

NOTICE OF 20TH ANNUAL GENERAL MEETING

Notice is hereby given that the 20th Annual General Meeting of Kot Addu Power Company Limited will be held at the Islamabad Serena Hotel, Khayban-e-Suhrawardy, Islamabad on Thursday, October 20, 2016 at 9.30 a.m. to transact the following business:

ORDINARY BUSINESS

1. To confirm the Minutes of the 19th Annual General Meeting of the Company held on October 22, 2015.
2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2016 together with Directors' and Auditor's Reports thereon.
3. To approve the final cash dividend of Rs. 4.75 per share, that is, 47.50% for the year ended June 30, 2016 as recommended by the Board of Directors. This is in addition to the interim dividend of Rs. 4.25 per share, that is, 42.50% already paid making a total cash dividend of Rs. 9.00 per share, that is, 90% during the year.
4. To appoint Auditors and fix their remuneration for the year ending June 30, 2017. The present Auditors, Messrs. A.F. Ferguson & Co., Chartered Accountants, retired and being eligible, offer themselves for reappointment.

SPECIAL BUSINESS

5. To consider and if deemed fit, to pass the following resolutions as special resolutions with or without modification, addition(s) or deletions(s) under Section 208 of the Companies Ordinances, 1984 as recommended by the Board of Directors of the Company:

RESOLVED that pursuant to the requirement of Section 208 of the Companies Ordinance, 1984, the approval of the members be and is hereby accorded for long term equity investment of upto Rs. 23.5 Billion (Rupees Twenty three Billion Five Hundred Million only) by the Company (through its funds and/or from bank borrowings) in the KAPCO Energy (Private) Limited, a wholly owned subsidiary of the Company, for subscribing at par, fully paid 2,350,000,000 ordinary shares of the face value of Rs. 10 each, as per terms and conditions disclosed to the members.

FURTHER RESOLVED that the Board of Directors of the Company be and are hereby empowered and authorized to undertake the decision of said investment of shares as and when deemed appropriate and necessary in the best interest of the Company and its shareholders and to take all steps and actions necessary, incidental and ancillary for the acquisition of shares of KAPCO Energy (Private) Limited including execution of any and all documents and agreements as may be required in this regards and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of giving effect to the spirit and intent of this special resolution.

FURTHER RESOLVED that the Board of Directors of the Company be and are hereby empowered and authorized to provide guarantee, indemnity and/or to grant any security interest over any of the Company's assets to support the obligations of KAPCO Energy (Private) Limited.

6. To consider and if thought fit to pass the following resolutions with or without amendment/modification as Special Resolutions of the Company:

RESOLVED that the Articles of Association of the Company shall stand amended as follows:

- (i) The following new Article shall form part of the Articles of Association of the Company:

36.2 For general meetings, the Company shall comply with the e-voting requirements as notified in the Companies (E-Voting) Regulations, 2016 (as amended) or as otherwise prescribed by the Securities and Exchange Commission of Pakistan.



The existing paragraph in Article 36 shall be numbered as Article 36.1.

(ii) The following new Article shall form part of the Articles of Association of the Company:

47.2 At a general meeting, in case of e-voting, a proxy may or may not be a Member of the Company.

The existing paragraph in Article 47 shall be numbered as Article 47.1.

(iii) The following new Article shall form part of the Articles of Association of the Company:

49A E-Voting

Members opting for e-voting shall communicate their intention to opt for e-voting and demand of poll for resolutions through an instrument of e-voting to the Company at least ten (10) days before holding of the general meeting, through regular mail or electronic mail at the registered address/email of the Company provided in the notice of the general meeting. The instrument of e-voting and demand of poll for resolution shall be in the following form or a form as near thereto as may be:

KOT ADDU POWER COMPANY LIMITED

Option 1 Appointing other person as Proxy

I/We, _____ of _____ being member of Kot Addu Power Company Limited, holder of _____ share(s) as per Register Folio No. _____ hereby Appoint _____, Folio No. (if member) _____ of _____ or failing him/her _____, Folio No. (if member) _____ of _____ as my / our proxy in my / our absence to attend and vote for me / us, and on my / our behalf at the Annual General Meeting / Extraordinary General Meeting of the Company to be held on _____ and at any adjournment thereof. Signed under my / our hand this _____ date of _____.

Signature should agree
with the specimen signature
registered with the Company

Signed in the presence of:

Signature of witness
CNIC

Signature of witness
CNIC



Option 2
E-Voting as per the Companies (E-voting) Regulations, 2016

I/We, _____ of _____ being a member of Kot Addu Power Company Limited, holder of _____ share(s) as per Register Folio No. _____ hereby opt for e-voting through Intermediary and hereby consent the appointment of execution officer (ABC) as proxy and will exercise e-voting as per The Companies (e-voting) Regulations, 2016 and hereby demand for poll for resolutions.

My secured email address is _____, please send me login details, password and electronic signature through email.

Signature should agree
with the specimen signature
registered with the Company

Signed in the presence of:

Signature of witness
CNIC

Signature of witness
CNIC

7. To consider and if thought fit to pass the following resolution with or without amendment/modification:

RESOLVED that the Company be and is hereby authorised to transmit the annual audited accounts of the Company to Members through CD/DVD/USB instead of transmitting them in the form of hard copies subject to compliance with the notification issued by the Securities and Exchange Commission of Pakistan (SRO 470 (I)/2016 dated May 31, 2016).

8. To transact any other business with the permission of the Chairman.

By Order of the Board

A. Rath

A. Anthony Rath
(Company Secretary)

Islamabad
September 1, 2016



Notes:

1. The share transfer books of the Company will remain closed from October 13, 2016 to October 20, 2016 (both days inclusive). Transfers received in order at the office of the Company's Shares Registrar, THK Associates (Private) Limited at the close of business on October 12, 2016 will be treated in time for purposes of payment of the final cash dividend (subject to approval of the Members) and to attend and vote at the Meeting.
2. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on his/her behalf, provided such proxy is also a Member.
3. An instrument of proxy and the Power of Attorney or other authority (if any) under which it is signed, or a Notary Public certified copy of such Power of Attorney, in order to be valid, must be deposited with the Company's Registrars, THK Associates (Private) Limited not later than (48) forty-eight hours before the time of holding the Meeting.
4. CDC account holders will in addition have to follow the under mentioned guidelines as laid down in Circular No.1 dated January 26, 2000 of the Securities & Exchange Commission of Pakistan for attending the Meeting:
 - (i) In case of individuals: The account holder or sub account holder and / or the person whose securities are registered on CDS; and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original National Identity Card (NIC) or original passport at the time of attending the Meeting. The Members are also required to bring their Participants' I.D. number and account numbers in CDS.
 - (ii) In case of corporate entity: The Board of Directors Resolution / Power of Attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of Meeting.

5. Submission of copy of CNIC (Mandatory)

The Securities and Exchange Commission of Pakistan (SECP) vide their SRO 779(i) 2011 dated August 18, 2011 has directed the company to print your CNIC number on your dividend warrants and if your CNIC number is not available in our records, your dividend warrant will not be issued / dispatched to you. In order to comply with the regulatory requirement, you are requested to kindly send photocopy of your CNIC to your Participant / Investor Account Services or to us (in case of physical shareholding) immediately to Company's Shares Registrar, THK Associates (Private) Limited.

6. Transmission of Annual Financial Statements through E-Mail:

SECP vide SRO 787(1)/2014 dated September 8, 2014 has provided an option to receive audited financial statements electronically through email. Hence, members who hold shares in physical form and are interested in receiving the annual reports electronically in future are required to submit their e-mail addresses and consent for electronic transmission to the Shares Registrar of the Company. CDC shareholders are requested to submit their email address and consent directly to their broker (Participant)/CDC Investor Account Services.

7. In compliance with SECP notification No. 634(1)/2014 dated July 10, 2014, the audited financial statements and reports of the Company for year ended June 30, 2016 are being placed on the Company's website: www.kapco.com.pk for the information and review of shareholders.

8. The correspondence address of the Company's Registrars, THK Associates (Private) Limited is as follows:

THK Associates (Private) Limited
Second Floor, State Life Building No. 3
Dr. Zia-ud-Din Ahmed Road
Karachi, 75530



Statement under Section 160(1)(b) of the Companies Ordinance, 1984 in respect of the Special Business

This Statement is annexed to the Notice of 20th Annual General Meeting of Kot Addu Power Company Limited to be held on Thursday, October 20, 2016, at which certain Special Business is to be transacted. The purpose of this Statement is to set forth the material facts concerning such Special Business.

ITEM 5 OF THE AGENDA

Within the overall ambit of Government of Pakistan's Power Policy to bridge the gap between demand and supply and to reduce the cost of power production, the Government of Punjab (GoPb) through its department, the Punjab Power and Development Board (PPDB) took the initiative to facilitate the development of 2x660 MW coal fired power plants each at six raw sites within the Province of Punjab.

KAPCO applied for 1x660 MW project (the "Proposed Project") at Bhikki site, which was approved by PPDB. However, due to Pakistan Railways reluctance to provide guarantee of coal logistics, the Proposed Project was relocated to Muzaffargarh at PPDB's request.

The Company incorporated a special purpose vehicle under the name **KAPCO Energy (Private) Limited** ("KEPL") on April 30, 2014 to setup a coal based power project as an Independent Power Producer (IPP). KEPL is a wholly owned subsidiary of the Company.

The principal activity of **KEPL** is to build, own, operate and maintain a coal fired power station having gross capacity of 660 MW with net estimated generation capacity of approx. 607 MW with supercritical/ ultra-supercritical technology uses a boiler/turbine system and water-steam cycle equipment alongwith ancillary equipment i.e. cooling tower, cooling water pump, unit transformer and electric generator etc. In addition to this a complete coal fuel handling, storage and logistic system with Railway track sidings and ash handling facilities etc. are proposed to be developed.

KEPL has been progressing the Project. Included in this progress are the following:

- (a) Ramboll (a United Kingdom based company) was engaged to conduct a feasibility study for the Project. The Feasibility Study was submitted to Punjab Power Development Board (PPDB) in January 2016.
- (b) PPDB Panel of Experts approved the Feasibility Study on February 17, 2016.
- (c) The interconnection Study has been conducted and approved by the National Transmission and Dispatch Company Limited (NTDC).
- (d) An Environmental and Social Impact Assessment (ESIA) was completed and submitted to the Environmental Protection Agency (EPA) Punjab for NOC. EPA conducted their review and raised queries which were satisfactorily responded to. A public hearing was held on June 27, 2016 at Muzaffargarh. NOC from the EPA is awaited.
- (e) NTDC has issued consent letter to evacuate power from the Project site.
- (f) The Upfront tariff has been notified by National Electric Power Regulatory Authority (NEPRA) for the Project on May 9, 2016.
- (g) Approval of Generation License is in process at NEPRA.



- (h) Location of site at Muzaffargarh has been identified and progress is being made with the Government of Punjab for its purchase under the Land Acquisition Act, 1894.

The Project is under China-Pakistan Economic Corridor (CPEC) and it has received encouraging response from Sinosure and lenders (Chinese banks/EXIM bank) to finance the Project.

Based on proposed plant capacity i.e. 660 MW and notional project cost i.e. US\$ 1.439 Million / MW, the total project cost is estimated around US\$ 950 Million (Ref: NEPRA upfront tariff). The Project financing is based on 75% debt and 25% equity.

