KOHINOOR

POWER COMPANY LIMITED

ANNUAL REPORT 2015

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. M. Naseem Saigol	(Chairman / Chief Executive)
Mr. M. Azam Saigol	
Mr. Rana Assad Iqbal	
Mr. M. Omer Farooq	
Mr. Rashid Ahmad Javaid	
Mr. Muhammad Athar Rafiq	
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 / Member
Mr. M. Azam Saigol	Member
Mr. Rashid Ahmad Javaid	Member

COMPANY SECRETARY
Mr. Liaqaut Ali

CHIEF FINANCIAL OFFICER
Mr. Asif Ali Mughal

AUDITORS
M/s Mudassar Ehtisham & Co.
Chartered Accountants

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

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.

REGISTRARS
M/s Corplinks (Pvt) Ltd.
Wings Arcade, 1-K, Commercial, Model Town, Lahore.
Tel: 35839182, 35887262, 35916719 Fax: 35869037

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 24th Annual General Meeting of Shareholders of **Kohinoor Power Company Limited** will be held on Saturday, October 31, 2015 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 Annual General Meeting held on October 31, 2014.

2. To receive and adopt the Annual Audited Accounts for the year ended June 30, 2015 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

Lahore: October 10, 2015

Company Secretary

Notes:

1. Share Transfer Books of the Company will remain closed from October 25, 2015 to October 31, 2015 (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, 2015 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 2015, 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 17.5%. 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 17.5% 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.

1. 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 are presenting before the shareholders the 23rd Annual Report along with Audited Financial statements for the year ended June 30, 2014.

The operations of the Company remained closed during the year under review. The FESCO (Faisalabad Electricity Supply Corporation) was the sole buyer of power from the Company and it had stopped purchasing of power from the company. The NEPRA (National Electric Power Regulatory Authority) had also objected supply of power to FESCO without getting amendment in Company's generation license. The Company requested to NEPRA for amendment in the generation license, which NEPRA has approved in their Board meeting and generation licence has been modified. The company once again requested FESCO for purchase of power from the company which is still pending. The Government has developed a strategy which shifted generation of electricity from cheaper source instead of expensive sources i.e. furnace oil and diesel. In the light of this policy shift, FESCO is not willing to buy electricity from the expensive source. The repair of the alternator could also not be achieved. Due to these reasons, the operations of the company remained inoperative and as a result the Company suffered loss of Rs. 44.2 million.

In the recent past, the Government has raised power tariff to address the circular debt issue in future. The revised power tariff has also created opportunities for the furnace based power plants to sell electricity to other industrial consumers along with Disco's. We tried to sell electricity to bulk consumer but could not achieved this due to reliability issues in the long run. At the moment we are trying that an agreement between FESCO and Company be materialised for purchase of electricity. However, if power purchase agreement has not been materialised in near future then to avoid further losses, the company will relive the human resource of the company and may be dispose of its engines.

The company is almost debt free and has a positive equity. The company will be operative once we sign power purchase agreement with FESCO and the company will be operative and going concern.

STATEMENTS 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 for the last six years is annexed.

j) There are no outstanding statutory payments on account of taxes, duties, levies and charges except as shown in contingencies & commitments.

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 were not invested and were retained for business of the Company.

m) Directors' meetings of the Board of Directors of the Company during the year under review were Four held on October 10, 2013, October 31, 2013, February 29, 2014, April 30, 2014.

Following was the attendance of the Directors: -

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

n) 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 shares of the Company.

PATTERN OF SHAREHOLDING

A statement-showing pattern of shareholding as on June 30, 2014 is annexed.

ACKNOWLEDGEMENT

We wish to thank to our banks and shareholders for their continued support and confidence on the Company. We are pleased to record our appreciation of the services rendered by the employees of the Company and hope that the same spirit of devotion will continue in future.

For and on behalf of the Board

Lahore
October 10, 2014

M. NASEEM SAIGOL
Chairman

STATEMENT WITH COMPLIANCE OF CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the code of Corporate Governance contained in regulation No. 37, 43 & 36 of listing regulations of Karachi, Lahore & Islamabad Stock Exchanges respectively 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. We confirm that all other material principles enshrined in the CCG have been complied with.

For and on behalf of the Board

Lahore
October 10, 2015

CHIEF EXECUTIVE

SIX YEARS AT A GLANCE

(Rupees in '000)

