____

Signed by the said

Witness:
Name _____

CNIC No. _____

Address _____

Witness:
Name _____

CNIC No. _____

Address _____

Revenue
Stamps
Rs.5/-

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.



کوہ نور انرجی لمیٹڈ

سی ڈی سی کا شراکتی آئی ڈی نمبر

پراکسی فارم

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 منگل 23 اکتوبر 2018 کو دوپہر بارہ بج کر

تیس منٹ (12:30) پر مارگلہ ہوٹل، ایم ٹو، نزد کنونینشن سنٹر، 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 2018

5/- روپے کا
محصول ٹکٹ

گواہی:

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

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

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

"SAY NO TO CORRUPTION"

Contribution to Social Welfare

www.kel.com.pk