Information required to be disclosed to the members under S.R.O No. 27 (I)/2012 dated January 16, 2012 Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2012, is as follows:

i)	Name of the associated company along with criteria based on which the associated relationship is established	KAPCO Energy (Private) Limited – A wholly owned subsidiary of the Company
ii)	Purpose, benefits and period of investment	Investment in subsidiary to set up 660MW imported coal fired power plant under upfront tariff regime by NEPRA.
iii)	Maximum amount of investment	Equity at 25% of total project cost.
iv)	Maximum price at which securities will be acquired	Par value of Rs. 10 per share.
v)	Maximum number of securities to be acquired	Such number of shares as are equivalent to 25% of project cost.
vi)	Number of securities and percentage thereof held before and after the proposed investment	Wholly owned subsidiary.
vii)	Average of the preceding twelve weekly average price of the security	Not Applicable.
viii)	Requirement in case of investment in unlisted securities, fair market value of such securities	The par value is the current fair value as securities are not yet subscribed.
ix)	Break-up value of securities on the basis of the latest audited financial statements	Not Applicable.
x)	Earning per shares of associated company for last three years	Not Applicable.
xi)	Sources of fund from which securities will be acquired	Company funds and/or bank borrowings.
xii)	Where the securities are intended to be acquired using borrowed fund	Yes
a)	Justification for investment through borrowings	Combination of Company's fund and bank borrowing gives maximum return.
b)	Detail of guarantees and assets pledged for obtaining such funds	Not Yet available.
xiii)	Salient features of the agreement(s), if any, entered into with associated company with regard to the proposed investment	None



xiv)	Direct or indirect interest of directors, sponsors, majority members and their relatives, if any, in the associated company or the transaction under consideration	<p>The Directors have no interest directly or indirectly in the investment in KAPCO Energy (Private) Limited, except that they are shareholders/directors in the Company.</p> <p>The following Directors are employees of Pakistan Water and Power Development Authority (WAPDA): Lt. General Muzammil Hussain (Retd) Mr. Anwar-ul-Haq, and Mr. Badr ul Munir Murtiza</p>
xv)	Any other important details necessary for the members to understand the transaction	Nil
xvi)	Description of the project and its history since conceptualization;	<p>The Company applied for the Project at Bhikki site, which was approved by PPDB. However, due to Pakistan Railways reluctance to provide guarantee of coal logistics, the Proposed Project was relocated to Muzaffargarh at PPDB's request.</p> <p>The Company incorporated KAPCO Energy (Private) Limited ("KEPL") to setup a coal powered project.</p> <p>KEPL has been progressing the Project. Included in this progress are the following:</p> <ul style="list-style-type: none"> a) Ramboll a (United Kingdom based company) was engaged to conduct a feasibility study for the Project. The Feasibility Study was submitted to Punjab Power Development Board (PPDB) in January 2016. b) PPDB Panel of Experts approved the Feasibility Study on February 17, 2016. c) The interconnection Study has been conducted and approved by NTDC. d) ESIA completed and submitted to EPA Punjab for NOC. EPA conducted their review and raised queries which were satisfactorily responded to. A Public hearing held on June 27, 2016 at Muzaffargarh. NOC from EPA is awaited. e) NTDC has issued consent letter to evacuate Power from the Project site. f) The Upfront tariff has been notified by NEPRA for the project on May 9, 2016. g) Approval of Generation License is in process at NEPRA.



		h) Location of site at Muzaffargarh has been identified and progress is being made with the Government of Punjab for its purchase under the Land Acquisition Act, 1894. The Proposed Project is under CPEC and has received encouraging response from Sinore and Chinese banks to finance the Project.
xvii)	Starting and expected date of completion of work	Expected starting date is 3rd Quarter FY2016/17, & expected completion date is 3 rd quarter FY 2019/20.
xviii)	Commercial operation date	Expected Commercial Operation Date is 3 rd quarter FY 2019/20.
xix)	Expected time by which the project shall start paying return on investment	FY 2020/21

ITEM 6 OF THE AGENDA

To give effect to the Companies (E-voting) Regulations 2016, Members approval is being sought to amend the Articles of Association of the Company to enable e-voting in accordance with the provisions of Companies (E-Voting) Regulations 2016 (S.R.O 43 (I)/2016 of SECP dated January 22, 2016).

ITEM 7 OF THE AGENDA

To give effect to the S.R.O 470 (I)/2016 dated May 31, 2016 of the SECP, Members approval is being sought for transmission of the annual audited account through CD/DVD/USB instead of transmitting the said accounts in hard copies.

For convenience of Members a standard request form with appropriate details will be uploaded on the Company's website for Members who opt to receive the annual audited accounts in the form of hard copies (free of cost) at their registered addresses or through e-mail.



Consent for Video Conference Facility

Members can also avail video conference facility in {name of cities where facility can be provided keeping in view geographical dispersal of members}. In this regard please fill the following and submit to the Company's Corporate Office at 5-B/3, Gulberg III, Lahore 54660 10 days before holding of the AGM.

If the Company receives consent from Members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of the Meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

The Company will intimate Members regarding venue of video conference facility at least 5 days before the date of the AGM along with complete information necessary to enable them to access such facility.

I/We, _____ of _____, being a member of Kot Addu Power Company Limited, holder of _____ Ordinary Share(s) as per Register Folio No. _____ hereby opt for video conference facility at _____.

Signature of Member

CHAIRMAN'S REVIEW



I am pleased to present the Annual Report of Kot Addu Power Company Limited for the financial year ended on June 30, 2016.

The Company has completed another successful financial year. The profit before tax is Rs. 13,683 Million; and profit after tax is Rs. 9,071 Million bringing the earnings per share (EPS) for the year to Rs. 10.31 per share of Rs. 10 each.

The Board of Directors has recommended a final cash dividend of Rs. 4.75 per share. This is an addition to the interim dividend of Rs. 4.25 per share paid to entitled shareholders in April 2016. Subject to shareholder approval at the AGM, the total cash dividend for the year will be Rs. 9.00 per share, which is a good return on investment.

The Company's Power Plant achieved thermal efficiency for the year of 44.0%. This achievement is due to the dedication and hard work of the employees who operate and maintain the Power Plant in accordance with Original Equipment Manufacturers (OEMs) recommendations.

The Company continues to be compliant with the following accreditations to the Integrated Management System:

ISO 9001:2008	Quality Management System
ISO 14001:2004	Environmental Management System
OHSAS 18001:2007	Occupational Health and Safety Assessment Series (Occupational Health and Safety Management System)

The Company has over the year engaged with the local communities of the Kot Addu area through its Social Action Programme. I am confident that the Company will continue its activities in education and health care for the local communities.

The Company is pursuing a 660 MW coal fired expansion project at Muzaffargarh, Punjab. You may view the details of progress in the Directors' Report.

On behalf of the Board of Directors I thank the employees of the Company who have made this a successful year for the Company.

Islamabad
September 1, 2016

A stylized, handwritten signature in black ink, appearing to read 'Muzammil'.

Lt. General Muzammil Hussain (Retd)
Chairman, Board of Directors

DIRECTORS' REPORT



We are pleased to present the Directors' Report together with the Financial Statements (audited) for the year ended June 30, 2016.

The principal activities of the Company are the ownership, operation and maintenance of the 1600 MW nameplate capacity gas, furnace oil and diesel fired power plant at Kot Addu, Punjab. The Company continues to sell the electrical energy produced from its power plant to its sole customer, the Pakistan Water and Power Development Authority (WAPDA).

The Company is listed on the Pakistan Stock Exchange; and is a KSE 100 and KSE 30 index company.

Financial Highlights

Turnover for the year is Rs. 64,178 Million (2015: Rs. 101,481 Million); and the cost of sales are Rs. 50,770 Million (2015: Rs. 86,335 Million). The gross profit earned is Rs. 13,408 Million (2015: Rs. 15,146 Million); and profit before tax is Rs. 13,683 Million (2015: Rs. 14,788 Million). Tax provision is Rs. 4,612 Million; and profit after tax is Rs. 9,071 Million (2015: Rs. 9,799 Million) giving an earnings per share (EPS) of Rs. 10.31 per share of Rs. 10 each (2015: Rs. 11.13 per share) for the year.

As in previous years, the power purchaser's payment default towards the Company continues. On June 30, 2016, the overdue receivables were Rs. 58,646 Million (for details refer to Note 21.1 to the Financial Statements). The payables of the Company to Pakistan State Oil Company Limited for fuel oil supplies on June 30, 2016 were Rs. 671 Million. The Company continues to pursue WAPDA, Central Power Purchasing (Guarantee) Limited (CPPA(G)) and the concerned Ministries of the Government of Pakistan for resolution of the matter.

The Company continues to receive liquidated damages invoices from the power purchaser, as do other IPPs in the power sector. The liquidated damages amount to Rs. 27,872 Million for the years ended June 30, 2009 to June 30, 2015. The Company has disputed these invoices in accordance with the provisions of its Power Purchase Agreement. The Company contends, inter alia, that its failure to dispatch electricity was due to its sole customer's non-payment of dues on a timely basis to it. For details you may refer to Note 13.1(v) of the Financial Statements.

The Company discharged its obligation under the Note Agreement with its creditor (WAPDA) through exchange of two debit and credit notes respectively in December 2015 and June 2016 of the total amount of Rs. 727 Million.

Operational Highlights

During the year, the Company sold 6,583 GWh of electricity to its customer. This generation represents a cumulative load factor of 55.8%; overall commercial availability of 94.6%; and thermal efficiency of 44%.

The Company's power plant is maintained in accordance with recommendations of the Original Equipment Manufacturer at the highest internal standards. During the year, three Major Overhauls were completed; fifteen Combustion Inspections were carried out; and two Hot Gas Path Inspections were made.



DIRECTORS' REPORT

Expansion Project (Proposed) Highlights

In response to the proposal submitted by the Company to the Expression of Interest invited by the Punjab Power Development Board (PPDB) and the Company fulfilling the prequalification requirements, PPDB (on behalf of the Government of Punjab) issued a Letter of Interest (LoI) to the Company for one 660 MW coal based power project at Bhikki, District Sheikhpura.

Thereafter, PPDB requested the Company to relocate the coal project from Bhikki, District Sheikhpura to Muzaffargarh due to coal transportation and logistical issues. Following deliberations, the Board of Directors consented to the proposed relocation to Muzaffargarh.

The Company incorporated a special purpose vehicle under the name KAPCO Energy (Private) Limited ("KEPL") on April 30, 2014 to setup a coal based power project as an Independent Power Producer (IPP). KEPL is a wholly owned subsidiary of the Company.

The principal activity of KEPL is to build, own, operate and maintain a coal fired power station having gross capacity of 660 MW with net estimated generation capacity of approx. 607 MW with supercritical/ ultra-supercritical technology uses a boiler/turbine system and water-steam cycle equipment alongwith ancillary equipment i.e. cooling tower, cooling water pump, unit transformer and electric generator etc. In addition to this a complete coal fuel handling, storage and logistic system with Railway track sidings and ash handling facilities etc. are proposed to be developed.

KEPL has been progressing the Project. Included in this progress are the following:

- (a) Ramboll (a United Kingdom based company) was engaged to conduct a feasibility study for the Project. The Feasibility Study was submitted to Punjab Power Development Board (PPDB) in January 2016.
- (b) PPDB Panel of Experts approved the Feasibility Study on February 17, 2016.
- (c) The interconnection Study has been conducted and approved by the National Transmission and Dispatch Company Limited (NTDC).
- (d) An Environmental and Social Impact Assessment (ESIA) was completed and submitted to the

Environmental Protection Agency (EPA) Punjab for NOC. EPA conducted their review and raised queries which were satisfactorily responded to. A public hearing was held on June 27, 2016 at Muzaffargarh. NOC from the EPA is awaited.

- (e) NTDC has issued consent letter to evacuate power from the Project site.
- (f) The Upfront tariff has been notified by National Electric Power Regulatory Authority (NEPRA) for the Project on May 9, 2016.
- (g) Approval of Generation License is in process at NEPRA.
- (h) Location of site at Muzaffargarh has been identified and progress is being made with the Government of Punjab for its purchase under the Land Acquisition Act, 1894.

The Project is under China-Pakistan Economic Corridor (CPEC) and it has received encouraging response from Sinosure and lenders (Chinese banks/EXIM bank) to finance the Project.