PARTICULARS	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011	2009-2010
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	**343,781**	554,188	564,977	554,188	554,188	549,548
Accumulated depreciation	**226,712**	343,509	343,248	322,586	322,586	309,306
Current assets	**83,261**	61,429	90,344	214,264	214,264	205,121
Current Liabilities	**3,590**	15,872	8,879	21,704	21,704	26,670
Income						
Sales / Revenue	**-**	-	-	810,549	810,549	747,919
Other Income	**5,349**	766	1,324	1,008	1,008	776
Other Operating Expenses	**-**	-	3,174	-	-	-
Gross profit	**-**	-	-	20,361	20,361	37,847
Pre tax profit / (Loss)	**(55,850)**	(44,218)	(54,236)	5,176	5,176	25,375
Taxation	**1,184**	-	-	2	2	6
Profit / (Loss) after taxation	**(57,034)**	(44,218)	(54,236)	5,174	5,174	25,369
Unappropriated profit / (Loss)	**(199,679)**	(142,645)	(98,426)	18,696	18,696	13,522
STATISTICS AND RATIOS						
Gross profit to sales %	**0.00%**	0.00%	0.00%	2.51%	2.51%	5.06%
Pre tax profit / (Loss) to capital %	**(4.43)%**	(3.51)%	(4.16)%	4.11%	4.11%	20.14%
Current ratio	**23.19**	3.87	10.18	9.87	9.87	7.69
Paid up value per share (Rs.)	**10**	10	10	10	10	10
Earning after tax per share (Rs.)	**(4.53)**	(3.51)	(4.16)	0.41	0.41	2.01
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 **30-06-2015**

	------Shareholding------		
4. No. of Shareholders	**From**	**To**	**Total Shares Held**
258	1	100	6,969
240	101	500	67,719
228	501	1,000	176,787
295	1,001	5,000	814,817
78	5,001	10,000	612,707
23	10,001	15,000	294,618
8	15,001	20,000	153,630
16	20,001	25,000	372,535
7	25,001	30,000	199,028
10	30,001	35,000	328,983
1	35,001	40,000	40,000
5	40,001	45,000	213,850
5	45,001	50,000	249,000
1	50,001	55,000	55,000
1	55,001	60,000	60,000
1	65,001	70,000	67,750
1	70,001	75,000	75,000
1	75,001	80,000	78,779
1	95,001	100,000	99,000
2	105,001	110,000	215,500
1	125,001	130,000	130,000
1	160,001	165,000	164,000
1	175,001	180,000	180,000
1	230,001	235,000	233,500
1	365,001	370,000	368,500
1	420,001	425,000	424,717
1	575,001	580,000	580,000
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
1192			**12,600,000**

KOHINOOR POWER COMPANY LIMITED
Catagories of Shareholding required under Code of Coprorate Governance (CCG)
As on June 30, 2015

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
Investment Corporation of Pakistan (ICP)	1	800	0.0063
Banks Development Financial Institutions Non Banking Financial Institution	6	14,786	0.1173
Insurance Companies	1	592,011	4.6985
Modarabas and Mutual Funds	1	945	0.0075
General Public	1146	6,136,237	48.7003
Others (to be specified)			
Pension Funds	1	26,528	0.2105
Other Companies	1	931	0.0074
Joint Stock Companies	22	68,606	0.5445
Foreign Companies	4	8,052	0.0639
	1192	12,600,000	100.0000

Review Report to the Members

On Statement of Compliance with the Best Practices of Code of Corporate Governance

We have reviewed the statement of compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of KOHINOOR POWER COMPANY LIMITED to comply with the Listing Regulation No. 37 of Karachi Stock Exchange (Guarantee) Limited, Listing Regulation's of Chapter No. XIII of the Lahore Stock Exchange (Guarantee) Limited and Listing Regulation's No. 36 of the Islamabad Stock Exchange (Guarantee) Limited 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.

Further, sub- Regulation (xiii) of Listing Regulations 37 notified by The Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N - 269 dated January 19, 2009 requires the company to place before the board of directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were under taken 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, 2014.

October 10, 2014
Lahore

Mudassar Ehtisham & Co.
Chartered Accountants
Audit Engagement Partner: Mudassar Raza

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of KOHINOOR POWER COMPANY LIMITED as at June 30, 2014 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by 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 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 Ordinances, 1984;

(b) In our opinion,

  (i) the balance sheet and profit and loss account together with the notes there on have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied,

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

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

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2014 and of the 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.

(e) Without qualifying our report it is stated that as per management it has succeeded in obtaining decision from NEPRA (National Electric Power Regulatory Authority) for placement of the name of FESCO (Faisalabad Electric Supply Company Limited) as approved power purchaser from the Company (Kohinoor Power Company Limited-KPC). The management is hopeful to obtain supply agreements in near future but up till the date of issue of our report no agreement between FESCO and KPC Ltd for power supply was executed and provided to us. This situation creates material doubt about going concern status of the Company. The conception of going concern would be valid respecting the Company if its management is in a position to obtain power supply orders either from FESCO or any other industrial unit (note. 2.3).

October 10, 2014
Lahore

Mudassar Ehtisham & Co.
Chartered Accountants
Audit Engagement Partner: Mudassar Raza

