KOHINOOR
POWER COMPANY LIMITED

ANNUAL REPORT 2016

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. M. Naseem Saigol	Chairman
Mr. M. Azam Saigol	Chief Executive
Rana Asad Iqbal	
Mr. M. Omer Farooq	
Mr. Muhammad Athar Rafiq	
Mr. Rashid Ahmad Javaid	
Mr. Muhammad Shamil	

AUDIT COMMITTEE

Mr. M. Azam Saigol	Chairman/Member
Mr. M. Omer Farooq	Member
Mr. Rashid Ahmad Javaid	Member

HR & REMUNERATION COMMITTEE

Mr. M. Naseem Saigol	Chairman
Mr. M. Azam Saigol	Member
Mr. Rashid Ahmad Javaid	Member

COMPANY SECRETARY
Mr. Liaquat Ali

CHIEF FINANCIAL OFFICER
Mr. Asif Ali Mughal

AUDITORS
M/s Mudassar Ehtisham & Co.
Chartered Accountants

REGISTRATION NUMBER
0025880

NTN
1351003-7

WEBSITE
www.kpcl.com.pk

BANKERS
Al Barka Bank (Pakistan) Limited
Askari Bank Limited
Bank Alfalah Limited
Faysal Bank Limited
Habib Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
Standard Chartered Bank (Pakistan) Limited
United Bank Limited

REGISTERED OFFICE
17-Aziz Avenue, Canal Bank,
Gulberg-V, Lahore.
Tel: 35717364-65 & 35718274-75 Fax: 35715105
E-mail: shares@saigols.com

WORKS
Kohinoor Nagar, Faisalabad.
51-KM, Multan Road, Lahore.

SHARE REGISTRAR
M/s Corplink (Pvt.) Limited
Wings Arcade, 1-K, Commercial,
Model Town, Lahore
Tel: 35916714-19, 35839182 Fax: 35869037
E-mail: shares@corplink.com.pk

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 25th Annual General Meeting of Shareholders of **Kohinoor Power Company Limited** will be held on Monday, October 31, 2016 at 11:00 A.M.at17-Aziz Avenue, Canal Bank, Gulberg-V, Lahore the Registered Office of the Company to transact the following business:-

1. To confirm the minutes of Extraordinary General Meeting held on September 28, 2016.
2. To receive and adopt the Annual Audited Accounts for the year ended June 30, 2016 alongwith Directors' and Auditors' Reports thereon.
3. To appoint Auditors of the Company to hold office till the conclusion of next Annual General Meeting and to fix their remuneration.
4. Any other business with the permission of the Chair.

By Order of the Board

Company Secretary

Lahore: October 10, 2016

Notes:

1. Share Transfer Books of the Company will remain closed from October 25, 2016 to October 31, 2016 (both days inclusive). Physical transfers/CDS transactions ID's received in order at "Company Registrar office M/s Corplink (Pvt.) Limited", wings arcade, 1-K, Commercial Model Town, Lahore on October 24, 2016 will be treated in time.
2. A member entitled to attend and vote at this Meeting may appoint another Member as his/her proxy. Proxies in order to be effective, must be received at 17-Aziz Avenue, Canal Bank, Gulberg-V, Lahore the Registered Office of the Company not later than forty-eight hours before the time for holding the meeting and must be duly stamped, signed and witnessed.
3. Members whose shares are deposited with Central Depository System are requested to bring their original National Identity Cards or original Passports along with their Account Numbers in Central Depository System for attending the meeting.
4. Members are requested to notify the Company change in their addresses, if any.
5. **SUBMISSION OF COPY OF CNIC/NTN DETAILS (MANDATORY)**

   Pursuant to the directives of the Securities and Exchange Commission of Pakistan CNIC number of individuals is mandatorily required to be mentioned on dividend warrants and pursuant to the provisions of Finance Act 2016, the rate of deduction of income tax under section 150 of the Income Tax Ordinance 2001 from dividend payment have been revised as: for filers of Income Tax return 12.5% and Non filers of Income Tax return 20%. In case of Joint account, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to our Share Registrars, or if no notification, each joint holder shall be assumed to have an equal number of shares.

Company Name	Folio/CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholder	
			Name & CNIC No.	Shareholding Proportion No. Of Shares	Name & CNIC No.	Shareholding proportion No. Of Shares

The CNIC number/NTN details is now mandatory and is required for checking the tax status as per the Active Taxpayers List (ATL) issued by Federal Board of Revenue (FBR) from time to time.

Individuals including all joint holders holding physical share certificates are therefore requested to submit a copy of their valid CNIC to the company or its Registrar if not already provided, For shareholders other than individuals, the checking will be done by matching the NTN number, therefore the Corporate shareholders having CDC accounts are requested in their own interest to provide a copy of NTN certificate to check their names in the ATL before the book closure date to their respective participants/CDC, whereas corporate shareholders holding physical share certificates should send a copy of their NTN certificate to the Company or its Share Registrar. The Shareholders while sending CNIC or NTN certificates, as the case may be must quote their respective folio numbers.

In case of non-receipt of the copy of a valid CNIC or NTN, the Company would be unable to comply with SRO 831(1)/2012 dated July 05, 2012 of SECP and therefore will be constrained under Section 251(2)(a) of the Companies Ordinance, 1984 to withhold dispatch of dividend warrants of such shareholder. Further, all shareholders are advised to immediately check their status on ATL and may, if required take necessary action for inclusion of their name in the ATL. The company as per the new law, shall apply 20% rate of withholding tax if the shareholders name, with relevant details, does not appear on the ATL, available on the FBR website on the first day of book closure and deposit the same in the Government Treasury as this has to be done within the prescribed time.

6. **ZAKAT DECLARATIONS (CZ-50)**

The Zakat will be deducted from the dividends at source at the rate of 2.5% of the paid-up value of the shares (Rs. 10/- each) under Zakat and Ushr Laws and will be deposited within the prescribed period with the relevant authority, Please submit your Zakat Declarations under Zakat and Ushr Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 CZ-50 Form, in case you want to claim exemption, with your brokers or the Central Depository Company Ltd. (in case the shares are held in Investor Account Services on the CDC) or to our Registrars, M/s Corplink Private Limited, 1-K, Commercial Model Town, Lahore (in case the shares are held in paper certificate form). The shareholders while sending the Zakat Declarations, as the case may be must quote company name and respective folio numbers.

Directors' Report

The Directors of the Company presented before the shareholders the 25th Annual Report alongwith audited Financial Statements of the Company for the year ended June 30, 2016.

During the period under review the Company has amended its object clause and leased out its engine to Saritow Spinning Mills Limited. In addition to this, the Company also invested in the equity market and rented its building. As a result Company earned revenue of Rs. 4.6 million as compared to NIL in the corresponding period last year. The Company suffered loss of Rs. 10.1 million as compared to loss of Rs. 54.03 million in the corresponding period last year.