Based on proposed plant capacity i.e. 660 MW and notional project cost i.e. US\$ 1.439 Million / MW, the total project cost is estimated around US\$ 950 Million (Ref: NEPRA upfront tariff). The Project financing is based on 75% debt and 25% equity.

Conducting of a feasibility study is no assurance/ guarantee at this stage that the Company will be setting up the proposed power project.

Social Action Programme Highlights

As part of the Company's Social Action Programme, a two day free medical/eye camp was arranged in March 2016 at Kot Addu with the usual vigour and enthusiasm. Major activities included free medical consultancy, medication, free diagnostic tests and eye surgeries. Fifteen doctors volunteered for the camp. These doctors included a medical specialist, gynecologist, child specialist, ultra sound specialist, pathologist, and eye specialists. For patient facilitation there was a pharmacy, laboratory, and ultra sound facility. Around thirty paramedics also volunteered their services to make the camp a success.



At the two day camp, around 4500 patients received medical assistance, 32 eye surgeries were conducted, 161 ultrasound tests were carried out, and 385 laboratory tests were completed.



Other activities of the Social Action Programme included the construction of a changing room alongwith two attached bathrooms at Government High School Kot Addu's football ground facility; installation of floodlights at the football ground of Government High School Kot Addu; and a donation for purchase of Water Boozer for Green Belt Muzaffargarh.

The Social Action Programme was completed at a cost of Rs. 5 Million.

Directors' Training

During the year, the Company's Chairman Board of Directors, Mr. Zafar Mahmood (former) participated and passed the assessments carried out by the Pakistan Institute of Corporate Governance under its Corporate Governance Leadership Skills – Directors Education Program.

Change on Board of Directors'

The Election of Directors was held on October 2, 2015 at the Eighth (8th) Extraordinary General Meeting at Islamabad and following were the elected Directors for a term of three years commencing from October 2, 2015:

1. Mr. Zafar Mahmood¹
2. Mr. Aftab Mahmood Butt
3. Mr. Iqbal Alimohamed²
4. Mr. Anwar-ul-Haq

5. Mr. Owais Shahid
6. Mr. Aqeel Ahmed Nasir
7. Mr. Badr ul Munir Murtiza

¹ Mr. Zafar Mahmood resigned from the Board of Directors on August 24, 2016. Lt. General Muzammil Hussain (Retd) was appointed Director and elected Chairman on August 29, 2016 in place of Mr. Zafar Mahmood.

² Mr. Iqbal Alimohamed resigned from the Board of Directors on August 16, 2016. The casual vacancy will be filled in due course in compliance with the provisions of Listing Regulations of the Pakistan Stock Exchange Limited.

Corporate and Financial Reporting Framework

As required by the Code of Corporate Governance, we are pleased to report the following:

- a) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- b) Proper books of accounts of the Company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and any changes in accounting policies have been disclosed in the financial statements. The accounting estimates are based on reasonable and prudent judgement.



DIRECTORS' REPORT

- d) International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there-from has been adequately disclosed and explained.
- 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) Key operating and financial data for the last six years is annexed.
- h) The pattern of shareholding as at June 30, 2016 along with disclosure as required under the Code of Corporate Governance is annexed.
- i) The Directors, Chief Executive, General Manager Finance/CFO, the Company Secretary, their spouses and minor children have not traded in the shares of the Company.
- j) The value of investments (at cost) of Pension Fund and Provident Fund as at June 30, 2015 is as follows:

	Rs. in Million
Pension Fund	2,183
Provident Fund	653

- k) Information about outstanding taxes and levies is given in the Notes to the Financial Statements.
- l) During the year, Eight (8) meetings of the Board of Directors were held, attendance of these meetings is as follows:

Name of Director	No. of Meetings Attended
Mr. Zafar Mahmood	8
Mr. Aftab Mahmood Butt	8
Mr. Iqbal Alimohamed	2
Mr. Anwar-ul-Haq	7
Mr. Owais Shahid	8
Mr. Aqeel Ahmed Nasir	8
Mr. Badr-ul-Munir Murtiza	6

Mr. Saad Iqbal ³	5
Syed Nizam Ahmed Shah ⁴	1
Mr. Tahir Mahmood ⁵	1

³ Alternate Director for Mr. Iqbal Alimohamed

⁴ Retired on October 2, 2015

⁵ Retired on October 2, 2015

- m) During the year, four meetings of the Audit Committee were held, attendance of these meetings is as follows:

Name of Director	No. of Meetings Attended
Mr. Iqbal Alimohamed ⁶	0
Mr. Anwar-ul-Haq ⁷	2
Mr. Owais Shahid ⁸	4
Mr. Badr-ul-Munir Murtiza ⁹	2
Mr. Saad Iqbal ¹⁰	3
Mr. Aqeel Ahmed Nasir ¹¹	1
Syed Nizam Ahmed Shah ¹²	1
Mr. Tahir Mahmood ¹³	1

⁶ Appointed Chairman, Audit Committee on October 2, 2015

⁷ Appointed Member, Audit Committee on October 2, 2015

⁸ Appointed Member, Audit Committee on October 2, 2015

⁹ Appointed Member, Audit Committee on October 2, 2015

¹⁰ Alternate for Mr. Iqbal Alimohamed

¹¹ Ceased to be Member of Audit Committee on October 2, 2015

¹² Ceased to be Member of Audit Committee due to retirement on October 2, 2015

¹³ Ceased to be Member of Audit Committee due to retirement on October 2, 2015

- n) During the year, three meetings of the HR Committee were held, attendance of these meetings is as follows:

Name of Director	No. of Meetings Attended
Mr. Anwar-ul-Haq ¹⁴	2
Mr. Aftab Mahmood Butt ¹⁵	3
Mr. Aqeel Ahmed Nasir ¹⁶	2
Mr. Owais Shahid ¹⁷	0

¹⁴ Appointed Chairman, HR Committee on October 2, 2015

¹⁵ Appointed Member, HR Committee on October 2, 2015

¹⁶ Appointed Member, HR Committee on October 2, 2015

¹⁷ Ceased to be Member of HR Committee on October 2, 2015

Appropriations

The Directors are pleased to recommend a final dividend of Rs. 4.75 per share. This will be paid to the shareholders on the Company's Register of Members on October 12, 2016. An Interim Dividend of Rs. 4.25 per share was approved by the Board of Directors on



February 24, 2016 and was dispatched in April 2016. The total dividend to be approved by the shareholders at the Annual General Meeting on October 20, 2016 will be Rs. 9.00 per share i.e. 90% for the year ended June 30, 2016. These financial statements do not reflect this proposed dividend.

The net profit for the year is appropriated as follows:

	Rs. '000
Net Profit for the year	9,071,051
Other comprehensive gain	77,707
Un-appropriated profit brought forward	<u>20,481,626</u>
Profit available for appropriation	<u>29,630,384</u>

Appropriations

Final dividend for the year ended June 30, 2015 Rs. 4.75 per share	(4,181,203)
Interim dividend for the year ended June 30, 2016 Rs. 4.25 per share	<u>(3,741,076)</u> <u>(7,922,279)</u>
Un-appropriated profit carried forward	<u>21,708,105</u>
Basic Earnings Per Share (Rupees)	10.31

The Directors draw your attention to the last paragraph of the Auditors Report relating to Note 13.1(v) to the Financial Statements.

Auditors

The present auditors, A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment. The Board of Directors recommends the appointment of A. F. Ferguson & Co., Chartered Accountants, as auditors of the Company for the next year, as suggested by the Audit Committee.

Appreciation

We take this opportunity to thank the employees of the Company and other stake holders for making this a successful year for the Company.

By Order of the Board

Aftab Mahmood Butt
Chief Executive

Islamabad
September 1, 2016





آڈیٹرز

موجودہ آڈیٹرز، میسرز اے ایف فرگوسن اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی خدمات کا عرصہ مکمل ہو چکا ہے اور اپنی اہلیت کی بنیاد پر انھوں نے دوبارہ تعیناتی کی خدمات پیش کی ہیں۔ بورڈ آف ڈائریکٹرز نے یہ سفارش کی ہے کہ آڈٹ کمیٹی کی تجویز کے مطابق انھیں اگلے مالی سال کے لیے بھی کمپنی کا آڈیٹر مقرر کیا جائے۔

اظہارِ تشکر

ہم اس موقع پر کمپنی کے تمام ملازمین کا شکریہ ادا کرتے ہیں جنھوں نے اس سال کمپنی کی کامیابی کے لیے کام کیا ہے۔

بحکم بورڈ

آفتاب محمود بٹ

چیف ایگزیکٹو

اسلام آباد

1 ستمبر 2016



ڈائریکٹرز رپورٹ

مالیاتی تصرف

ڈائریکٹرز 4.75 روپے فی شیئر کے حتمی ڈیویڈنڈ کی سفارش کرنے پر خوشی محسوس کر رہے ہیں۔ یہ ڈیویڈنڈ 12 اکتوبر 2016 کو کمپنی ممبران کے رجسٹر پر اندراج شدہ حصص مالکان کو ادا کیا جائے گا۔ 24 فروری 2016 کو بورڈ آف ڈائریکٹرز کی جانب سے 4.25 فی شیئر کا عبوری ڈیویڈنڈ منظور کیا گیا تھا اور اپریل 2016 میں اس کی ترسیل کی گئی تھی۔ 20 اکتوبر، 2016 کے سالانہ اجلاس عام میں حصص مالکان کی طرف سے منظور کردہ کل ڈیویڈنڈ 9.00 روپے فی شیئر یعنی 30 جون 2016 کو ختم ہونے والے سال کے لیے 90 فیصد ہو جائے گا۔ یہ مالیاتی گوشوارے اس مجوزہ ڈیویڈنڈ کی عکاسی نہیں کرتے۔

مندرجہ ذیل کے طور پر سال کے لیے مجموعی منافع کی تقسیم کچھ یوں رہی ہے:-

روپے 000' .

9,071,051

77,707

20,481,626

29,630,384

سال کے لیے خالص منافع

دیگر جامع منافع

غیر منقسمہ منافع (پچھلے سال سے)

تقسیم کے لیے دستیاب منافع

رقوم کی تقسیم

30 جون 2015 کو ختم ہونے والے سال کے لیے حتمی ڈیویڈنڈ

(4,181,203)

بحساب 4.75 روپے فی شیئر

30 جون 2016 کو ختم ہونے والے سال کے لیے عبوری ڈیویڈنڈ

(3,741,076)

بحساب 4.25 روپے فی شیئر

(7,922,279)

21,708,105

10.31

غیر منقسمہ منافع (اگلے سال کے لیے)

فی شیئر بنیادی آمدن (روپے)

ڈائریکٹرز آپ کی توجہ مالیاتی گوشواروں کے نوٹ (v) 13.1 سے متعلق آڈیٹرز کی رپورٹ کے آخری پیرے پر مبذول کرانا چاہتے ہیں۔



m- اس سال کے دوران آڈٹ کمیٹی کے چار اجلاس ہوئے تھے جن میں ڈائریکٹرز کی حاضری یوں رہی ہے:-

ڈائریکٹر کا نام	اجلاس میں شرکت کی تعداد
اقبال علی محمد ⁶	0
جناب انوار الحق ⁷	2
جناب ابلس شاہد ⁸	4
جناب بدر المنیر مرتضیٰ ⁹	2
جناب سعد اقبال ¹⁰	3
جناب عقیل احمد ناصر ¹¹	1
سید نظام احمد شاہ ¹²	1
جناب طاہر محمود ¹³	1