BALANCE SHEET AS AT 30 JUNE, 2015

	Note	2015 Rupees	2014 Rupees
SHARE CAPITAL AND RESERVES			
Authorized capital			
20,000,000 (June 2014: 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		**(199,678,801)**	(142,644,543)
		195,821,199	252,855,457
NON-CURRENT LIABILITIES			
Liabilities against assets subject to finance lease	**6**	**-**	-
Deferred liabilities	**7**	**919,719**	1,297,956
CURRENT LIABILITIES			
Trade and other payables	**8**	**3,589,542**	14,893,810
Liabilities against assets subject to finance lease	**6**	**-**	977,800
		3,589,542	15,871,610
		200,330,460	270,025,023
CONTINGENCIES AND COMMITMENTS	**9**		
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	**10**	**117,069,232**	208,596,384
CURRENT ASSETS			
Stores and spares	**11**	**4,116,857**	24,585,994
Stock-in-trade	**12**	**-**	18,188,010
Loans and advances	**13**	**7,771,429**	351,862
Trade deposits and short term prepayments	**14**	**-**	977,800
Tax refunds due from Government	**15**	**23,679,427**	16,625,244
Cash and bank balances	**16**	**47,693,515**	699,729
		83,261,228	61,428,639
		200,330,460	270,025,023

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE, 2015

	Note	2015 Rupees	2014 Rupees
Sales	**17**	**-**	-
Cost of sales	**18**	**-**	**-**
Gross (loss) / profit		**-**	**-**
Operating expenses:			
Administrative expenses	**19**	**(19,626,230)**	(44,918,573)
Operating (loss) / profit		**(19,626,230)**	(44,918,573)
Financial cost	**20**	**(42,286)**	(66,389)
Other operating income	**21**	**5,348,883**	766,482
Other operating expenses	**22**	**(41,530,177)**	-
(Loss) /profit before taxation		**(55,849,810)**	(44,218,480)
Taxation - Current		**(1,184,448)**	-
(Loss) / profit after taxation		**(57,034,258)**	(44,218,480)
Earnings per share - basic and diluted	**23**	**(4.53)**	(3.51)

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE, 2015

	2015 Rupees	2014 Rupees
(Loss) / profit for the period	(57,034,258)	(44,218,480)
Other comprehensive income	-	-
Total comprehensive (loss) / income for the period	(57,034,258)	(44,218,480)

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

CASH FLOW STATEMENT

FOR THE YEAR 30 JUNE, 2015

		2015	2014
	Note	**Rupees**	**Rupees**
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		**(55,849,810)**	(44,218,480)
Adjustments for :			
Depreciation		**10,067,560**	12,359,680
Gratuity provision		**50,000**	1,104,001
Loss / (Profit) on sale of fixed assets		**17,959,592**	(526,247)
Financial charges		**42,286**	66,389
		(27,730,372)	(31,214,657)
Operating loss before working capital changes			
(Increase) / decrease in stores and spares		**20,469,137**	122,008
(Increase) / decrease in stock in trade		**18,188,010**	1,791,960
(Increase) / decrease in loans and advances		**(3,209,577)**	10,438,983
(Increase) / decrease in trade deposits and short term prepayments		**977,800**	983,749
(Increase) / decrease in refunds due from government		**(7,054,183)**	1,022
Increase / (decrease) in trade and other payables		**(12,488,716)**	8,463,122
		16,882,471	21,800,844
Cash (used in) / from operations		**(10,847,901)**	(9,413,813)
Gratuity paid		**(428,237)**	(5,926,643)
Financial charges paid		**(42,286)**	(66,389)
Income tax paid		**(4,209,990)**	(13,977)
		(4,680,513)	(6,007,009)
Net cash (used in) / from operating activities		**(15,528,414)**	(15,420,822)
CASH FLOW FROM INVESTING ACTIVITIES			
Sale proceeds of fixed assets		**63,500,000**	1,300,000
Net cash from / (used in) investing activities		**63,500,000**	1,300,000
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of finance lease		**(977,800)**	(1,470,729)
Short term borrowings		**-**	-
Net cash (used in) from financing activities		**(977,800)**	(1,470,729)
Net decrease in cash and cash equivalents		**46,993,786**	(15,591,551)
Cash and cash equivalents - At the beginning of the year		**699,729**	16,291,280
Cash and cash equivalents - At the end of the half year	**(16)**	**47,693,515**	699,729

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE, 2015

	Share Capital	Reserves			Total (Rupees)
		Capital	Revenue		
		Share premium	General	Accumulated profit/(loss)	
Balance as at 30 June, 2013	126,000,000	34,000,000	235,500,000	(98,426,063)	297,073,937
Total Comprehensive (loss)/ profit for the year	-	-	-	(44,218,480)	(44,218,480)
Balance as at 30th 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 30 June, 2015	**126,000,000**	**34,000,000**	**235,500,000**	**(199,678,801)**	**195,821,199**

The annexed notes from 1 to 32 form an integral part of these financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE, 2015

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 Karachi, Lahore and Islamabad Stock Exchanges. 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.

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. 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 Companies Ordinance, 1984. In case requirements differ, the provisions or 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.

2.2.1 The generation of electricity was temporarily suspended in June 2012 as a result of FESCO feeders disconnection at the instructions of Ministry of Water and Power, Government of Pakistan and burning out of 11 KV alternate of one engine. In addition to these factors, the Agreement with FESCO expired in June 2011 and since then, electricity was supplied to them on existing terms and conditions. The renewal of the FESCO Purchase Agreement is held pending by FESCO till the issuance of generation license adding FESCO name as purchaser and fixation of tariff by National Electric Power Regulatory Authority “NEPRA”.