We are hopeful that by opting different business avenues, the Company will be able to generate additional revenues in the coming years which have positive impact on the Company's financials.

These accounts are prepared on going concern basis as Company's resources are sufficient to meet its obligations at present and in future also. Further, the Company is almost debt free and its assets are available to meet its obligations if any.

STATEMENT IN COMPLIANCE OF THE CODE OF CORPORATE GOVERNANCE

The Directors state that:-

a) The Financial Statements, prepared by the management, present a true and fair state of affairs of the company, the results of its operations, cash flows and changes in equity.
b) Proper books of accounts have been maintained.
c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of Financial Statements.
e) The system of internal control is sound in design and has been effectively implemented and monitored.
f) There are no significant doubts upon the Company's ability to continue as a going concern.
g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.
h) Significant deviation from last year in operating results of the Company and reasons thereof have been explained.
i) The Key Operating and Financial Data of last six years are annexed.
j) There are no outstanding statutory payments on account of taxes, duties, levies and charges except as shown in notes to the accounts.
k) There are no significant plans for corporate restructuring, business expansion and discontinuation of operations except for improvement in the normal business activities to increase the business.
l) The Company is operating an unfunded Gratuity Fund which was not invested and was retained for business of the Company.

m) Directors' Meetings of the Board of Directors of the Company during the year under review were Five held on October 10, 2015, October 31, 2015, February 08, 2016, February 29, 2016, April 30, 2016.

Following was the attendance of the Directors: -

NAME OF DIRECTORS	NO. OF MEETINGS ATTENDED
Mr. M. Naseem Saigol	4
Mr. M. Azam Saigol	4
Rana Asad Iqbal	5
Mr. M. Omer Farooq	5
Mr. Muhammad Athar Rafiq	4
Mr. Muhammad Shamil	5
Mr. Rashid Ahmad Javaid	3

b) During the period under review no Director, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouses and minor children sell, buy or take any position in the shares of the Company except as mentioned in Categories of Shareholding required under Code of Corporate Governance.

Pattern of Shareholding

A statement showing pattern of shareholding as on June 30, 2016 is annexed.

Acknowledgment

The Directors of your company take this opportunity to thank the entire stakeholders for their continued support. Your directors also placed on record their appreciation for the contribution made by the employees at all levels.

For and on behalf of the Board

M. NASEEM SAIGOL
Chairman

Lahore:
October 08, 2016

STATEMENT WITH COMPLIANCE OF CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the code of Corporate Governance contained in clause 5.19 of rule book of Pakistan Stock Exchange Limited listing regulations for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best of practices of corporate governance.

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

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

Category	Names
Independent Director	Mr. Rashid Ahmad Javaid
Executive Directors	Mr. Rana Asad Iqbal
	Mr. M. Azam Saigol
Non-Executive Directors	Mr. M. Naseem Saigol
	Mr. M. Omer Farooq
	Mr. Muhammad Athar Rafiq
	Mr. Muhammad Shamil

The independent directors meet the criteria of independence under clause 1 (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in the payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No casual vacancy occurred in the Board of Directors during the period.

5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

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

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. One training program for its directors by the board arranged during the year.

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

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

12. Financial statements of the company were duly endorsed by CEO and CFO before approval of the Board.

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

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

15. The Board has formed an audit committee. It comprises of 3 members, of whom majority are non executive directors including the chairman of the committee.

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

17. The Board has formed an HR and remuneration committee. Its comprises 3 members, of whom 2 are none executive directors including the chairman of the committee.

18. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the ICAP, that they or any of the partner 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 ICAP.

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

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

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

23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.

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

For and on behalf of the Board

CHIEF EXECUTIVE

Lahore:

October 08, 2016

SIX YEARS AT A GLANCE

(Rupees in '000)

PARTICULARS	2015-2016	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
Financial Position						
Paid up capital	126,000	126,000	126,000	126,000	126,000	126,000
Reserves	269,500	269,500	269,500	269,500	269,500	269,500
Fixed asset at cost	316,842	343,781	554,188	564,977	554,188	554,188
Accumulated depreciation	197,453	226,712	343,509	343,248	322,586	322,586
Investment Property	6,364	-	-	-	-	-
Current assets	65,455	83,261	61,429	90,344	214,264	214,264
Current Liabilities	4,442	3,590	15,872	8,879	21,704	21,704
Income						
Sales / Revenue	4,605	-	-	-	810,549	810,549
Other Income	202	5,349	766	1,324	1,008	1,008
Other Operating Expenses	1,246	-	-	3,174	-	-
Gross profit	1,916	-	-	-	20,361	20,361
Pre tax profit / (Loss)	(8,875)	(55,850)	(44,218)	(54,236)	5,176	5,176
Taxation	1,228	1,184	-	-	2	2
Profit / (Loss) after taxation	(10,103)	(57,034)	(44,218)	(54,236)	5,174	5,174
Unappropriated profit / (Loss)	(209,782)	(199,679)	(142,645)	(98,426)	18,696	18,696
STATISTICS AND RATIOS						
Gross profit to sales %	41.61%	0.00%	0.00%	0.00%	2.51%	2.51%
Pre tax profit / (Loss) to capital %	(7.04)%	(4.43)%	(3.51)%	(4.16)%	4.11%	4.11%
Current ratio	14.74	23.19	3.87	10.18	9.87	9.87
Paid up value per share (Rs.)	10	10	10	10	10	10
Earning after tax per share (Rs.)	(0.80)	(4.53)	(3.51)	(4.16)	0.41	0.41
Cash dividend %	-	-	-	-	-	-

FORM 34

THE COMPANIES ORDINANCE 1984
(Section 236(1) and 464)
PATTERN OF SHAREHOLDING

1. Incorporation Number **0025880**

2. Name of the Company **KOHINOOR POWER COMPANY LIMITED**

3. Pattern of holding of the shares held by the shareholders as at **30-06-2016**

	------Shareholding------		
4. No. of Shareholders	**From**	**To**	**Total Shares Held**
278	1	100	7,396
264	101	500	78,910
241	501	1,000	189,611
297	1,001	5,000	765,739
95	5,001	10,000	788,816
22	10,001	15,000	285,847
19	15,001	20,000	351,130
12	20,001	25,000	276,525
3	25,001	30,000	86,528
6	30,001	35,000	202,070
1	35,001	40,000	40,000
2	40,001	45,000	83,850
6	45,001	50,000	300,000
1	65,001	70,000	67,750
3	75,001	80,000	236,000
7	95,001	100,000	692,500
1	100,001	105,000	102,500
1	135,001	140,000	138,500
1	140,001	145,000	144,000
2	295,001	300,000	600,000
1	395,001	400,000	400,000
1	420,001	425,000	424,717
1	590,001	595,000	592,011
1	2,830,001	2,835,000	2,835,000
1	2,910,001	2,915,000	2,910,600
1267			**12,600,000**