3- جناب اقبال علی محمد کی جگہ متبادل ڈائریکٹر

4- 2 اکتوبر 2015 کو ریٹائرڈ ہو گئے

5- 2 اکتوبر 2015 کو ریٹائرڈ ہو گئے

6- ڈائریکٹر منتخب ہونے کے بعد 2 اکتوبر 2015 کو چیئرمین آڈٹ کمیٹی مقرر کیا گیا

7- ڈائریکٹر منتخب ہونے کے بعد 2 اکتوبر 2015 کو ممبر آڈٹ کمیٹی مقرر کیا گیا

8- ڈائریکٹر منتخب ہونے کے بعد 2 اکتوبر 2015 کو ممبر آڈٹ کمیٹی مقرر کیا گیا

9- ڈائریکٹر منتخب ہونے کے بعد 2 اکتوبر 2015 کو ممبر آڈٹ کمیٹی مقرر کیا گیا

10- جناب اقبال علی محمد کی جگہ متبادل ڈائریکٹر

11- 2 اکتوبر 2015 سے ممبر آڈٹ کمیٹی نہیں

12- 2 اکتوبر 2015 کو ریٹائرمنٹ ہونے کی وجہ سے ممبر آڈٹ کمیٹی نہیں

13- 2 اکتوبر 2015 کو ریٹائرمنٹ ہونے کی وجہ سے ممبر آڈٹ کمیٹی نہیں

n- اس سال کے دوران ایچ آر کمیٹی کے تین اجلاس منعقد ہوئے تھے جن میں ڈائریکٹرز کی حاضری درج ذیل رہی ہے:-

ڈائریکٹر کا نام	اجلاس میں شرکت کی تعداد
جناب انوار الحق ¹⁴	2
جناب آفتاب محمود بٹ ¹⁵	3
جناب عقیل احمد ناصر ¹⁶	2
جناب ابلس شاہد ¹⁷	0

14- ڈائریکٹر منتخب ہونے کے بعد 2 اکتوبر 2015 کو چیئرمین ایچ آر کمیٹی مقرر کیا گیا

15- ڈائریکٹر منتخب ہونے کے بعد 2 اکتوبر 2015 کو ممبر ایچ آر کمیٹی مقرر کیا گیا

16- ڈائریکٹر منتخب ہونے کے بعد 2 اکتوبر 2015 کو ممبر ایچ آر کمیٹی مقرر کیا گیا

17- 2 اکتوبر 2015 سے ممبر ایچ آر کمیٹی نہیں

ڈائریکٹرز رپورٹ

- c مالیاتی گوشواروں کی تیاری کے لیے ہمیشہ مناسب اور متعلقہ اکاؤنٹنگ پالیسیوں پر عمل کیا جاتا ہے اور پالیسیوں میں ہونے والی کسی بھی تبدیلی کو مالیاتی گوشواروں میں ظاہر کیا جاتا ہے۔ حسابداری کے گوشوارے ہمیشہ انتہائی منطقی اور محتاط اندازوں پر مشتمل ہوتے ہیں۔
- d پاکستان میں لاگو "انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز" کو مالیاتی گوشواروں کی تیاری کے لیے بروئے کار لایا جاتا ہے اور ان میں ہونے والی کسی بھی تبدیلی کو مناسب طور پر ظاہر کیا جاتا ہے اور اس کی وضاحت کی جاتی ہے۔
- e اندرونی کنٹرول کا نظام مضبوط بنیادوں پر استوار ہے اور موثر طریقے سے رو بہ عمل ہے جس کی مسلسل نگرانی کی جاتی ہے۔
- f کمپنی کے قائم نہ رہنے کے حوالے سے کسی بھی قسم کو کوئی خدشہ نہیں پایا جاتا۔
- g گذشتہ 6 برس کے مالی اور انتظامی امور سے متعلق اعداد و شمار کا خلاصہ اس رپورٹ کے ساتھ منسلک ہے۔
- h کوڈ آف کارپوریٹ گورننس کے تحت کمپنی کے حصص یافتگان کی تفصیل برائے 30 جون 2016ء اس رپورٹ کے ساتھ منسلک ہے۔
- i کمپنی کے ڈائریکٹرز، چیف ایگزیکٹو، جنرل منیجر فنانس / سی ایف او، کمپنی سیکرٹری، ان کی بیویوں / شوہر اور بچوں نے کمپنی کے شیئرز کا تجارتی لین دین نہیں کیا ہے۔
- j 30 جون 2015ء تک پنشن فنڈ اور پروویڈنٹ فنڈ کی سرمایہ کاریوں کی تفصیل کچھ یوں ہے:

ملین روپے

2,183

پنشن فنڈ

653

پروویڈنٹ فنڈ

-k واجب الادا ٹیکسوں اور لیویز کے بارے میں معلومات مالیاتی گوشوارے کے نوٹس میں دی گئی ہیں۔

1- اس سال کے دوران بورڈ آف ڈائریکٹرز کے آٹھ اجلاس منعقد ہوئے تھے جن میں ڈائریکٹرز کی حاضری درج ذیل رہی ہے:-

اجلاس میں شرکت کی تعداد

8

ڈائریکٹر کا نام

8

جناب ظفر محمود

2

جناب آفتاب محمود بٹ

7

اقبال علی محمد

8

جناب انوار الحق

8

جناب اویس شاہد

6

جناب عقیل احمد ناصر

5

جناب بدر المنیر مرتضیٰ

1

جناب سعد اقبال³

1

سید نظام احمد شاہ⁴

1

جناب طاہر محمود⁵



گورنمنٹ ہائی سکول کوٹ ادو کے فٹ بال گراؤنڈ میں فلڈ لائٹس کی تنصیب اور گرین بیلٹ مظفر گڑھ کیلئے پانی کے چھڑکاؤ کی گاڑی کی خریداری کے لیے عطیات کی فراہمی شامل ہے۔

سماجی اقدام کے پروگرام کو 5 ملین روپے کی لاگت سے مکمل کیا گیا تھا۔

ڈائریکٹرز کی تربیت

اس سال کے دوران کمپنی کے بورڈ آف ڈائریکٹرز کے سابقہ چیئرمین جناب ظفر محمود نے پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس کی جانب سے اس کے کارپوریٹ گورننس لیڈرشپ سکولز ڈائریکٹرز ایجوکیشن پروگرام کے تحت منعقدہ جائزوں میں شرکت کی اور اس میں کامیابی حاصل کی۔

بورڈ آف ڈائریکٹرز کی تبدیلی

اسلام آباد میں 2 اکتوبر 2015 میں منعقد ہونے والے 8 ویں غیر معمولی اجلاس عام میں ڈائریکٹرز کے انتخاب ہوئے تھے جن میں 2 اکتوبر 2015 سے تین سال کے عرصہ کے لیے مندرجہ ذیل ڈائریکٹرز کا انتخاب کیا گیا تھا:-

- 1- جناب ظفر محمود¹
- 2- جناب آفتاب محمود بٹ
- 3- اقبال علی محمد²
- 4- جناب انوار الحق
- 5- جناب اویس شاہد
- 6- جناب عقیل احمد ناصر
- 7- جناب بدر المنیر مرتضیٰ

- 1- جناب ظفر محمود نے کمپنی کے بورڈ آف ڈائریکٹرز سے 24 اگست 2016 کو استعفیٰ دے دیا اور لیفٹیننٹ جنرل (ر) مزمل حسین کو جناب ظفر محمود کی جگہ 29 اگست 2016 کو ڈائریکٹر مقرر کیا گیا۔ جنرل مزمل کمپنی کے بورڈ آف ڈائریکٹرز کے چیئرمین بھی منتخب ہوئے۔
- 2- جناب اقبال علی محمد نے کمپنی کے بورڈ آف ڈائریکٹرز سے 16 اگست 2016 کو استعفیٰ دیا اور اس اسامی کو پاکستان اسٹاک ایکسچینج لمیٹڈ کے قواعد (کوڈ آف کارپوریٹ گورننس) کی دفعات کے تحت مناسب وقت پر پُر کر لیا جائے گا۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک

- کوڈ آف کارپوریٹ گورننس کے فریم ورک کے مطابق مالیاتی رپورٹ کے ضمن میں ڈائریکٹرز مندرجہ ذیل امور کی تصدیق کرتے ہیں:-
- a- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی گوشوارے تمام معاملات کو واضح طور پر پیش کرتے ہیں جیسے سرگرمیوں کے نتائج، رقم کی آمد و رفت اور کاروباری سرمایہ میں ہونے والی تبدیلیاں۔
 - b- حسابداری کے مناسب کھاتے رکھے جاتے ہیں۔

- (d) ماحولیاتی و سماجی اثرات کا جائزہ (ESIA) مکمل کیا گیا اور این اوسی کے لیے ادارہ برائے ماحولیاتی تحفظ (EPA) پنجاب کو پیش کیا گیا۔ EPA نے اس کا جائزہ لیا اور کئی سوالات اٹھائے جن کا تسلی بخش جواب دے دیا گیا۔ مظفر گڑھ میں 27 جون 2016ء کو عوامی سماعت کا انعقاد کیا گیا۔ ماحولیاتی تحفظ کی ایجنسی (EPA) کی جانب سے این اوسی کے اجراء کا انتظار ہے۔
- (e) NTDC نے KEPL منصوبے سے بجلی لینے کے لیے رضامندی کا مراسلہ جاری کر دیا ہے۔
- (f) اس پراجیکٹ کے لیے نیشنل الیکٹرک پاور ریگولیٹری اتھارٹی (NEPRA) کی طرف سے اپ فرنٹ ٹیرف کی منظوری کا اعلان 09 مئی 2016ء کو کیا گیا۔
- (g) جزیشن لائسنس کی منظوری کے لیے NEPRA میں کارروائی جاری ہے۔
- (h) مظفر گڑھ میں پراجیکٹ کے مقام کی نشاندہی کی گئی ہے اور حصول زمین ایکٹ، 1894ء کے تحت اس کی خریداری کے لیے حکومت پنجاب سے بات کی جا رہی ہے۔

یہ پراجیکٹ پاک-چین اقتصادی راہداری (CPEC) کے منصوبوں میں شامل ہے اور Sinasure اور قرض دہندگان (چینی بینک / EXIM بینک) کی جانب سے پراجیکٹ کی مالی معاونت کرنے کے لیے حوصلہ افزاء جوابات موصول ہوا ہے۔

پلانٹ کی پیداواری صلاحیت یعنی 660 میگاواٹ اور مذکورہ پراجیکٹ کی لاگت یعنی 1.439 ملین ڈالر / میگاواٹ کی بنیاد پر اس پراجیکٹ کی کل لاگت کا تخمینہ تقریباً 950 ملین ڈالر لگایا گیا ہے (بحوالہ: نیپرا (NEPRA) اپ فرنٹ ٹیرف)۔ پراجیکٹ فنانسنگ میں 75 فیصد قرض اور 25 فیصد ایکویٹی شامل ہے۔

اس مرحلے پر فریبلٹی اسٹڈی اس بات کی گارنٹی / یقین دہانی نہیں کہ کمپنی بجلی کا مجوزہ منصوبہ شروع کرے گی۔

سماجی اقدام کا پروگرام

کمپنی کے سماجی اقدام کے پروگرام کے حصے کے طور پر کوٹ ادو میں مارچ 2016 میں دو روزہ مفت میڈیکل / آنکھوں کے معائنے کے لیے نہایت جوش اور جذبے کے ساتھ ایک کیمپ لگایا گیا۔ اس کیمپ کی اہم سرگرمیوں میں مفت طبی معائنے، ادویات کی فراہمی، مفت تشخیصی ٹیسٹ اور آنکھوں کی سرجری شامل تھی۔ پندرہ ڈاکٹروں نے رضاکارانہ طور پر اس کیمپ میں کام کیا۔ ان ڈاکٹروں میں ایک میڈیکل سپیشلسٹ، ماہر امراض نسوان، بچوں کے ماہر، الٹراساؤنڈ سپیشلسٹ، پیتھالوجسٹ اور آنکھوں کے ماہر ڈاکٹر شامل تھے۔ مریضوں کی سہولت کے لیے ایک فارمیسی، لیبارٹری اور الٹراساؤنڈ کا مرکز بھی فراہم کیا گیا تھا۔ اس کیمپ کو کامیاب بنانے کے سلسلے میں طبی عملے کے تقریباً تیس افراد نے اپنی خدمات رضاکارانہ طور پر پیش کیں۔