2.2.2 Our management this year (2015) has been making continues struggle for renewal of power agreements with FESCO for supply of power. In December 2012 the National Electric Power Regulatory (NEPRA) has (after detailed deliberations on working papers) approved the license proposed modification (LPM) in the generation license of Kohinoor Power Company Limited (KPC Ltd). And allowed FESCO as one of the power purchaser of KPC Ltd. Sales agreements are expected to be executed in near future. Thus the company for all intends and purpose is a going concern and will remain so in future.

2.3 Going concern assumption

Our paid-up capital as on 30.06.2015 stands at Rs. 126 million while adverse balance of reserves and Inappropriate losses are amounting to Rs. 199.678 million leaving balance of equity at Rs. 195.821 million. Our current liabilities are Rs. 3.589 million whereas the current assets are Rs. 83.261 million and current assets are more by Rs. 79.672 million than the current liabilities. The management is hopeful to obtain supply agreement in near future but till the date of issue of our report no agreement between FESCO (Faisalabad Electric Supply Company Limited) and KPC (Kohinoor Power Limited) was executed and provided to us. This situation created material doubt about the going concern status of the company. The conception of going concern would be valid respecting the company if it's management is in a position to obtain power supply orders either from FESCO or any other industrial unit.

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) New standards, amendments to approved accounting standards and interpretations which became effective during the year

There are no amended standards and interpretations that are effective for the first time in the current year that would be expected to have a material impact on the Company.

b) Standards and amendments to published standards that are not yet effective and have not been yearly adopted by the Company

The following standards, interpretations and the amendments are effective for accounting periods beginning from the dates specified below and are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IAS1, ' Financial Statement presentation' regarding other comprehensive income disclosure initiative (effective for annual periods beginning on or after 1 January, 2016). The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports.

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-basedamortisation methods for intangible assets is inappropriate and 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.

- 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.

- Amendments to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 1January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS10 and IAS 28) (effective for annual periods beginning on or after 1 January 2016). The main consequence of the amendments is that a full gain or loss is recognized when a transaction involvesa business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

- IFRS 10 'Consolidated Financial Statements' (effective for annual periods beginning on or after 1 January2015). The standard replaces the part of IAS 27 'Consolidated and Separate Financial Statements'. IFRS 10introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvementwith the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements. Certain further amendments have been made to IFRS 10, IFRS 12 and IAS 28 clarifying the requirements relating to accounting for investment entities and would be effective for annual periods beginning on or after 1 January2016

- IFRS 11, 'Joint arrangements' (effective for annual periods beginning on or after 1 January 2015). The standard replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting tube applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016.

- IFRS 12, 'Disclosures of interests in other entities' (effective for annual periods beginning on or after 1January 2015). The standard combines the disclosure requirements for entities that have interests unstructured entities, into one place.

- IFRS 13, 'Fair value measurement' (effective for annual periods beginning on or after 1 January 2015). The standard defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

- Annual Improvements 2012 - 2014 cycle (the amendments apply prospectively for annual period beginning on or after 1 July 2016). The new cycle of improvements contain improvements contain amendments to the following standards:

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.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 are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)' are nonspecifically required for inclusion in condensed interim financial statements for all interim periods.

- IFRS 14 'Regulatory Deferral Accounts' (effective for annual periods beginning on or after 1 January 2016)specifies the financial reporting requirements for 'regulatory deferral account balances' that arise when an entity provides goods or services to customers at a price or rate that is subject to rate regulation. IFRS 14 is permitted, but not required, to be applied where an entity conducts rate-regulated activities and has recognised amounts in its previous financial statements that meet the definition of 'regulatory deferral account balances' also referred as the 'regulatory assets' and 'regulatory liabilities'.

- IFRS 15 'Revenue from Contracts with Customers' (effective for annual periods beginning on or after 1 January2017) specifies how and when an IFRS compliant entity will recognise revenue as well as requiring such entities to provide users of financial statements with more informative and relevant disclosures. The standard provides a single principle-based five-step model to be applied to all contracts with customers. The objective of IFRS 15 is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board(IASB) has also issued the following standards which have not been notified locally by the Securities and Exchange Commission of Pakistan (SECP) as at 30 June 2015:

- IFRS 1 - First Time Adoption of International Financial Reporting Standards
- IFRS 9 - Financial Instruments

The following interpretations issued by the IASB have been waived off by SECP effective January 16, 2012:

- IFRIC 4 - Determining Whether an Arrangement Contains a Lease. Also refer note 39 to the financial statements.

- IFRIC 12 - Service Concession Arrangements

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, 2015. Based upon this valuation the company accounts for the provision and current service cost. The policy for recognition of actuarial gains/(losses) is based on the minimum 10% corridor. However, the standard also 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.

	2015	2014
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 or revalued amount 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 Intangible Assets

Intangible assets includes software which is initially recognized at cost. Cost comprises of purchase price and directly attributable expenditures.

After initial recognition intangible assets are carried at cost less accumulated amortization and if any, identified impairment loss. Amortization is charged on straight line method over a maximum period of five years. Amortization on addition and deletion is charged from the period when asset is put in use and up to the period of deletion.

3.4 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.