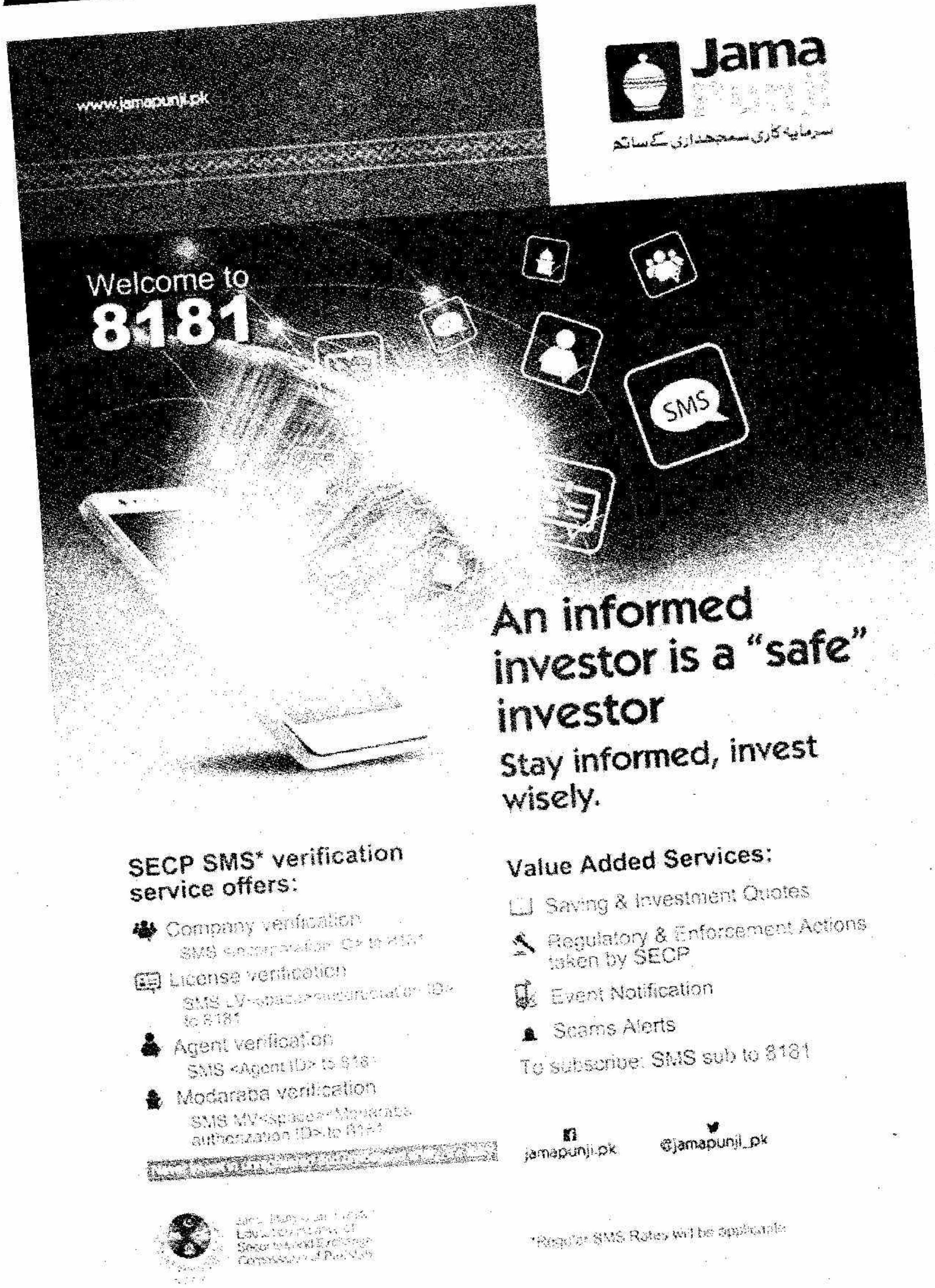
Catagories of Shareholding required under Code of Coprorate Governance (CCG)
As on June 30, 2016

Sr. No.	Name	No. of Shares Held	Percentage
	Associated Companies, Undertakings and Related Parties:		
1	KOHINOOR INDUSTRIES LIMITED (CDC)	2,835,000	22.5000
2	PAK ELEKTRON LIMITD (CDC)	2,910,600	23.1000
	Mutual Funds:		
1	SAFEWAY MUTUAL FUND LIMITED	945	0.0075
	Directors and their Spouse and Minor Chidren:		
1	MR. M. NASEEM SAIGOL	1,312	0.0104
2	MR. M. AZAM SAIGOL	1,575	0.0125
3	RANA ASAD IQBAL	542	0.0043
4	MR. MUHAMMAD ATHAR RAFIQ	525	0.0042
5	MR. MUHAMMAD OMAR FAROOQ	525	0.0042
6	MR. RASHID AHMAD JAVAID	525	0.0042
7	MR. MUHAMMAD SHAMIL	500	0.0040
	Executives:	-	-
	Public Sector Companies & Corporations:	-	-
	Banks, Development Finance Institutions, Non Banking Finance Institutions, Insurance Companies, Modarabas and Pension Funds:	633,265	5.0259
	Shareholders holding five percent or more voting intrest in the listed company		
1	KOHINOOR INDUSTRIES LIMITED (CDC)	2,835,000	22.5000
2	PAK ELEKTRON LIMITD (CDC)	2,910,600	23.1000

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
		NIL		

Categories of Shareholders	No. of Shareholders	Share held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	7	5,504	0.0437
Associated Companies, undertakings and related party	2	5,745,600	45.6000
NIT and ICP	1	800	0.0063
Banks Development Financial Institutions Non Banking Financial Institution	5	14,726	0.1169
Insurance Companies	1	592,011	4.6985
Modarabas and Mutual Funds	1	945	0.0075
General Public	1222	6,182,219	49.0652
Others (to be specified)			
Pension Funds	1	26,528	0.2105
Other Companies	1	931	0.0074
Joint Stock Companies	22	22,684	0.1800
Foreign Companies	4	8,052	0.0639
	1267	12,600,000	100.0000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*Regular SMS Rates will be applicable

Review Report to the Members
On Statement of Compliance with the Best Practices of Code of Corporate Governance

We have reviewed the enclosed statement of compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of **KOHINOOR POWER COMPANY LIMITED** ("the Company") for the year ended June 30, 2016 to comply with the requirement of code contained in regulations of Pakistan Stock Exchange where the company is listed.