اس دو روزہ کیمپ میں اندازاً 4500 مریضوں نے طبی امداد حاصل کی۔ اس کیمپ میں 32 آنکھوں کی سرجریاں کی گئیں، 161 الٹراساؤنڈ ٹیسٹ کیے گئے اور 385 لیبارٹری ٹیسٹوں کی سہولت فراہم کی گئی۔

سماجی اقدام کے پروگرام کی دیگر سرگرمیوں میں گورنمنٹ ہائی سکول کوٹ ادو کی فٹ بال گراؤنڈ کیسے منسلک دوباتھ رومز کی تعمیر؛



آپریشنل کارکردگی

اس سال کے دوران کمپنی نے اپنے صارف / کسٹمر کو 6,583 GWh بجلی فروخت کی ہے۔ یہ پیداوار 55.8 فیصد مجموعی لوڈ فیکٹر کی نمائندگی کرتی ہے جس میں 94.6 فیصد کی مجموعی تجارتی دستیابی اور 44 فیصد تھرمل استعداد شامل ہے۔

کمپنی کے پاور پلانٹ کی دیکھ بھال و مرمت اس کے اصل تیار کنندہ کی سفارشات کے مطابق اعلیٰ ترین اندرونی معیارات کے مطابق کی جاتی ہے۔ اس سال کے دوران گیس ٹربائن کی اوور ہالنگ کا کام تین بار کیا گیا تھا؛ اس کی حرارت پذیری کا پندرہ بار معائنہ کیا گیا؛ اور دو ہاٹ گیس پاتھ کا بھی معائنہ کیا گیا تھا۔

توسیعی پراجیکٹ (مجوزہ)

پنجاب پاور ڈویلپمنٹ بورڈ (PPDB) کی جانب سے طلب کردہ اظہار دلچسپی کی دعوت کے جواب میں کمپنی نے ایک تجویز پیش کی اور پیشگی اہلیت کی جملہ شرائط کو پورا کرنے پر PPDB نے (حکومت پنجاب کی ایماء پر) کمپنی کو بھکی (Bhikki)، ضلع شیخوپورہ میں کونلے سے چلنے والے 660 میگاواٹ کا منصوبہ شروع کرنے کے لیے ایک مراسلہ (LoI) جاری کر دیا۔

اس کے بعد PPDB نے کونلے کی نقل و حمل اور رسد کے مسائل کی وجہ سے کونلے کے اس منصوبے کو بھکی (Bhikki)، ضلع شیخوپورہ سے مظفر گڑھ منتقل کرنے کے لیے کمپنی سے کہا۔ بورڈ آف ڈائریکٹرز نے مشاورت کرنے کے بعد مظفر گڑھ کی مجوزہ جگہ پر رضامندی دے دی۔

کیپکو نے کونلے سے بجلی پیدا کرنے والے اس منصوبے کو عملی جامہ پہنانے کے لیے کیپکو انرجی (پرائیوٹ) لمیٹڈ کو بطور ایک آزاد پاور پر وڈیوسر (IPP) 30 اپریل 2014 کو رجسٹر کرایا۔ KEPL کوٹ ادو پاور کمپنی لمیٹڈ (کیپکو) کا مکمل ملکیتی حامل ایک ضمنی ادارہ ہے۔

KEPL کا بنیادی کام 660 میگاواٹ کی مجموعی استعداد کے حامل کونلے سے چلنے والے پاور اسٹیشن کو قائم کرنا، اسے چلانا اور برقرار رکھنا ہے۔ ایک اندازے کے مطابق نیٹ 607 میگاواٹ بجلی پیدا کرنے والے اس پراجیکٹ میں سپر کریٹیکل / اٹرا سپر کریٹیکل ٹیکنالوجی کا استعمال ہونا ہے جس کے ساتھ ایک بوائلر / ٹربائن سسٹم اور واٹر سسٹیم سائیکل کے آلات کے ساتھ ساتھ معاون ساز و سامان یعنی کولنگ ٹاور، کولنگ واٹر پمپ، یونٹ ٹرانسفارمر اور بجلی کا جنریٹر بھی ہوگا۔ علاوہ ازیں اس میں کونلے کے ایندھن کی مکمل ہینڈلنگ، اسٹوریج اور ریلوے ٹریک سائڈنگ کے ساتھ لاجسٹک کا نظام اور راکھ کی ہینڈلنگ کا منصوبہ لگانے کی تجویز ہے۔

KEPL اس پراجیکٹ کو آگے بڑھا رہی ہے۔ اس پیش رفت میں درج ذیل امور شامل ہیں:

- (a) Ramboll (برطانوی کمپنی) اس پراجیکٹ کی فیزیبلیٹی اسٹڈی کرنے میں مصروف عمل رہی جسے جنوری 2016ء میں پنجاب پاور ڈویلپمنٹ بورڈ (PPDB) کو پیش کیا گیا۔
- (b) PPDB کے ماہرین کے پینل نے 17 فروری 2016ء کو فیزیبلیٹی اسٹڈی کی منظوری دے دی۔
- (c) انٹر کنکشن اسٹڈی کی گئی اور نیشنل ٹرانسمیشن اینڈ ڈسٹریбуٹن کمپنی لمیٹڈ (NTDCL) کی طرف سے اسے منظور کر لیا گیا۔

ہمیں ڈائریکٹر ز رپورٹ کے ساتھ 30 جون 2016 کو ختم ہونے والے مالی سال کے مالیاتی گوشوارے (تتبیح شدہ) پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

کمپنی کی بنیادی سرگرمیوں میں کوٹ ادو، پنجاب میں اپنے گیس، فرنس آئل اور ڈیزل سے چلنے والے 1600 میگاواٹ کی استعداد کے حامل بجلی گھر / پاور پلانٹ کی ملکیت، آپریشن اور دیکھ بھال و مرمت شامل ہے۔ کمپنی اپنے واحد کسٹمر / صارف پاکستان واٹر اینڈ پاور ڈیولپمنٹ اتھارٹی (واپڈا) کو اپنے بجلی گھر / پاور پلانٹ سے پیدا کردہ بجلی کی فروخت کو جاری رکھے ہوئے ہے۔

کمپنی پاکستان اسٹاک ایکسچینج میں مندرج / رجسٹرڈ ہے اور اسے کے ایس ای 100 اور کے ایس ای 30 انڈیکس کمپنی ہونے کا اعزاز حاصل ہے۔

مالیاتی کارکردگی

اس سال کمپنی کا کاروباری حجم 64,178 ملین روپے رہا ہے (جبکہ 2015 میں 101,481 ملین روپے تھا) جس میں فروخت کی لاگت 50,770 ملین روپے ہے (یہ 2015 میں 86,335 ملین روپے تھی)۔ خام منافع کی مجموعی رقم 13,408 ملین روپے ہے (جو 2015 میں 15,146 ملین روپے تھی) اور ٹیکس کی ادائیگی سے قبل منافع 13,683 ملین روپے ہے (جبکہ 2015 میں 14,788 ملین روپے تھا)۔ ٹیکس کی رقم 4,612 ملین روپے ہے اور ٹیکس کی ادائیگی کے بعد منافع 9,071 ملین روپے رہا ہے (یہ 2015 میں 9,799 ملین روپے تھا)۔ اس طرح اس سال آمدن فی حصص (EPS) (10) روپے فی حصص کے حساب سے 10.31 روپے رہی ہے (جبکہ 2015 میں 11.13 روپے تھی)۔

گزشتہ سالوں کی طرح بجلی کا خریدار ادارہ کمپنی کی واجب الادا رقوم کی بہ وقت ادائیگی کرنے میں مسلسل ناکام رہا ہے۔ 30 جون 2016 تک وصول کی جانے والی واجب الادا رقم 58,646 ملین روپے تھی (مزید تفصیلات کے لیے مالیاتی گوشوارے کا نوٹ 21.1 دیکھیں)۔ کمپنی کے طرف سے 30 جون 2016 تک تیل کی فراہمی کے سلسلے میں پاکستان اسٹیٹ آئل کمپنی لمیٹڈ کو واجب الادا رقم 671 ملین روپے تھی۔ کمپنی اس ضمن میں واپڈا، سینٹرل پاور پراجیکٹنگ (گارنٹی) لمیٹڈ (G CPPA) اور حکومت پاکستان کی متعلقہ وزارتوں سے اس معاملے کے حل کے لیے مسلسل پیروی کر رہی ہے۔

بجلی کے خریدار کی جانب سے بجلی کی عدم فراہمی کا ذمہ دار قرار دیتے ہوئے کمپنی کو بجلی کے شعبے کے دوسرے آئی پی پیز کی طرح نقصانات کے ازالے کی انوائس موصول ہو رہی ہیں۔ 30 جون 2009 سے 30 جون 2015 تک ختم ہونے والے سالوں کے لیے نقصانات کے ازالے کی یہ رقم 27,872 ملین روپے بنتی ہے۔ کمپنی نے بجلی کی خریداری کے معاہدے کی دفعات کے مطابق ان انوائسوں پر اپنے اختلافات کا اظہار کیا ہے۔ کمپنی کا موقف ہے کہ بجلی کی فراہمی متاثر ہونے کی وجہ خریدار کی طرف سے اس کے واجبات کی بروقت ادائیگی نہ ہونا ہے۔ مزید تفصیلات کے لیے مالیاتی گوشوارے کا نوٹ (v) 13.1 دیکھیں۔

کمپنی نے مذکورہ اختتام پذیر ہونے والی مالی سال کے دوران ”نوٹ ایگریمنٹ“ کے تحت اپنی ذمہ داریوں کو پورا کرتے ہوئے مبلغ 727 ملین روپے کے دو عدد ڈیبٹ اور کریڈٹ نوٹ کا تبادلہ دسمبر 2015 اور جون 2016 میں کیا۔

KEY OPERATING AND FINANCIAL DATA

Of the last Six Years

Financial Year Ending June 30, 2016		2016	2015	2014	2013	2012	2011
Turnover	PKR in Million	64,178	101,481	113,206	97,533	100,504	74,351
Net profit	PKR in Million	9,071	9,799	7,730	7,354	6,071	6,527
Assets	PKR in Million	92,210	96,262	95,352	62,224	99,328	95,337
Dividends	PKR in Million	7,922	6,822	6,382	5,414	6,382	5,061
EPS	PKR per share	10.31	11.13	8.78	8.35	6.90	7.41
Net Output	GWh	6,583	6,934	6,479	5,521	6,065	5,688
Thermal Efficiency	%	44.0	44.2	43.7	44.0	43.5	43.5
Load Factor	%	55.8	59.0	55.1	47.0	51.5	48.4
Availability	%	81.9	85.5	80.2	91.7	88.6	86.2