3.5 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 direct cost and appropriate portion of production overheads.
Finished Goods	At estimated manufacturing cost
Waste	Net realizable value

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

3.6 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.

3.7 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.

3.8 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.

3.9 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.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

3.10 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for that sale of goods in the ordinary course of the Company's activities.

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue, and the associated cost incurred or to be incurred, can be measured reliably and when specific criteria have been met for each of the Company's activities as described below:

Energy sales are recognised on the basis of meter readings recorded on continuous monthly basis and charges recoverable for delayed payments are recognised on accrual basis.

Interest income on bank deposits is accounted for on the time proportion basis using the applicable rate of return.

Scrap sales and miscellaneous receipts are recognized on realized amounts. Dividend income from investments is recognized when the Company's rights to receive payments has been established.

3.11 Borrowing Costs

Mark-up, interest and other charges on borrowings which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. All other borrowing costs i.e. mark-up, interest and other charges are charged to the profit and loss account in the period in which they are incurred.

3.12 Provisions

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

3.13 Cash and Cash Equivalent

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, cheques in hand and deposits in banks that are readily convertible to known amounts of cash.

3.14 Financial Assets

Financial assets represent investments in shares of listed companies and are classified as available for sale investments. These are initially recognized at cost and at subsequent reporting dates measured at fair values. Gains or losses from changes in fair values are taken to other comprehensive income until disposal at which time these are recycled to profit and loss account.

3.15 Impairment

a) Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events had a negative effect on the estimated future cash flow of that asset. An impairment loss in respect of a financial asset measured at amortized cost is calculated as a difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-salefinancial asset is calculated by reference to its current fair value. Individually significant financial assets are tested for impairment on an individual basis. The remaining

b) Non- Financial Assets

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indications exist, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any. Impairment loss is recognized as expense in the profit and loss account. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.16 Financial Instruments

All financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost as the case may be. A financial asset is de-recognized when the company loses control of its contractual rights that comprise the financial asset. A financial liability is de-recognized when it is extinguished. Any gain or loss on de-recognition of the financial assets or liabilities is taken to profit and loss account currently. The Company recognizes the regular way purchase or sale of financial assets using settlement date accounting.

a) Trade & Other Payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

b) Trade & Other Receivables

Trade and other receivables are recognized and carried at original invoice amount / cost less an allowance for any uncollectible amounts. Carrying amounts of trade and other receivables are assessed on a regular basis and if there is any doubt about the reliability of these receivables, appropriate amount of provision is made.

c) Off Setting Of Financial Assets and Financial Liabilities

A financial asset and a financial liability is off set and the net amount is reported in the balance sheet if the company has a legally enforceable right to set off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.17 Dividend & Appropriation to reserves

Dividend distribution to the Company's shareholders and appropriation to reserves is recognized in the financial statements in the period in which these are approved.

3.18 Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.19 Contingent Liabilities

Contingent liability is disclosed when the Company has a possible obligation as a result of 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 the Company has a present legal or constructive 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 obligation cannot be measured with sufficient reliability.

3.20 Segment Reporting

Segment information is presented on the same basis as that used for internal reporting purposes by the Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments. On the basis of its internal reporting structure, the Company considers itself to be single reportable segment.

3.21 Foreign currency transactions

Transactions in foreign currency are accounted for at the exchange rates prevailing on the date of transactions. All monetary assets and liabilities denominated in foreign currencies at the year end are translated at exchange rates prevailing at the balance sheet date. Non monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rate at the date of the transaction. Exchange differences are included in profit and loss account for the year.

3.22 Related party transactions

All transactions between company and related party are accounted for at arm's length price in accordance with "Comparable Uncontrolled Price Method".

3.23 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved

			Note	2015 Rupees	2014 Rupees
4. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL					
2015	2014				
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

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

6. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Balance as on Jul, 01	(977,800)	2,448,529
Addition during the year	-	-
	(977,800)	2,448,529
Less: Repayments during the year	977,800	(1,470,729)
	-	977,800
Less: Current portion	-	(977,800)
	-	-

Future minimum lease payments under finance lease together with present value of the net minimum lease payments are as follows:

	June30,2015		June30,2014	
	Minimum lease payments	Present Value	Minimum lease payments	Present Value
Within one year	-	-	977,800	977,800
After one year but not more than five year	-	-	-	-
Total minimum lease payments	-	-	977,800	977,800
Amount representing finance charge	-	-	-	-
Present value of minimum lease payments	-	-	977,800	977,800
Current portion	-	-	(977,800)	(977,800)
	-	-	-	-

Lease agreements	No of monthly installments	First installments due on	Adjustable security deposits
1	36	Feb 17, 2011	376,000
2	36	Feb 17, 2011	358,000
3	36	April 7, 2011	243,800

The company entered into three new lease/ Ijarah financing facility agreements. Total Ijarah financing limit of Rs. 17.709 million from 'Albaraka Islamic Bank' was renewed by facility offer letter Ref: CA # DHA LHR/010/003 dated 06-09-2010. The company has obtained new leased vehicle No. 1, 2, and 3 under same limit in 2011 with agreement dated January 2010. Rentals are payable in monthly equal installments and in case of default of any payment of installment, the bank reserves the right to charge late payment penalty.