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

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control system sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the company to place before the audit committee and upon recommendations of audit committee, places before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors upon recommendation of the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended 30 June, 2016.

Lahore
Dated: October 08, 2016

Mudassar Ehtisham & Company
Chartered Accountants
Engagement Partner: Mudassar Raza

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **KOHINOOR POWER COMPANY LIMITED** ("the Company") as at June 30, 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

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

(b) in our opinion,

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

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

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

© in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at 30 June, 2016 and of the loss, its comprehensive loss, its cash flows and changes in equity for the year then ended; and

(d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

We draw attention to the matter that during the year ended 30 June 2016, the Company has incurred loss before tax of Rs. 8.88 million and its current assets exceeded its current liabilities by Rs. 61.01 million, and its accumulated losses stood at Rs. 209.79 million. These conditions, along with other matters as set forth in note 1.2 to the financial statements, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements have however been prepared on a going concern basis for the reasons more fully explained in note 1.2 to the financial statements. Our opinion is not qualified in respect of this matter.

Mudassar Ehtisham & Company
Chartered Accountants
Engagement Partner: Mudassar Raza

Lahore
Dated: October 08, 2016

BALANCE SHEET AS AT JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital			
20,000,000 (June 2015: 20,000,000)			
ordinary shares of Rs. 10/- each		**200,000,000**	200,000,000
Issued, subscribed and paid-up capital	4	**126,000,000**	126,000,000
Reserves	5	**269,500,000**	269,500,000
Accumulated (loss) / profit		**(209,782,282)**	(199,678,801)
		185,717,718	195,821,199
NON-CURRENT LIABILITIES			
Deferred liabilities	6	**1,048,200**	919,719
CURRENT LIABILITIES			
Trade and other payables	7	**2,029,680**	2,206,787
Provision for taxation		**2,412,633**	1,382,755
		4,442,313	**3,589,542**
		191,208,231	200,330,460
CONTINGENCIES AND COMMITMENTS	8		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	**119,388,469**	117,069,232
INVESTMENT PROPERTY	10	**6,364,306**	-
CURRENT ASSETS			
Trade Debts	11	**1,108,570**	-
Short term investments	12	**34,200,618**	
Other receivables		**3,114,815**	
Stores and spare parts	13	**2,378,211**	4,116,857
Loans and advances	14	**164,000**	7,771,429
Tax refunds due from Government	15	**24,070,436**	23,679,427
Cash and bank balances	16	**418,806**	47,693,515
		65,455,456	83,261,228
		191,208,231	200,330,460

The annexed notes from 1 to 30 form an integral part of these financial statements.

(CHIEF EXECUTIVE OFFICER) (DIRECTOR)

PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30TH JUNE, 2016

	Note	2016 Rupees	2015 Rupees
Revenue	17	4,605,000	-
Cost of sales	18	(2,891,430)	-
Other Operating Income	19	202,446	5,348,883
Gross profit		**1,916,016**	5,348,883
Operating expenses:			
Administrative expenses	20	**(9,538,671)**	(19,626,230)
Operating (loss)		(7,622,655)	(14,277,347)
Finance cost	21	**(6,744)**	(42,286)
Other operating expenses	22	**(1,245,897)**	(41,530,177)
(Loss) before taxation		**(8,875,296)**	(55,849,810)
Taxation		**(1,228,185)**	(1,184,448)
(Loss) after taxation		**(10,103,481)**	(57,034,258)
Earnings per share - basic and diluted	23	**(0.80)**	(4.53)

The annexed notes from 1 to 30 form an integral part of these financial statements.

(CHIEF EXECUTIVE OFFICER) **(DIRECTOR)**

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30TH JUNE, 2016

	2016 Rupees	2015 Rupees
(Loss) / profit for the period	(10,103,481)	(57,034,258)
Other comprehensive income	-	-
Total comprehensive (loss) / income for the period	(10,103,481)	(57,034,258)

The annexed notes from 1 to 30 form an integral part of these financial statements.

(CHIEF EXECUTIVE OFFICER) **(DIRECTOR)**

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30TH JUNE, 2016

	Note	2016 Rupees	2015 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(8,875,296)	(55,849,810)
Adjustments for :			
Depreciation		6,778,269	10,067,560
Gratuity provision		128,481	50,000
Loss / (Profit) on sale of fixed assets		-	17,959,592
Unrealised (loss) / gain on listed securities		1,464,567	
Financial charges		6,744	42,286
		(497,235)	(27,730,372)
Operating loss before working capital changes			
(Increase) / decrease in stores and spares		1,738,646	20,469,137
(Increase) / decrease in stock in trade		-	18,188,010
(Increase) / decrease in other receivable		(3,114,815)	-
(Increase) / decrease in trade debts		(1,108,570)	-
(Increase) / decrease in loans and advances		7,998,438	(3,209,577)
(Increase) / decrease in trade deposits and short term prepayments		-	977,800
(Increase) / decrease in refunds due from government		(391,009)	(7,054,183)
Increase / (decrease) in trade and other payables		(375,414)	(12,488,716)
		4,747,276	16,882,471
Cash (used in) / from operations		4,250,041	(10,847,901)
Gratuity paid		-	(428,237)
Financial charges paid		(6,744)	(42,286)
Income tax paid		(391,009)	(4,209,990)
		(397,753)	(4,680,513)
Net cash (used in) / from operating activities		3,852,288	(15,528,414)
CASH FLOW FROM INVESTING ACTIVITIES			
Sale proceeds of fixed assets		-	63,500,000
Addition in fixed assets		(15,461,812)	
Short term investment		(35,665,185)	
		-	-
Net cash from / (used in) investing activities		(51,126,997)	63,500,000
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of finance lease		-	(977,800)
Net cash (used in) from financing activities		-	(977,800)
Net decrease in cash and cash equivalents		(47,274,709)	46,993,786
Cash and cash equivalents - At the beginning of the year		47,693,515	699,729
Cash and cash equivalents - At the end of the half year	(16)	418,806	47,693,515

The annexed notes from 1 to 30 form an integral part of these financial statements.

Certified ... True Copy
For Kohinoor Power Company Limited

(CHIEF EXECUTIVE OFFICER) **(DIRECTOR)**

Secretary

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30TH JUNE 2016

	Share Capital	Reserves			Total (Rupees)
		Capital	Revenue		
		Share premium	General	Accumulated profit/(loss)	
Balance as at 30 June, 2014	126,000,000	34,000,000	235,500,000	(142,644,543)	252,855,457
Total Comprehensive (loss)/ profit for the year	-	-	-	(57,034,258)	(57,034,258)
Balance as at 30th June 2015	**126,000,000**	**34,000,000**	**235,500,000**	**(199,678,801)**	**195,821,199**
Total Comprehensive (loss)/ profit for the year	-	-	-	(10,103,481)	(10,103,481)
Balance as at 30 June, 2016	**126,000,000**	**34,000,000**	**235,500,000**	**(209,782,282)**	**185,717,718**

The annexed notes from 1 to 30 form an integral part of these financial statements.