PATTERN OF SHAREHOLDING

As on June 30, 2016

NO. OF SHAREHOLDERS	<---- HAVING SHARES ---->		SHARES HELD	PERCENTAGE
	From	To		
460	1	100	22561	0.003
49234	101	500	24538493	2.788
2087	501	1000	2051774	0.233
2066	1001	5000	5312216	0.604
503	5001	10000	4029964	0.458
189	10001	15000	2453130	0.279
130	15001	20000	2411726	0.274
78	20001	25000	1832781	0.208
51	25001	30000	1462840	0.166
42	30001	35000	1386333	0.158
41	35001	40000	1588105	0.180
22	40001	45000	950718	0.108
36	45001	50000	1777627	0.202
17	50001	55000	897650	0.102
17	55001	60000	990291	0.113
9	60001	65000	568020	0.065
10	65001	70000	680375	0.077
13	70001	75000	959000	0.109
9	75001	80000	714500	0.081
4	80001	85000	332200	0.038
10	85001	90000	881750	0.100
4	90001	95000	369227	0.042
22	95001	100000	2195279	0.249
8	100001	105000	825280	0.094
5	105001	110000	540000	0.061
1	110001	115000	115000	0.013
5	115001	120000	594500	0.068
3	120001	125000	371494	0.042
1	125001	130000	130000	0.015
3	130001	135000	397743	0.045
2	135001	140000	277400	0.032
2	140001	145000	286292	0.033
10	145001	150000	1490426	0.169
3	150001	155000	459000	0.052
3	155001	160000	480000	0.055
6	160001	165000	974970	0.111
2	165001	170000	336850	0.038
3	170001	175000	518000	0.059
4	175001	180000	713053	0.081
4	180001	185000	733753	0.083
3	185001	190000	563500	0.064
2	190001	195000	385300	0.044
9	195001	200000	1797761	0.204
1	200001	205000	201000	0.023
3	205001	210000	625900	0.071
1	210001	215000	212000	0.024
3	215001	220000	658000	0.075
1	220001	225000	221000	0.025
1	225001	230000	225500	0.026
1	230001	235000	231000	0.026
3	240001	245000	733500	0.083
5	245001	250000	1250000	0.142



PATTERN OF SHAREHOLDING

As on June 30, 2016

NO. OF SHAREHOLDERS	<---- HAVING SHARES ---->		SHARES HELD	PERCENTAGE
	From	To		
1	250001	255000	250500	0.029
1	255001	260000	258000	0.029
2	260001	265000	528000	0.060
2	270001	275000	547000	0.062
4	280001	285000	1138113	0.129
7	295001	300000	2100000	0.239
2	300001	305000	604700	0.069
1	305001	310000	310000	0.035
2	315001	320000	635461	0.072
1	320001	325000	325000	0.037
2	325001	330000	654000	0.074
1	330001	335000	332600	0.038
3	340001	345000	1027500	0.117
1	350001	355000	355000	0.040
1	355001	360000	356333	0.041
2	360001	365000	726178	0.083
1	365001	370000	370000	0.042
1	370001	375000	370500	0.042
1	380001	385000	380500	0.043
1	385001	390000	389000	0.044
1	390001	395000	392000	0.045
2	395001	400000	800000	0.091
1	410001	415000	410934	0.047
1	420001	425000	424594	0.048
2	425001	430000	856000	0.097
1	430001	435000	431500	0.049
1	445001	450000	449500	0.051
1	455001	460000	460000	0.052
3	460001	465000	1388153	0.158
1	480001	485000	484500	0.055
1	485001	490000	488000	0.055
5	495001	500000	2500000	0.284
1	505001	510000	510000	0.058
1	510001	515000	513750	0.058
2	530001	535000	1065500	0.121
1	555001	560000	560000	0.064
1	580001	585000	583000	0.066
2	595001	600000	1198000	0.136
1	620001	625000	625000	0.071
1	655001	660000	660000	0.075
1	680001	685000	680500	0.077
1	705001	710000	709000	0.081
1	730001	735000	733800	0.083
2	745001	750000	1496000	0.170
1	755001	760000	757000	0.086
1	830001	835000	833747	0.095
1	840001	845000	845000	0.096
1	850001	855000	852832	0.097
1	855001	860000	860000	0.098
1	880001	885000	883000	0.100
2	890001	895000	1785284	0.203



NO. OF SHAREHOLDERS	<---- HAVING SHARES ---->		SHARES HELD	PERCENTAGE
	From	To		
2	920001	925000	1846215	0.210
1	990001	995000	991100	0.113
1	1000001	1005000	1000500	0.114
1	1065001	1070000	1067000	0.121
1	1100001	1105000	1101500	0.125
1	1150001	1155000	1151400	0.131
1	1180001	1185000	1181944	0.134
1	1185001	1190000	1188500	0.135
1	1220001	1225000	1222000	0.139
1	1225001	1230000	1228000	0.140
1	1245001	1250000	1250000	0.142
1	1360001	1365000	1364400	0.155
1	1385001	1390000	1387500	0.158
1	1395001	1400000	1400000	0.159
1	1415001	1420000	1418500	0.161
2	1530001	1535000	3066000	0.348
1	1725001	1730000	1728500	0.196
1	1750001	1755000	1752540	0.199
1	1895001	1900000	1900000	0.216
2	1995001	2000000	4000000	0.454
1	2150001	2155000	2153679	0.245
1	2240001	2245000	2241500	0.255
1	2355001	2360000	2357500	0.268
1	2445001	2450000	2450000	0.278
1	2955001	2960000	2956394	0.336
1	3390001	3395000	3393000	0.386
1	3725001	3730000	3730000	0.424
1	4280001	4285000	4284500	0.487
1	4475001	4480000	4478167	0.509
1	4940001	4945000	4941500	0.561
1	5480001	5485000	5484500	0.623
1	5580001	5585000	5584500	0.634
1	6420001	6425000	6420500	0.729
1	11095001	11100000	11095393	1.261
1	11485001	11490000	11487500	1.305
1	12435001	12440000	12436500	1.413
1	12645001	12650000	12646000	1.437
1	19540001	19545000	19543500	2.220
1	23145001	23150000	23145500	2.629
1	26540001	26545000	26542173	3.015
1	48250001	48255000	48252429	5.482
1	79420001	79425000	79422000	9.023
1	87995001	88000000	88000000	9.997
1	354310001	354315000	354311133	40.251
55279	Company Total		880253228	100.00



CATEGORIES OF SHAREHOLDERS

As on June 30, 2016

Particulrs	No of Folio	Balance Share	Percentage
DIRECTORS, CEO, SPOUSE & CHILDREN	9	23148004	2.630
ASSOCIATED COMPANIES	2	402563562	45.733
BANKS, DFI & NBF	25	219594989	24.947
INSURANCE COMPANIES	17	45274105	5.143
MUTUAL FUNDS	50	28436959	3.231
PUBLIC SECTOR COMPANIES AND CORP.	7	12304285	1.398
GENERAL PUBLIC (LOCAL)	52486	112903053	12.826
GENERAL PUBLIC (FOREIGN)	2419	3193358	0.363
OTHERS	149	10053223	1.142
MODARABAS	1	60000	0.007
FOREIGN COMPANIES	31	12871427	1.462
APPROVED FUND	83	9850263	1.119
Company Total	55279	880,253,228	100.00

PATTERN OF SHAREHOLDING

ADDITIONAL INFORMATION

As on June 30, 2016



Shareholders Category	No. of Shares Held
Associated Companies	
Pakistan Water and Power Development Authority	354,311,133
KAPCO Employees Empowerment Trust	48,252,429
Mutual Funds	
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	3,393,000
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	285,000
CDC - TRUSTEE PICIC INVESTMENT FUND	1,222,000
CDC - TRUSTEE PICIC GROWTH FUND	2,357,500
CDC - TRUSTEE ALFALAH GHP VALUE FUND	380,500
CDC - TRUSTEE AKD INDEX TRACKER FUND	96,779
CDC - TRUSTEE PICIC ENERGY FUND	1,900,000
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	341,500
PAK QATAR INDIVIDUAL FAMILY PARTICIPANT INVEST FUND	258,000
CDC - TRUSTEE NAFA STOCK FUND	2,241,500
CDC - TRUSTEE NAFA MULTI ASSET FUND	431,500
CDC - TRUSTEE ASKARI ASSET ALLOCATION FUND	50,000
CDC - TRUSTEE MEEZAN TAHAFUZZ PENSION FUND - EQUITY SUB FUND	488,000
CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	883,000
CDC - TRUSTEE HBL - STOCK FUND	1,533,500
CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND	1,532,500
CDC - TRUSTEE HBL MULTI - ASSET FUND	90,500
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	1,101,500
CDC - TRUSTEE ALFALAH GHP STOCK FUND	733,800
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	343,500
CDC - TRUSTEE NIT STATE ENTERPRISE FUND	892,784
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	13,170
CDC - TRUSTEE ABL STOCK FUND	860,000
CDC - TRUSTEE FIRST HABIB STOCK FUND	20,000
CDC - TRUSTEE LAKSON EQUITY FUND	991,100
CDC-TRUSTEE NAFA ASSET ALLOCATION FUND	310,000
CDC - TRUSTEE HBL PF EQUITY SUB FUND	30,500
CDC - TRUSTEE ASKARI EQUITY FUND	50,000
CDC - TRUSTEE KSE MEEZAN INDEX FUND	510,000
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	560,000



PATTERN OF SHAREHOLDING

ADDITIONAL INFORMATION

As on June 30, 2016

Shareholders Category	No. of Shares Held
CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT	186,000
CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	108,500
CDC - TRUSTEE PIML STRATEGIC MULTI ASSET FUND	102,500
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	35,000
CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - I	221,000
CDC - TRUSTEE PIML ISLAMIC EQUITY FUND	162,500
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	852,832
CDC - TRUSTEE PICIC ISLAMIC STOCK FUND	300,000
CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II	272,000
CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	42,500
CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	20,500
CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	199,000
CDC - TRUSTEE NAFA ISLAMIC STOCK FUND	461,500
CDC - TRUSTEE PAKISTAN SARMAYA MEHFOOZ FUND	153,500
CDC - TRUSTEE PIML VALUE EQUITY FUND	110,000
CDC-TRUSTEE NITIPF EQUITY SUB-FUND	50,000
CDC-TRUSTEE NITPF EQUITY SUB-FUND	52,000
CDC - TRUSTEE NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND	328,000
CDC - TRUSTEE NAFA ISLAMIC ENERGY FUND	757,000
CDC - TRUSTEE LAKSON TACTICAL FUND	121,494
Directors, CEO, their spouses and minor children	
Mr. Zafar Mahmood	1
Mrs. Zeeba Zafar Mahmood W/o Zafar Mahmood	1,000
Mr. Aftab Mahmood Butt	1,000
Mr. Iqbal Alimohamed	23,145,500
Mr. Anwar-ul-Haq	1
Mr. Owais Shahid	1
Mr. Aqeel Ahmed Nasir	500
Mr. Badr-ul-Munir Murtiza	1
Executives	499,389
Public Sector Companies and Corporations	12,304,285
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Approved Funds (Pension Funds, Provident Funds, Gratuity Funds etc.)	274,779,357



Shareholders Category	No. of Shares Held
Shareholders holding 5% or more voting interest	
Pakistan Water and Power Development Authority	354,311,133
Allied Bank Limited	88,000,000
United Bank Limited - Trading Portfolio	79,422,000
KAPCO Employees Empowerment Trust	48,252,429

The CEO, Directors, CFO, Head of Internal Auditors, Company Secretary and their spouses and minor children have made no Sale/Purchase of Company's shares during the financial year ended June 30, 2016 other than as disclosed.