Repairs, maintenance and insurance costs of the vehicles are to be borne by the company.

Rate of interest charged is 12 months KIBOR +3%. The assets under finance lease will be transferred to company at the year end of lease term.

	Note	2015 Rupees	2014 Rupees
7. DEFERRED LIABILITIES			
Staff gratuity	**(7.1)**	919,719	1,297,956
		919,719	1,297,956
7.1 RECONCILIATION OF PAYABLE TO DEFINED BENEFIT PLAN			
Present value of obligation	**(7.2)**	1,052,460	1,430,697
Unrecognised actuarial gain / (loss)		(132,741)	(132,741)
		919,719	1,297,956
7.2 MOVEMENT IN NET LIABILITY RECOGNISED IN THE BALANCE SHEET			
Balance sheet liability as at july, 01		1,430,697	6,253,339
Expense recognised during the year	**(7.3)**	50,000	1,104,001
Benefit paid during the year		(428,237)	(5,926,643)
Actuarial (gain) / loss		-	-
		1,052,460	1,430,697
7.3 EXPENSE RECOGNISED DURING THE YEAR			
Current service cost		15,635	448,260
Interest cost recognised during the year		34,365	655,741
Total amount chargeable to profit and loss account		50,000	1,104,001
8. TRADE AND OTHER PAYABLES			
Creditors for goods		73,113	91,113
Creditors for expenses		1,345,482	1,339,001
Accrued expenses		257,686	11,182,499
Taxes deducted at source	**(8.1)**	198,307	731,281
Electric Duty Payable	**(8.2)**	-	1,019,410
Income tax provision		1,184,448	-
Un-claimed dividend		530,506	530,506
		3,589,542	14,893,810

8.1 These consists of Rs. 0.138 million, Rs. 0.0600 million, relating to year ended on June 30, 2002, and June 30, 2015 respectively. Expected additional tax & penalty of Rs. 0.144 million may be imposed for delayed payments.

9. CONTINGENCIES AND COMMITMENTS

9.1 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.

9.2 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.

9.3 Commitment under irrecoverable letter of credit as at June 30, 2015 Rs. Nil (2014: Rs. Nil).

	Note	2015 Rupees	2014 Rupees
10. FIXED ASSETS			
Property, plant and equipment			
Operating assets-note annexed	**(10.1)**	117,069,232	208,596,384
		117,069,232	208,596,384

10.1 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	
Own:												
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

10.1 Property, plant and equipment

YEAR ENDED 30 JUNE 2014

PARTICULARS	COST					DEPRECIATION						NET BOOK VALUE AS AT 30 June, 2014
	As at 01 July, 2013	Additions	Disposals	Transfers	As at 30 June, 2014	Rate %	As at 01 July, 2013	For the year	On disposals	Transfers	As at 30 June, 2014	
Own:												
Buildings on lease hold land	42,401,089	-	-	-	42,401,089	10	33,982,694	841,840	-	-	34,824,534	7,576,555
Plant and machinery	508,969,811	-	-	-	508,969,811	5	302,329,716	10,332,005	-	-	312,661,721	196,308,090
Factory Equipment	69,975	-	-	-	69,975	10	59,474	1,050	-	-	60,524	9,451
Furniture and fixtures	55,792	-	-	-	55,792	10	43,147	1,265	-	-	44,412	11,380
Office equipment	725,014	-	-	-	725,014	10	485,565	23,945	-	-	509,510	215,504
Vehicles	5,796,555	-	(1,871,500)	1,871,500	5,796,555	20	3,438,726	512,290	(1,097,747)	1,057,023	3,910,292	1,886,263
	558,018,236	-	(1,871,500)	1,871,500	558,018,236		340,339,322	11,712,395	(1,097,747)	1,057,023	352,010,993	206,007,243
Assets subject to finance lease:												
Vehicles-leased	6,958,880	-	-	(1,871,500)	5,087,380	20	2,907,977	647,285	-	(1,057,023)	2,498,239	2,589,141
	564,977,116	-	(1,871,500)	-	563,105,616		343,247,299	12,359,680	(1,097,747)	-	354,509,232	208,596,384

10.2 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 %.

Generating engines are about 20 years which have lost efficiency. The management should get the useful life of machinery assessed by competent consultant and adjustment of impairment for loss of value.