CHIEF EXECUTIVE **DIRECTOR**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE, 2016

1. STATUS AND NATURE OF BUSINESS

Kohinoor Power Company Limited was incorporated in Pakistan on December 8, 1991 as a Private Limited Company and subsequently converted into Public Limited Company on May 10, 1992. Its shares are quoted on Pakistan Stock Exchange. The registered office of the company is situated at 17-Aziz Avenue, Canal Bank, Gulberg-V, Lahore, Pakistan. The principal activity of the company is to generate and sell electric power.The Company has inducted new objects of the company along with existing vide special resolution dated March 01, 2016. These objects include primarily leasing of building, plant & machinery, investment in equity stocks and running & management of educational institutions.

1.2 Signifacant matter

The company incurred loss before tax of Rs. 8.88 million during the year ended 30 june 2016 and as of date the Company's current assets exceeds current liabilities by Rs. 61.01 million. The company has started new business line of renting of its land, building and certain plant and machinery. The management of the company is confident that the above actions shall ensure the company attract sufficient revenue to improve liquidity. Further, the directors of the company have offered full support to the company to meet its working capital needs. However, there is a material uncertainity relating to the events which may cause significant doubts on the company's ability to continue as a going concern and therefore the company may be unable realise its assets and discharge its liabilities in normal course of business.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and requirements pof the companies ordinance 1984. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the provisions of the Companies Ordinance, 1984. In case requirements differ, the provisions of directives of the Companies Ordinance, 1984 shall prevail.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention, except for:

- certain employees benefits which are carried at their present value.
- cash flow statement.

Functional and presentational currency

These financial statements are presented in Pakistani Rupee which is the Company's functional currency.

3. USE OF ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

- Retirement and other benefits
- Provision for taxation
- Residual values and useful lives of depreciable assets
- Provisions and contingencies

a) Standards, amendments or interpretations which became effective during the year

During the year certain amendments to standards or new interpretations became effective. However, the amendments or interpretation did not have any material effect on the financial statements of the Company.

b) New / revised accounting standards, amendments to published accounting standards, and interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 July 2016.

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have a material impact on Company's financial statements.

- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures) [effective for annual periods beginning on or after 1 January 2016) clarifies (a) which subsidiaries of an investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity. The amendments are not likely to have an impact on Company's financial statements.

- Accounting for Acquisitions of Interests in Joint Operations – Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. The amendments are not likely to have an impact on Company's financial statements.

- Amendment to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 1 January 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendment is not likely to have an impact on Company's financial statements.

- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are not likely to have an impact on Company's financial statements.

- Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

- Amendments to IFRS 2 - Share-based Payment clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognized for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.

Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

- IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety are in the scope of its disclosure requirements. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

- IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.

- IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

The above improvements are not likely to have an impact on Company's financial statements.

3.1 Staff retirement benefits

The Company operates an un-funded gratuity scheme for all eligible employees who have completed the minimum qualifying period of service. This year company has hired the actuarial consultant for the valuation of defined benefit plan for employees as at June 30, 2016. Based upon this valuation the company accounts for the provision and current service cost. The standard permits to adopt any systematic method that can result in faster recognition of accumulated actuarial gains and losses.

The amount recognised in the balance sheet represents the present value of defined benefit obligations as adjusted for unrecognised actuarial gains and losses.

The future contribution rates for this plan includes allowances for deficit and surplus. As per actuarial valuation, the following significant assumptions were used for calculation of this plan.

	2016	2015
Discount rate	10.5%	10.5%
Expected rate of salary increase in future years	9.5%	9.5%
Average expected remaining working life time of employees	12 years	12 years
Actuarial valuation method	Projected unit Credit Method	Projected unit Credit Method

3.2 Property, Plant and Equipment and Depreciation

Property, plant & equipment is stated at cost less accumulated depreciation and impairment loss, if any, except for freehold land which is stated at revalued amount. Cost of these assets consists of historical cost and directly attributable cost of bringing the assets to working condition. Surplus arising on revaluation after considering deficit in other categories, is credited to surplus on revaluation account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from the fair value. Any surplus on revaluation of fixed assets is credited to the surplus on revaluation on fixed assets accounts.

Borrowing costs pertaining to the construction and erection are capitalized up to the date of completion. Depreciation on property, plant & equipment is charged to income on reducing balance method at the rates specified in note No. 4 to the accounts to write off the cost cover their estimated useful lives.

Depreciation on addition and deletion is charged on the basis of number of days the asset remains in use of the company. Assets' residual values, useful life and depreciation rates are reviewed and adjusted, if appropriate at each balance sheet date. Normal repair and maintenance is charged to income as and when incurred. Major renewals and improvements are capitalized.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within "other income / other charges" in profit and loss account.

The carrying amount of property, plant and equipment is reviewed at each balance sheet date to determined whether there is many indication of impairment. If any such indication exists then the assets recoverable amount is estimated. The recoverable amount is the greater of its value in use an fair value less cost to sell. An impairment is recognized if the carrying amount exceed its estimated recoverable amount.

3.3 Investments

All purchases and sale of investments are recognised using settlement date accounting. Settlement date is the date on which investments are delivered to or be the company. All investments are derecognised when the right to receive economic benefits from the investments has expired or has been transferred and the company has transferred substantially all the risks and reward of ownership

a) **Investments Held to Maturity**

Investments with fixed or determinable payments and fixed maturity and where the company has positive intent and ability to hold investments to maturity are classified as investments held to maturity. These are initially recognised at cost inclusive of transaction cost and are subsequently carried at amortised cost using the effective interest rate method, Less any impairment losses

b) **Investments at Fair Value through Profit or Loss**

An Investment is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the company's investment strategy. All investments classified as investments at fair value through profit or loss are initially measured at cost being fair value of consideration given. At subsequent dates these investments are measured at fair value, determined on the basis of prevailing market prices, with any resulting gain or loss recognised directly in the profit and loss account.

3.4 Inventories

These are valued at lower of cost and net realizable value. Cost is determined as follows:

Stores & Spares	At Weighted average cost.
Raw material	At Weighted average cost
Work in Process	At weighted average manufacturing cost
Finished Goods	At weighted average manufacturing cost

Net realizable value represents selling price in the ordinary course of business less selling expenses incidental to sales.