Detail of Purchase / Sale of shares by Executives [as per threshold defined by the Board of Directors in compliance with the CCG Clause 5.19.11(f)(xii)] and their spouses or minor children during the period from July 1, 2015 to June 30, 2016 except the closed periods determined by the Company:

Name	No of shares purchased	No. of share sold
Mr. Muhammad Ahmed Javed	-	5,000



CORPORATES HOLDING 10,000 AND MORE SHARES

As on June 30, 2016

Name	Balance Held
FIRST CREDIT & INVESTMENT BANK LIMITED	10,000
TRUSTEES OF FAROUKH&ROSHEN KARANI TRUST	10,000
SUNRAYS TEXTILE MILLS LIMITED	10,000
SIKANDAR (PVT) LTD. (8512)	10,000
NOOR AUTOMOBILES (PVT.) LIMITED	10,000
PERIDOT PRODUCTS (PVT) LIMITED	10,000
ASIATIC TRADERS	10,000
THE TRUSTEES, ZOROASTRIAN CO-OP. HOUSING SOCIETY	10,000
TRUSTEE - GREAVES PAKISTAN (PVT) LTD. - STAFF GRATUITY FUND	10,000
TRUSTEE - GREAVES PAKISTAN (PVT) LTD. EMP. PROVIDENT FUND	10,000
AXIS GLOBAL LIMITED - MF	11,000
ADAMJEE LIFE ASSURANCE COMPANY LIMITED	12,000
TRUSTEE-THE PAKISTAN MEMON EDUCATIONAL & WELAFRE SOCIETY	12,000
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	13,170
TRUSTEES OF ENGRO CHEMICAL PAK LTD NON-MPT EMP GRATUITY FUND	13,940
TRUSTEES QUADRIA WELFARE TRUST	15,000
THE PAKISTAN MEMON WOMEN EDUCATIONAL SOC	15,000
TRUSTEE KARACHI PARSİ ANJUMAN TRUST FUND	15,000
TRUSTEE CHERAT CEMENT CO.LTD.EMP.PRO.FND	15,000
TRUSTEES OF MIRPURKHAS SUGAR MILLS LIMITED EMP GRATUITY FUND	15,000
TRUSTEES OF ZENSOFT (PVT) LTD EMPL. PROVIDENT FUND	15,000
TRUSTEE-ANPL MAN STAFF DEFINED CONTRIBUTIO SUPERANNUATION FD	15,729
ADAMJEE INSURANCE COMPANY LIMITED	16,000
TRUSTEE-SANOFI AVENTIS PAKISTAN-EMPLOYEES PROVIDENT FUND	16,400
UNIGOHAR HOMES (PRIVATE) LIMITED	16,500
DOSSLANI'S SECURITIES (PVT) LIMITED	17,000
DOSSA COTTON & GENERAL TRADING (PVT) LIMITED	17,500
TRUSTEE-ANPL MANAGEMENT STAFF GRATUITY FUND	17,857
M. N. TEXTILES (PRIVATE) LIMITED	18,000
MARINE SERVICES (PRIVATE) LIMITED	18,000
NATIONAL UNIVERSITY OF SCIENCES AND TECHNOLOGY	18,000
FLOAT SECURITIES (PVT) LIMITED	18,000
CDC - TRUSTEE FIRST HABIB STOCK FUND	20,000
HABIB SUGAR MILLS LTD	20,000
BANDENAWAZ (PVT) LTD	20,000
TRUSTEES WAH NOBEL P. LTD. MANG.STAFF PF	20,000
TRUSTEE - BANK ALFALAH LTD EMPLOYEES PROVIDENT FUND TRUST	20,000



Name	Balance Held
CDC - TRUSTEE ABL PENSION FUND - EQUITY SUB FUND	20,500
TRUSTEE PAK TOBACCO CO LTD STAFF DEF CONTRI PEN FD (1384-1)	20,583
HABIB INSURANCE COMPANY LIMITED	21,000
TRUSTEES THE GENERAL TYRE&RUBBER CO OF PAKISTAN LTD EMPL G.F	23,000
TRUSTEES CRESCENT STEEL&ALLIED PROD PN.F	24,000
TRUSTEE-THE KOT ADDU POWER CO. LTD. EMPLOYEES PROVIDENT FUND	24,500
TRUSTEE-SULAIMANIYAH TRUST	25,000
JUPITER TEXTILE MILLS (PVT) LTD	25,000
FIRST COMMODITIES (PVT.) LIMITED	25,000
FDM CAPITAL SECURITIES (PVT) LIMITED	25,000
MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES (PVT.) LTD.	25,000
ABRIS (PVT) LIMITED	25,000
TRUSTEES NRL OFFICERS PROVIDENT FUND	25,000
TRUSTEES CRESCENT STEEL&ALLIED PROD SPF	25,000
MOOSANI SECURITIES (PVT) LTD	26,000
TRUSTEE-ANPL MANAGEMENT STAFF PROVIDENT FUND	28,493
PAKISTAN REINSURANCE COMPANY LIMITED	30,000
TRUSTEES LEINER PAK GELATINE LTD EMPLOYEES PROVIDENT FUND	30,000
FIRST WOMEN BANK LIMITED	30,500
CDC - TRUSTEE HBL PF EQUITY SUB FUND	30,500
TRUSTEES MAPLE LEAF CEMENT FACTORY LTD EMPLOYEES PROV FUND	30,500
TRUSTEE OF PTC EMPLOYEES PROVIDEND FUND	30,600
TRUSTEES OF PHILIP MORRIS (PAKISTAN) LIMITED EMPL G.F TRUST	33,500
F & B BULK STORAGE (PTIVATE) LIMITED	34,000
RAFI SECURITIES (PRIVATE) LIMITED	34,500
MULTILINE SECURITIES (PVT) LIMITED	34,500
CDC - TRUSTEE FIRST CAPITAL MUTUAL FUND	35,000
TRUSTEES SAEEDA AMIN WAKF	35,500
GOLDMAN SACHS TRUST II GOLDMAN SACHS MULTI-MANGER GL EQ FUND	37,000
TRUSTEE-SANOFI AVENTIS PAKISTAN SENIOR-EXECUTIVE PENSION FD	37,895
HAMID ADAMJEE TRUST	40,000
TRUSTEE PAK TOBACCO CO. LTD MANAGEMENT PROV FUND (1386-2)	42,418
CDC - TRUSTEE ABL ISLAMIC PENSION FUND - EQUITY SUB FUND	42,500
WESTBURY (PRIVATE) LTD	42,500
HABIB INSURANCE CO.LIMITED	43,500
TRUSTEE-THE KOT ADDU POWER CO. LTD. EMPLOYEES PENSION FUND	44,000
AKHUWAT	44,500



CORPORATES HOLDING 10,000 AND MORE SHARES

As on June 30, 2016

Name	Balance Held
SIMPLICITY ASIEN	45,000
TRUSTEES OF PHILIP MORRIS (PAKISTAN) LIMITED E.C.P.F TRUST	46,500
TRUSTEE PAK TOBACCO CO LTD EMPLOYEES GRATUITY FUND(1383-4)	49,921
CDC - TRUSTEE ASKARI ASSET ALLOCATION FUND	50,000
CDC - TRUSTEE ASKARI EQUITY FUND	50,000
CDC-TRUSTEE NITIPF EQUITY SUB-FUND	50,000
TRUSTEES OF DHORAJI FOUNDATION	50,000
FRAMROZE E.DINSHAW (PVT) LIMITED	50,000
AVI DINSHAW (PVT) LIMITED	50,000
IRFAN MAZHAR SECURITIES (PVT) LTD.	50,000
TRUSTEES OF ARL MANAGEMENT STAFF PENSION FUND	50,000
CDC-TRUSTEE NITPF EQUITY SUB-FUND	52,000
TRUSTEE OF PTC MANAGEMENT PROVIDENT FUND	52,909
TRUSTEE PAK TOBACCO CO. LTD EMPLOYEES PROVIDENT FUND(1385-5)	54,280
TARIIC HOLDING COMPANY BSC (CLOSED)	55,000
ZAHID LATIF KHAN SECURITIES (PVT) LTD.	55,500
EATON VANCE TRT CO CM TRT FD-PARMTG STR EME MKT EQT CM TRT F	56,491
TRUSTEES OF GHORI TRUST	57,000
TRUSTEES OF PAKISTAN REFINERY LTD PROVIDENT FUND	58,000
TRUSTEES MOHAMAD AMIN WAKF ESTATE	60,000
ISMAILIA YOUTH SERVICES	60,000
B.F.MODARABA	60,000
TRUSTEE THALL LIMITED- EMPLOYEES PROVIDENT FUND	61,000
LSV FRONTIER MARKETS EQUITY FUND LP	64,000
TRUSTEE-GUL AHMAD TEXTILE MILLS EMPLOYEE PROVIDENTFUND TRUST	65,000
TRUSTEE-ENGRO FOODS LTD EMPLOYEES GRATUITY FUND	68,000
TRUSTEES OF THE GENERAL TYRE & RUBBER CO. - LOCAL STAFF P.F.	70,000
TRUSTEES OF PAKISTAN HUMAN DEVELOPMENT FUND	71,000
ALFALAH INSURANCE COMPANY LIMITED	74,000
TRUSTEES OF NEW JUBILEE INS CO.LTD S.P.F	75,000
TRUSTEE NEW JUBILEE INS CO.LTD EMP G.F	75,000
TRUSTEES OF MIRPURKHAS SUGAR MILLS LTD EMP PROVIDENT FUND	75,000
JUBILEE GENERAL INSURANCE COMPANY LIMITED	76,500
TRUSTEE-MILLAT TRACTORS LTD. EMPLOYEES PENSION FUND	78,500
S.S.CORPORATION (PVT) LTD	80,000
HORIZON SECURITIES LIMITED	80,000



Name	Balance Held
ABRIS (PVT) LTD	82,000
TRUSTEES AL-BADER WELFARE TRUST	87,000
CDC - TRUSTEE HBL MULTI - ASSET FUND	90,500
TRUSTEE OF PTC STAFF PENSION FUND	91,977
CDC - TRUSTEE AKD INDEX TRACKER FUND	96,779
PREMIER FASHIONS (PVT) LTD	100,000
TRUSTEES HOMMIE&JAMSHED NUSSERWANJEE C.T	100,000
TRUSTEES MCB EMPLOYEES FOUNDATION	100,000
TRUSTEES OF PARKE DAVIS PENSION FUND	100,000
CDC - TRUSTEE PIML STRATEGIC MULTI ASSET FUND	102,500
TRUSTEES-ICI M.S.D.C SUPERANNUATION FUND	102,874
TRUSTEES OF PAKISTAN HUMAN DEVELOPMENT FUND	104,500
ANAM FABRICS (PVT) LTD.	105,500
CDC - TRUSTEE NAFA ISLAMIC PENSION FUND EQUITY ACCOUNT	108,500
CDC - TRUSTEE PIML VALUE EQUITY FUND	110,000
TRUSTEES OF HAJI MOHAMMED WELFARE TRUST	110,000
ALI HUSAIN RAJABALI LTD	115,000
SIZA (PRIVATE) LIMITED	120,000
CDC - TRUSTEE LAKSON TACTICAL FUND	121,494
RELIANCE INSURANCE COMPANY LTD.	125,000
CRESCENT STEEL AND ALLIED PRODUCTS LTD.	140,000
VANGUARD FTSE ALL-WORLD EX-US SMALL CAP INDEX FUND	143,792
D.L NASH (PVT.) LTD.	148,500
PAK BRUNEI INVESTMENT COMPANY LIMITED	150,000
PAKISTAN MOLASSES COMPANY (PVT.) LIMITED	150,000
CDC - TRUSTEE PAKISTAN SARMAHA MEHFOOZ FUND	153,500
PAK-OMAN INVESTMENT COMPANY LTD.	160,000
CITY OF NEW YORK GROUP TRUST	161,000
CDC - TRUSTEE PIML ISLAMIC EQUITY FUND	162,500
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	163,500
PREMIER INSURANCE LIMITED	164,970
TRUSTEES ENGRO CORPORATION LIMITED PROVIDENT FUND	166,850
YOUSUF YAQOOB KOLIA AND COMPANY (PVT) LTD	170,500
TRUSTEES THE AGA KHAN UNIVERSITY EMP G.F	175,000
PUBLIC EMPLOYEES RETIREMENT ASSOCIATION OF NEW MEXICO	176,000
TRUSTEES NESTLE PAKISTAN LTD EMPLOYEES GRATUITY FUND	181,885