		KOHINOOR POWER COMPANY LIMITED	
		2015	**2014**
	Note	**Rupees**	**Rupees**
10.3 Depreciation for the year has been allocated as follows:			
Administrative expenses	**(19)**	898,351	1,184,785
Administrative expenses - Non operational	**(19.3)**	9,169,209	11,174,895
		10,067,560	12,359,680

10.4 Schedule of disposal of fixed assets

Particulars	Cost	Accumulated Depreciation	Written down value	Sale proceeds	Profit /(loss)	Mode of disposal	Sold to
Nigatta Diesel Generator Set (2 Nos)	219,324,745	137,865,153	81,459,592	63,500,000	(17,959,592)	Negotiation	Saba Generation Ltd Lahore
	219,324,745	**137,865,153**	**81,459,592**	**63,500,000**	**(17,959,592)**		

11. STORE AND SPARES

Stores		450,566	2,129,407
Spares		3,666,291	22,456,587
		4,116,857	24,585,994

11.1 Store and spares are generally held for internal use only.

12. STOCK-IN-TRADE

Furnace oil		-	18,188,010
		-	18,188,010

13. LOANS AND ADVANCES

Advances - considered good			
- Employees	**(13.1)**	174,000	186,000
- Suppliers		7,597,429	165,862
		7,771,429	351,862

13.1 Maximum aggregate amount due from the executives at any month-end during the year was Rs. 193,000 (2014: Rs. 193,000).

14. TRADE DEPOSIT AND SHORT TERM PREPAYMENTS

Margin deposits		-	977,800
		-	977,800

15. TAX REFUNDS DUE FROM GOVERNMENT

Sales tax refundable	**(15.1)**	17,675,873	14,831,680
Advance income tax	**(15.2)**	8,303,554	4,093,564
Less: Provision for tax on bonus shares		(2,300,000)	(2,300,000)
		6,003,554	1,793,564
		23,679,427	16,625,244

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		4,093,564	4,079,587
Add Deducted / paid during the year		4,209,990	13,977
		8,303,554	4,093,564

16. CASH AND BANK BALANCES

	Note	2015 Rupees	2014 Rupees
Cash in hand		155,003	86,498
Cash at banks			
- Current accounts		46,910,344	613,231
- Saving accounts	**(16.1)**	628,168	-
		47,693,515	699,729

16.1 These balances carry profit margins ranging from 5 % to 7 % per annum.

17. SALES

During the year company was not in commercial operations as stated in Note # 30.1 and 30.2 respectively.

18. COST OF SALES

		2015 Rupees	2014 Rupees
Opening stock		-	19,979,970
Purchases		-	-
		-	19,979,970
Less:	- Oil returned to approved dealers of suppliers	-	-
	- Sales to others	-	(1,791,960)
	- Issued to stores for consumption	-	-
		-	(1,791,960)
Less:	- Closing stock	-	(18,188,010)
		-	-

All non - operational expenses Rs. 15,642,698 (2014: Rs. 37,845,044) are charged to administrative expenses.

19. ADMINISTRATIVE EXPENSES

	Note	2015 Rupees	2014 Rupees
Salaries & benefits	**(19.1)**	1,259,622	1,381,401
Rent, rate and taxes		-	3,301,830
Fees and subscription		662,337	515,094
Travelling and conveyance		33,180	30,880
Printing and stationery		29,595	116,363
Postage and telegram		-	20,008
Entertainment		44,703	37,868
Insurance		-	112,939
Staff welfare		-	34,595
Professional and legal charges		724,000	-
Telecommunication		107,042	142,481
Auditor's remuneration	**(19.2)**	75,000	75,000
Depreciation	**(10.3)**	898,351	1,184,785
Advertisement		37,500	110,800
Miscellaneous expenses		36,666	9,485
Generator expenses		39,536	-
Non operational expenses	**(19.3)**	15,678,698	37,845,044
		19,626,230	44,918,573

19.1 Salaries, wages and benefits include provision for gratuity for the year Rs. 0.0331 million (2014: Rs. 0.585 million).

19.2 Auditor's Remuneration

		2015 Rupees	2014 Rupees
Annual audit		50,000	75,000
Half yearly review		25,000	-
		75,000	75,000

19.3 Non operational expenses

	Note	2015 Rupees	2014 Rupees
Stores & Spares Consumed on machinery over-hauling		-	15,146,988
Wages & Benefits	**(19.3.1)**	-	612,511
Salaries & Benefits	**(19.3.2)**	6,329,489	10,709,640
Vehicle Running & Maintenance		144,000	201,010
Repair, Maintenance and Replacements		36,000	-
Depreciation	**(10.3)**	9,169,209	11,174,895
		15,678,698	37,845,044

19.3.1 Wages and benefits include provision for gratuity for the year Rs. Nil (2014:Rs. 0.105 million).

19.3.2 Salaries, wages and benefits include provision for gratuity for the year Rs. 0.0234 million (2014:Rs. 0.413 million).

	Note	2015 Rupees	2014 Rupees
20. FINANCIAL COST			
Mark-up on:			
Lease finance charges		37,304	62,736
Bank charges		4,982	3,653
		42,286	66,389
21. OTHER OPERATING INCOME			
Profit on bank deposits		3,589,235	-
Miscellaneous income		1,317,497	81,778
Scrap-sludge		442,151	126,962
Profit on sale of fixes assets		-	526,247
Generator income		-	31,495
		5,348,883	766,482
22. OTHER OPERATING EXPENSES			
Loss on sale of machinery & inventory		17,959,592	-
Loss on sale of stores & spares		10,382,575	-
Loss on sale of stock in trade		13,188,010	-
		41,530,177	-
23. EARNING PER SHARE - basic and diluted			
(Loss) / Profit after taxation		(57,034,258)	(44,218,480)
		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		(4.53)	(3.51)

A diluted earning per share has not been presented as the company does not have any convertible instruments in issue as at June 30, 2015 and 2014 which would have any effect on the earning per share if the option to convert is exercised.