3.5 Trade Debts

Trade debts are recognized and carried at original invoice amount less an allowance for any uncollectible amount. An estimated provision for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

3.6 Other Receivables

Other receivables are recognized at nominal amount which is the fair value of the consideration to be received less an allowance for any uncollectible amounts.

3.7 Trade and other Payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

3.8 Taxation

a) **Current**

Provision of current tax is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

b) **Deferred Tax**

Deferred tax is accounted for using the balance sheet liability method in respect of all taxable temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination; and that affects neither accounting nor taxable profit or loss, and differences arising on the initial recognition of goodwill.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2016

4. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2016	2015		Note	2016 Rupees	2015 Rupees
8,000,000	8,000,000	ordinary shares of Rs.10 each issued for cash		80,000,000	80,000,000
4,600,000	4,600,000	bonus shares of Rs.10 each		46,000,000	46,000,000
12,600,000	12,600,000			126,000,000	126,000,000

4.1 Ordinary shares of the company held by associated undertakings at year end are as follows:

	Number of shares	
Pak Elektron Limited	2,910,600	2,910,600
Kohinoor Industries Limited	2,835,000	2,835,000
	5,745,600	5,745,600

5. RESERVES

	2016 Rupees	2015 Rupees
Revenue	235,500,000	235,500,000
Premium on issue of shares	34,000,000	34,000,000
	269,500,000	269,500,000

KOHINOOR POWER COMPANY LIMITED

	Note	2016 Rupees	2015 Rupees
6. DEFERRED LIABILITIES			
Staff gratuity	(6.1)	1,048,200	919,719
		1,048,200	919,719
6.1 RECONCILIATION OF PAYABLE TO DEFINED BENEFIT PLAN			
Present value of obligation	(6.2)	1,180,941	1,052,460
Unrecognised actuarial (loss)		(132,741)	(132,741)
		1,048,200	919,719
6.2 MOVEMENT IN NET LIABILITY RECOGNISED IN THE BALANCE SHEET			
Balance sheet liability as at july, 01		1,052,460	1,430,697
Expense recognised during the year	(6.3)	128,481	50,000
Benefit paid during the year		-	(428,237)
		1,180,941	1,052,460
6.3 EXPENSE RECOGNISED DURING THE YEAR			
Current service cost		43,675	15,635
Interest cost recognised during the year		84,806	34,365
Total amount chargeable to profit and loss account		128,481	50,000
7. TRADE AND OTHER PAYABLES			
Creditors for goods		-	73,113
Creditors for expenses		1,202,562	1,345,482
Accrued expenses		296,612	257,686
Un-claimed dividend		530,506	530,506
		2,029,680	2,206,787

8. **CONTINGENCIES AND COMMITMENTS**

8.1 Appeal against levy of tax of Rs. 2.3 million on Bonus shares duly paid when these were issued in 2000 is subjudice in Lahore High Court. The refund will arise as and when the departmental decision is revised by Honorable Court. Provision is raised for the tax expense.

8.2 Appeal against levy of sales tax Rs. 3.471 million was rejected by Federal Excise and Sales Tax Appellate Tribunal vide appellate order dated January 20, 2011. The company is directed to pay sales tax liability along with penalty and additional tax. The matter agitated in reference in Honorable Lahore High Court is yet pending and legal advisor vide his letter dated September 14, 2013 has stated that there is every likely hood that the company will succeed in the matter in favor of company. Estimated additional tax and penalty is amounting to Rs. 5.829 million. Taxes and penalties aggregating to Rs. 9.300 million are not provided in these accounts for favorable expected decision.

8.3 Commitment under irrecoverable letter of credit as at June 30, 2016 Rs. Nil (2015: Rs. Nil).

9. **FIXED ASSETS**

Property, plant and equipment	**(9.1)**	119,388,469	117,069,232
		119,388,469	117,069,232

9.2 The management of the company in year 2000 reviewed the remaining useful life of the Plant & Machinery ranging from 20 to 22 years duly supported by a certificate of independent technical consultants named Inspectors Corporation International (Pvt) Ltd. The depreciation since then is charged @ 5 %.

9.3 Depreciation has been allocated to administrative expenses.

KOHINOOR POWER COMPANY LIMITED

	Note	2016 Rupees	2015 Rupees
10 INVESTMENT PROPERTY			
Transfer from fixed assets - building	**10.1**	6,364,306	-
		6,364,306	-

10.1 This represents company building transferred from fixed assets at book value. Whereas the fair value of the building valued by an independent valuer as at June 30, 2016 amounts to Rs. 15,156,983

	2016 Rupees	2015 Rupees
11 TRADE DEBTS		
Trade debts - unsecured considered good	1,108,570	-
	1,108,570	-

12 **SHORT TERM INVESTMENT**

COMPANY NAME	NO.OF SHARES	RATE	2016	2015
AGRIAUTO IND	37,700	193	7,291,180	
AISHA STEEL	36,500	8	287,255	
BYCO PETROLEUM	77,500	20	1,582,550	
CRES.STEEL	2,600	114	296,868	
ENGRO FERTI. LT	92,500	65	5,991,225	
PAK.REFINERY	171,000	41	7,091,370	
SINGER PAK	344,000	33	11,214,400	
TRG PAKISTAN	13,000	34	445,770	
			34,200,618	-

13 **STORE AND SPARES PARTS**

	2016	2015
Stores	401,152	450,566
Spare parts	3,222,956	3,666,291
Impairment loss	(1,245,897)	-
	2,378,211	4,116,857

14 **LOANS AND ADVANCES**

Advances - considered good			
- Employees	**(14.1)**	164,000	174,000
- Suppliers		-	7,597,429
		164,000	7,771,429

14.1 Maximum aggregate amount due from the employees at any month-end during the year was Rs. 173,000 (2015: Rs. 193,000).

		-	-

15 **TAX REFUNDS DUE FROM GOVERNMENT**

Sales tax refundable	(15.1)	17,675,873	17,675,873
Advance income tax	(15.2)	8,694,563	8,303,554
Less: Provision for tax on bonus shares		(2,300,000)	(2,300,000)
		6,394,563	6,003,554
		24,070,436	23,679,427

15.1 The matter of recovery of sales tax refundable was taken up by the Company with Honourable Federal Tax Ombudsman who vide his judgment dated 3rd June 2011 directed the tax department to decide the pending refund claims. The filed complaint was disposed of with the direction to finalize the claim after due verification of documents. The Assistant Commission (IR) partially accepted and partially deferred some portion of refund. The learned authority issued the order in this respect. The Company has lodged an appeal at the office of Commissioner inland Revenue (Appeals). The Commissioner appeal (IR) up held the Order. The legal advisor has filed appeal against that order of Commissioner appeal (IR) at Honorable Appellate Tribunal Lahore. The appeals are still pending in Honorable Appellate Tribunal Lahore. The legal advisor has not responded to our letter but in view of refund orders issued by Assistant Commission Inland in months of September 2011 and December 2012 the management is confident that the Claim is good for recovery.