24. NUMBER OF EMPLOYEES	Number	
	2015	**2014**
Total number of employees at the year-end	1	2

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

	2015 Rupees	2014 Rupees
Loans and advances	174,000	186,000
Advances to suppliers	7,597,429	165,862
Tax refunds due from Government	23,679,427	16,625,244
Cash and bank balances	47,693,515	699,729
	79,144,371	17,676,835
Financial Liabilities		
Gratuity - Defined benefit plan **Financial Assets**	919,719	1,297,956
Trade and other payables	3,589,542	14,893,810
	4,509,261	16,191,766

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.

		2015 Rupees	2014 Rupees
Loans and advances		174,000	186,000
Advances to suppliers		7,597,429	165,862
Tax refunds due from Government		23,679,427	16,625,244
Cash and bank balances	**(16.)**	47,693,515	699,729
		79,144,371	17,676,835

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 2015**		
	Carrying amount	**Maturity up to one year**	**Maturity after one year**
Gratuity - Defined benefit plan	-	-	919,719
Liabilities against assets subject to finance leases	-	-	-
Trade and other payables	3,589,542	3,589,542	-
	3,589,542	3,589,542	919,719

	YEAR ENDED 30 JUNE 2014		
	Carrying amount	**Maturity up to one year**	**Maturity after one year**
Gratuity - Defined benefit plan	-	-	1,297,956
Liabilities against assets subject to finance leases	977,800	977,800	-
Trade and other payables	14,893,810	14,893,810	-
	15,871,610	15,871,610	1,297,956

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, 2015, 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 (2014: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	
	2015	2014	**2015**	2014	**2015**	**2014**
Managerial remuneration	**-**	**-**	**-**	-	-	558,698
House rent	**-**	**-**	**-**	-	-	152,348
Utilities	**-**	**-**	**-**	-	-	33,852
Medical	**-**	**-**	**-**	-	-	33,852
Rupees:	**-**	**-**	**-**	-	-	778,750
Number of persons	**1**	1	**6**	6		**1**

26.1 No meeting fee was paid to the directors and chief executive during the year (2014: 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:

	2015 **Rupees**	**2014** **Rupees**
Lease rent expense	-	2,700,000
Sale of store	-	450,000

27.2 Maximum aggregate amount due from Associated Undertakings at any month end during the year was Nil (2014:Rs. Nil).

27.3 Billing for electricity supplied is being done on the rates specified by NEPRA, while other items are transferred at prevailing market value respectively.

27.4 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. CASH AND CASH EQUIVALENTS

Cash and bank balances (Note 16)	47,693,515	699,729

30. PLANT CAPACITY AND ACTUAL GENERATION

		2015	**2014**
Normal plant capacity on the basis of three shifts	MW	40,843	122,530
Actual production	MW	**-**	**-**

30.1 Agreement with LESCO expired on 31-03-2011 and unit at Chunian remained closed from 1st April 2011 to 30th June 2013 and is not in operation till to day as the agreement is not renewed.

30.2 Agreement with FESCO expired on 28-06-2011. One engine was operated from 1st July 2011 to 11th June 2012 for supply to FESCO while other engine was operated only for 15 days from 1st July 2011 to 15th July 2011.

31. NON ADJUSTING EVENTS AFTER BALANCE SHEET DATE

There were no post balance sheet events that required adjustments or disclosures.

32. GENERAL

32.1 These financial statements were authorized for issue on October 10, 2015 by the board of directors of the company.

32.2 Figures are rounded off to the nearest rupee. Figures of previous year are re-arranged wherever necessary to facilitate comparison.

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

KOHINOOR POWER COMPANY LIMITED

FORM OF PROXY

Ledge Folio/CDC A/C No. **Shares Held**

I/We ……………………………………………………………...……………………………
of……………………..……………………………………….…..…………..…………………….
appoint…………………………………………………………...…..……………………
of…………………...………………………………...………………………………….........
(or failing him)……………………………………………......…………of… ………………..

being another member of the Company as my/our proxy to attend and vote for me/us on my/our behalf, at the 23rd Annual General Meeting of the Company to be held on Friday 31st October, 2014 at 11:00 a.m. and at every adjournment thereof.

As witness my/our hand(s) this …………..…………………………. Day of October 2014

Signed by the said

Affix Revenue Stamp of Rs. 5/-

Witnesses:

1. Signature ………………………………..
   Name: …………………….………….
   N.I.C. No………..…………………….
   Address…………………………………...

2. Signature………………………………….
   Name: …………………………..… …….
   N.I.C. No…………………………………
   Address: ………………………………….

Notes:

1. A member entitled to attend and vote at this Meeting may appoint another member as his/her proxy in accordance with the provisions of Article 52 of the Articles of Association of the Company. 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 48 hours before the time f or holding the meeting and must be duly stamped, signed and witnessed.

2. For CDC Accounts 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 CNIC or original Passport at the time of attending the meeting.