15.2 **Advance tax comprises of following:**

Opening Balance at the beginning of the year	8,303,554	4,093,564
Add Deducted / paid during the year	391,009	4,209,990
	8,694,563	8,303,554

KOHINOOR POWER COMPANY LIMITED

	Note	2016 Rupees	2015 Rupees
16. CASH AND BANK BALANCES			
Cash in hand		84,464	155,003
Cash at banks			
- Current accounts		211,901	628,168
- Saving accounts		122,441	46,910,344
Cash and cash equivalents		418,806	47,693,515
17. REVENUE			
Building rent		605,000	-
Generator rent		4,000,000	-
		4,605,000	-
18. COST OF SALES			
Salaries and wages		2,891,430	-
		2,891,430	
19. OTHER OPERATING INCOME			
From financial assets:			
Miscellaneous income		-	1,317,497
Scrap-sludge		-	442,151
Interest income		1,628,592	3,589,235
Generator income		38,421	-
From non-financial assets:			
Unrealised (loss) / gain on listed securities		(1,464,567)	
		202,446	5,348,883
20 ADMINISTRATIVE EXPENSES			
Salaries & benefits	(20.1)	1,346,911	1,259,622
Fees and subscription		330,681	662,337
Travelling and conveyance		-	33,180
Printing and stationery		46,095	29,595

Postage and telegram		7,100	-
Entertainment		32,030	44,703
Professional and legal charges		360,000	724,000
Telecommunication		82,935	107,042
Auditor's remuneration	**(20.2)**	275,000	75,000
Depreciation	**(9.3)**	6,778,269	898,351
Advertisement		279,650	37,500
Miscellaneous expenses		-	36,666
Generator expenses		-	39,536
Non operational expenses	**(19.3)**	-	15,678,698
		9,538,671	19,626,230

20.1 Salaries, wages and benefits include provision for gratuity for the year Rs. 0.128 million (2015: Rs. 0.331 million).

20.2 Auditor's Remuneration

Annual audit	250,000	75,000
Half yearly review	25,000	-
	275,000	75,000

20.3 Non operational expenses

Salaries & Benefits	**20.3.1**	-	6,329,489
Vehicle Running & Maintenance		-	144,000
Repair, Maintenance and Replacements		-	36,000
Depreciation	**(9.3)**	-	9,169,209
		-	15,678,698

20.3.1 Salaries, wages and benefits include provision for gratuity for the year Nil (2015:Rs. 0.234 million).

9.1 Property, plant and equipment **YEAR ENDED 30 JUNE 2016**

PARTICULARS	COST					DEPRECIATION						NET BOOK VALUE AS AT 30 June, 2016
	As at 01 July, 2015	Additions	Disposals	Transfers	As at 30 June, 2016	Rate %	As at 01 July, 2015	For the year	On disposals	Transfers	As at 30 June, 2016	
Owned:												
Buildings on lease hold land	42,401,089	-	-	(42,401,089)	-	10	35,582,190	454,593	-	(36,036,783)	0	(0)
Plant and machinery	289,715,041	15,461,812	-	-	305,176,853	5	183,268,645	5,583,309	-	-	188,851,954	116,324,899
Furniture and fixtures	55,792	-	-	-	55,792	10	45,550	1,024	-	-	46,574	9,218
Office equipment	725,014	-	-	-	725,014	10	531,060	19,395	-	-	550,455	174,559
Vehicles	10,883,935	-	-	-	10,883,935	20	7,284,194	719,948	-	-	8,004,142	2,879,793
	343,780,871	15,461,812	-	(42,401,089)	316,841,594		226,711,639	6,778,269	-	(36,036,783)	197,453,125	119,388,469

9.1 Property, plant and equipment **YEAR ENDED 30 JUNE 2015**

PARTICULARS	COST					DEPRECIATION						NET BOOK VALUE AS AT 30 June, 2015
	As at 01 July, 2014	Additions	Disposals	Transfers	As at 30 June, 2015	Rate %	As at 01 July, 2014	For the year	On disposals	Transfers	As at 30 June, 2015	
Owned:												
Buildings on lease hold land	42,401,089	-	-	-	42,401,089	10	34,824,534	757,656	-	-	35,582,190	6,818,899
Plant and machinery	508,969,811	-	(219,254,770)	-	289,715,041	5	312,661,721	8,410,923	(137,803,999)	-	183,268,645	106,446,396
Factory Equipment	69,975	-	(69,975)	-	-	10	60,524	630	(61,154)	-	-	-
Furniture and fixtures	55,792	-	-	-	55,792	10	44,412	1,138	-	-	45,550	10,242
Office equipment	725,014	-	-	-	725,014	10	509,510	21,550	-	-	531,060	193,954
Vehicles	5,796,555	-	-	5,087,380	10,883,935	20	3,910,292	746,206	-	2,627,696	7,284,194	3,599,741
	558,018,236	-	(219,324,745)	5,087,380	343,780,871		352,010,993	9,938,103	(137,865,153)	2,627,696	226,711,639	117,069,232
Assets subject to finance lease:												
Vehicles-leased	5,087,380	-	-	(5,087,380)	-	20	2,498,239	129,457	-	(2,627,696)	-	-
	563,105,616	-	(219,324,745)	-	343,780,871		354,509,232	10,067,560	(137,865,153)	-	226,711,639	117,069,232

21. FINANCE COST

Mark-up on:

Lease finance charges	-	37,304
Bank charges	6,744	4,982
	6,744	42,286

22 OTHER OPERATING EXPENSES

Loss on sale of machinery & inventory	-	17,959,592
Loss on sale of stores & spares and loose tools	-	10,382,575
Loss on sale of stock in trade	-	13,188,010
Impairment loss on stores and spare parts	1,245,897	-
	1,245,897	41,530,177

23. EARNING PER SHARE - basic and diluted

(Loss) after taxation	(10,103,481)	(57,034,258)
	Number of Shares	
Weighted average number of ordinary shares issued and subscribed at the end of the year	12,600,000	12,600,000
Loss per share	(0.80)	(4.53)

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

24. NUMBER OF EMPLOYEES

	Number	
	2016	**2015**
Total number of employees at the year-end	1	1
Average number of employees at the year-end	1	1

25. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES-(as per annexed)

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Board meets frequently throughout the year for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

25.1 Financial Instruments by category

	2016	2015
	Rupees	**Rupees**
Financial Assets		
Loans and advances	164,000	174,000
Tax refunds due from Government	24,070,436	23,679,427
Cash and bank balances	418,806	47,693,515
	24,653,242	79,144,371

Financial Liabilities

Gratuity - Defined benefit plan	1,048,200	919,719
Trade and other payables	2,029,680	2,206,787
	3,077,880	3,126,506

25.2 Fair Values

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. If the transaction is not based on market terms, or if a market price cannot be readily determined, then an estimate of future cash payments or receipts, discounted using the current market interest rate for a similar financial instrument, is used to approximate the fair value. As at June 30, 2015 the carrying values of all financial assets and liabilities reflected in the financial statements approximate to their fair values.

25.3 Financial Risk Factors

The Company has exposures to the following risks from its use of financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

25.3.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from long term security deposits, loans and advances, deposits, trade debts, other receivables, bank balances and investments.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. To manage exposure to credit risk in respect of trade receivables, management reviews credit worthiness, references, establish purchase limits taking into account the customer's financial position, past experience and other factors.

		2016 Rupees	2015 Rupees
Loans and advances		164,000	174,000
Tax refunds due from Government		24,070,436	23,679,427
Cash and bank balances	(16.)	418,806	47,693,515
		24,653,242	79,144,371

The company assesses the credit quality of the counter parties as satisfactory. Bank balances are held only with reputable banks with high quality credit ratings. Loans and advances are not exposed to any material credit risk. Geographically there is no concentration of credit risk.

The management does not expect any losses from non performance by these counter parties.

25.3.2 Liquidity Risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. Prudent liquidity risk management implies maintaining sufficient cash, marketable securities and the availability of adequate credit facilities. The following are the contractual maturities of the financial liabilities, including interest payments and excluding the impact of netting agreements :

Non derivative financial liabilities

YEAR ENDED 30 JUNE 2016	Carrying amount	Maturity up to one year	Maturity after one year
Gratuity - Defined benefit plan	-	-	1,048,200
Trade and other payables	2,029,680	2,029,680	-
	2,029,680	2,029,680	1,048,200

YEAR ENDED 30 JUNE 2015	Carrying amount	Maturity up to one year	Maturity after one year
Gratuity - Defined benefit plan	-	-	919,719
Trade and other payables	2,206,787	2,206,787	-
	2,206,787	2,206,787	919,719

25.3.3 Market Risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to change in credit rating of the issuer or the instrument, changes in market sentiments, speculative activities, supply and demand of securities, and liquidity in the market. The Company is exposed to currency risk and interest rate risk only.

a) **Currency risk**

Foreign currency risk arises mainly where receivables and payables exist due to transactions entered in to foreign currencies. The company has no foreign currency and foreign exchange risk as payment is made immediately when invoice is received and LC at sight is opened.

b) **Interest Rate Risk**

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

The company's interest rate risk arises from borrowings which include liabilities against assets subject to finance leases, short term finances under mark-up arrangements. he company analysis its interest rates exposure on a regular basis by monitoring existing facilities against prevailing market interest rates and taking into accounts various other financing options available. The company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect the profit and loss account.

At June 30, 2016, if interest rates on borrowings had been 100 basis points higher/lower with all other variables held constant, profit after taxation for the year would have been higher/lower by Rs. Nil (2015:Rs. Nil)

c) **Other price risk**

Other price risk is 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). Equity price risk arises from available for sale equity securities held. The investment in available for sale equity securities is not material and company is not expose to significant price risk.

26. REMUNERATION OF DIRECTORS AND EXECUTIVE

Particulars	Chief Executive		Directors		Executive	
	2016	2015	2016	2015	2016	2015
Number of persons	1	1	6	6	-	1

There was no remuneration paid during the year to Cheief Executive, Directors and Executives of the company (2015: Rs. Nil)

26.1 No meeting fee was paid to the directors and chief executive during the year (2015: Nil).

27. TRANSACTIONS WITH RELATED PARTIES

27.1 Related parties comprise of Associated Undertakings, directors and executive. 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. Remunerations of directors and executive is disclosed in note No. 26. Aggregate transactions with Associated Undertakings are as follows:

	2016 Rupees	2015 Rupees
Saritow Spinning Mills Limited	4,000,000	-
Pak Electron Limited	605,000	-

27.2 Maximum aggregate amount due from Associated Undertakings at any month end during the year was Nil (2015:Rs. Nil).

27.3 All related party transactions are approved by the audit committee and the Board of directors of the Company.

28. CAPITAL RISK MANAGEMENT

The Board's policy is to maintain an efficient capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The company's objective when managing capital are to safe guard the company's ability to continue as a going concern and to maintain an optimum capital structure to reduce the cost of capital.

The Company manages the capital structure in the context of economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may, for example, adjust the amount of dividends paid to shareholders, issue new shares, or sell assets to reduce debt. The company is not subject to externally imposed capital requirements.

29. PLANT CAPACITY AND ACTUAL GENERATION

		2016	2015
Normal plant capacity on the basis of three shifts	MW	40,843	40,843
Actual production	MW	-	-

29.1 As mentioned in note no.1, company has leased out its plant and machinery and so no production was made during the year.

30. GENERAL

30.1 These financial statements were authorized for issue on October 08, 2016 by the board of directors of the company.

Certified ... True Copy
For Kohinoor Power Company Limited
Secretary

(CHIEF EXECUTIVE OFFICER) **(DIRECTOR)**

Form of Proxy

25TH ANNUAL GENERAL MEETING

LEDGER FOLIO ______ SHARES HELD ______

I / We ____________________

of ____________________

appoint ____________________

(or of ____________________

failing him) ____________________

(being a member of the Company) as my / or proxy to attend and vote for me / us and on my / our behalf at the 25th Annual General Meeting of the Company to be held on October 31, 2016 at 17-Aziz Avenue, Canal Bank, Gulberg-V, Lahore at 11:00 A.M. and at every adjournment thereof, if any.

A witness my / our hand (s) this __________ day of October 2016.

Signed by the said

____

REVENUE STAMP

Witnesses:

1)	Name ______	2)	Name ______
	Address ______		Address ______
	CNIC No. ______		CNIC No. ______

Notes:

1. A member entitled to attend and vote at this Meeting may appoint proxy. Proxies in order to be effective, must be received at 17-Aziz Avenue, Canal Bank Gulberg-V, Lahore, the Registered Office of the Company not later than forty eight hours before the time of holding the meeting and must be duly stamped, signed and witnessed.

2. For CDC Account Holders/ Corporate Entities in addition to the above the following requirement have to be met.

   (i) Attested copies of CNIC or the passport of the Beneficial Owners and the Proxy shall be provided with the proxy form

   (ii) In cam of a Corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signatures shall be submitted (unless it has been provided earlier alongwith proxy form to the Company).

   (iii) The Proxy shall produce his original CNIC or original passport at the time of the meeting.