CORPORATES HOLDING 10,000 AND MORE SHARES

As on June 30, 2016

Name	Balance Held
CENTURY INSURANCE COMPANY LTD.	182,791
UBL INSURERS LIMITED	185,000
CDC - TRUSTEE NAFA PENSION FUND EQUITY SUB-FUND ACCOUNT	186,000
PAK QATAR INVESTMENT ACCOUNT	190,000
TRUSTEES MAPLE LEAF CEMENT FACTORY LTD EMP. PROVIDENT FUND	191,000
CDC - TRUSTEE PAKISTAN PENSION FUND - EQUITY SUB FUND	199,000
TRUSTEE NATIONAL REFINERY LTD. MANAGEMENT STAFF PENSION FUND	199,761
THE TRUSTEES OF QUADRIA WELFARE TRUST	200,000
GOOD HOMES (PVT) LTD	200,000
CAPITAL ONE EQUITIES LIMITED.	206,500
GLOBAL MACRO CAPITAL OPPORTUNITIES PORTFOLIO	209,400
SILKBANK LIMITED	218,500
CUMBERLAND (PVT) LIMITED	220,000
CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - I	221,000
KAPITALFORENINGEN LAERERNES PENSION INVEST [1547-5]	231,000
TRUSTEES ALOO&MINOCHER DINSHAW CHR.TRUST	250,000
MARIAM ALI MUHAMMAD TABBA FOUNDATION	250,000
ADVANCE SERIES TRUST - AST PARAMETRIC EMERGING MKTS EQT PRTF	250,500
PAK QATAR INDIVIDUAL FAMILY PARTICIPANT INVEST FUND	258,000
PINNACLE RECYCLING (PVT) LIMITED	265,000
CDC - TRUSTEE NAFA ISLAMIC PRINCIPAL PROTECTED FUND - II	272,000
TRUSTEES NESTLE PAKISTAN LTD MANAGERIAL STAFF PENSION FUND	283,113
CDC - TRUSTEE PAKISTAN CAPITAL MARKET FUND	285,000
BULK MANAGEMENT PAKISTAN (PVT.) LTD.	285,000
THE BANK OF PUNJAB, TREASURY DIVISION.	300,000
CDC - TRUSTEE PICIC ISLAMIC STOCK FUND	300,000
EDULJEE DINSHAW (PVT.) LIMITED	300,000
GLOBAL X FUNDS - GLOBAL X MSCI PAKISTAN ETF	300,700
CS CAPITAL (PVT) LTD	304,000
CDC-TRUSTEE NAFA ASSET ALLOCATION FUND	310,000
VANGUARD EMERGING MARKETS STOCK INDEX FUND	315,461
AL BARAKA BANK (PAKISTAN) LIMITED	320,000
SURAJ COTTON MILLS LTD.	325,000
CDC - TRUSTEE NAFA ISLAMIC ACTIVE ALLOCATION EQUITY FUND	328,000
CDC - TRUSTEE AL MEEZAN MUTUAL FUND	341,500
CDC - TRUSTEE ALFALAH GHP ALPHA FUND	343,500



Name	Balance Held
AGA KHAN UNIVERSITY EMPLOYEES P.F	355,000
ATLAS INSURANCE LIMITED	361,778
SSGA ACTIVE FRONTIER MKTS NON LENDING QIB COMMON TRUST FUND	370,000
PAIR INVESTMENT COMPANY LIMITED	370,500
CDC - TRUSTEE ALFALAH GHP VALUE FUND	380,500
ADAMJEE LIFE ASSURANCE CO.LTD-IMF	389,000
TRUSTEE PAK TOBACCO CO LTD STAFF PENSION FUND [1390-2]	410,934
TRUSTEES NESTLE PAKISTAN LTD EMPLOYEES PROVIDENT FUND	424,594
TRUSTEES WORLD MEMON FND.COMM.CEN.TRUST	430,000
CDC - TRUSTEE NAFA MULTI ASSET FUND	431,500
SKYLINE ENTERPRISES (PVT) LTD	449,500
INTEREFFEKT INVESTMENT FUNDS N.V.	460,000
CDC - TRUSTEE NAFA ISLAMIC STOCK FUND	461,500
TRUSTEE HBL EMPLOYEES GRATUITY FUND TRUST	462,000
UPS GROUP TRUST	464,653
EATON VANCE INTL IRLND F.P-EATN V.INTL IRLND PRAMTRIC E.M.F	484,500
CDC - TRUSTEE MEEZAN TAHAFUZ PENSION FUND - EQUITY SUB FUND	488,000
THE BANK OF KHYBER	500,000
EFU GENERAL INSURANCE LIMITED	500,000
LUCKY TEX PAKISTAN (PVT.) LIMITED	500,000
TRUSTEES FAUJI FERTILIZER BIN QASIM LTD. PROVIDENT FUND	500,000
CDC - TRUSTEE KSE MEEZAN INDEX FUND	510,000
DEUTSCHE BANK AG LONDON BRANCH	513,750
EATON VANCE COLLECTIVE INV TRT FOR EMP BENEFIT PLANS	534,500
MCBFSL - TRUSTEE ABL ISLAMIC STOCK FUND	560,000
CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM	598,000
SAMBA BANK LIMITED	600,000
TEACHER RETIREMENT SYSTEM OF TEXAS	625,000
SOORTY ENTERPRISES (PVT) LTD.	680,500
CDC - TRUSTEE ALFALAH GHP STOCK FUND	733,800
CDC - TRUSTEE NAFA ISLAMIC ENERGY FUND	757,000
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	833,747
NAVEENA EXPORTS (PVT) LTD	845,000
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	852,832
CDC - TRUSTEE ABL STOCK FUND	860,000
CDC - TRUSTEE ALFALAH GHP ISLAMIC STOCK FUND	883,000



CORPORATES HOLDING 10,000 AND MORE SHARES

As on June 30, 2016

Name	Balance Held
HABIB METROPOLITAN BANK LIMITED	892,500
CDC - TRUSTEE NIT STATE ENTERPRISE FUND	892,784
THE AGA KHAN UNIVERSITY FOUNDATION	921,530
HABIB BANK AG ZURICH, DEIRA DUBAI	924,685
CDC - TRUSTEE LAKSON EQUITY FUND	991,100
CDC - TRUSTEE MCB PAKISTAN ASSET ALLOCATION FUND	1,101,500
EMPLOYEES OLD AGE BENEFITS INSTITUTION	1,151,400
NATIONAL INSURANCE COMPANY LIMITED	1,181,944
FAYSAL BANK LIMITED	1,188,500
CDC - TRUSTEE PICIC INVESTMENT FUND	1,222,000
TRUSTEE - MCB PROVIDENT FUND PAK STAFF	1,250,000
PARAMETRIC EMERGING MARKETS FUND	1,364,400
TRUSTEE- HBL EMPLOYEES PENSION FUND TRUST	1,387,500
SAUDI PAK INDUSTRIAL & AGRICULTURAL INVESTMENT CO. LTD.- PMD	1,400,000
ASKARI BANK LIMITED	1,418,500
CDC - TRUSTEE NAFA ISLAMIC ASSET ALLOCATION FUND	1,532,500
CDC - TRUSTEE HBL - STOCK FUND	1,533,500
PARAMETRIC TAX-MANAGED EMERGING MARKETS FUND	1,728,500
HABIB BANK AG ZURICH, ZURICH, SWITZERLAND	1,752,540
CDC - TRUSTEE PICIC ENERGY FUND	1,900,000
TRUSTEE-MCB EMPLOYEES PENSION FUND	2,000,000
CDC - TRUSTEE NAFA STOCK FUND	2,241,500
CDC - TRUSTEE PICIC GROWTH FUND	2,357,500
BANK ALFALAH LIMITED	2,450,000
STATE LIFE INSURANCE CORP. OF PAKISTAN	2,956,394
CDC - TRUSTEE MCB PAKISTAN STOCK MARKET FUND	3,393,000
PAKISTAN KUWAIT INVESTMENT CO. (PVT) LTD.	4,941,500
EFU LIFE ASSURANCE LTD	5,484,500
NATIONAL BANK OF PAKISTAN	5,584,500
BANK AL HABIB LIMITED	6,420,500
JUBILEE GENERAL INSURANCE COMPANY LIMITED	11,095,393
MCB BANK LIMITED - TREASURY	12,646,000
HABIB BANK LIMITED-TREASURY DIVISION	19,543,500
JUBILEE LIFE INSURANCE COMPANY LIMITED	26,542,173
KAPCO EMPLOYEES EMPOWERMENT TRUST	48,252,429
UNITED BANK LIMITED - TRADING PORTFOLIO	79,422,000
ALLIED BANK LIMITED	88,000,000
THE PAKISTAN WATER & POWER DEVELOPMENT AUTHORITY	354,311,133

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Name of Company	Kot Addu Power Company Limited
Year Ended	June 30, 2016

This Statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No. 5.19 of Listing Regulations of the Pakistan Stock Exchange Limited for the purposes of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At June 30, 2016 the Board was constituted as follows:

Category	Names
Independent Directors	Mr. Iqbal Alimohamed ¹
Executive Directors	Mr. Aftab Mahmood Butt (Chief Executive)
Non-Executive Directors	1. Mr. Zafar Mahmood ² 2. Mr. Anwar-ul-Haq 3. Mr. Owais Shahid 4. Mr. Aqeel Ahmed Nasir 5. Mr. Badr-ul-Munir Murtiza

¹ Mr. Iqbal Alimohamed resigned from the Board of Directors on August 16, 2016. The casual vacancy will be filled in due course in compliance with the provisions of Listing Regulations of the Pakistan Stock Exchange Limited.

² Mr. Zafar Mahmood resigned from the Board of Directors on August 24, 2016. Lt. General Muzammil Hussain (Retd) was appointed Director and elected Chairman on August 29, 2016 in place of Mr. Zafar Mahmood.

The Independent Director meets the criteria of independence under clause 5.19.1(b) of the CCG.

2. The Directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident Directors of the Company are registered as taxpayers and none of them have

defaulted in payment of any loan to a banking company, a DFI or an NBFIL.

4. Casual vacancies occurring on the board during the financial year ended June 30, 2016 were duly filled-in by the Directors within 90 days.
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 Chief Executive and non-executive Directors, have been taken by the Board in accordance with the Articles of Association of the Company.
8. The Meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose; and the Board met at least once in every quarter. Written notices of the Board Meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Board arranged a training programme for a Director during the year. The training was provided by the Pakistan Institute of Corporate Governance and the training is titled 'Corporate Governance Leadership Skills – Directors Education Program'.
10. The Board has approved the appointment of the Internal Auditors of the Company including their remuneration and terms and conditions of employment. The Board has also approved the



- appointment of Head of Internal Audit to act as coordinator between the Internal Auditors and the Board of Directors. The Company's CFO and Company Secretary were appointed prior to the listing of the Company; and for a new appointment in these positions, in future, compliance with CCG will be ensured.
11. The Board has developed a mechanism for the annual evaluation of the Board's own performance.
 12. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
 13. The financial statements of the Company were duly endorsed by the Chief Executive and CFO before approval of the Board.
 14. The Directors, Chief Executive and Executives do not hold any interest in the shares of the Company other than as disclosed in the pattern of shareholding.
 15. The Company has complied with all the corporate and financial reporting requirements of the CCG.
 16. The Board has formed an Audit Committee. It comprises four members, of whom all are non-executive directors and the Chairman of the Committee is an Independent Director.
 17. The Meetings of the Audit Committee were held at least once every quarter prior to approval of the interim and final results of the Company and as required by the CCG. The Terms of Reference of the Audit Committee have been formed and advised to the Committee for compliance.
 18. The Board has formed a Human Resource Committee. It comprises three members, of whom two are non-executive Directors and the Chairman of the HR Committee is a non-executive Director.
 19. The Board has outsourced the internal audit function to EY Ford Rhodes, Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
 20. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
 21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
 22. The 'closed period', prior to the announcement of interim and final results, and business decisions, which may materially affect the market price of Company's securities, was determined and intimated to Directors, specified employees and the Stock Exchange(s).
 23. Material/price sensitive information has been disseminated among all market participants at once through the Stock Exchange(s).
 24. We confirm that all other material principles enshrined in the CCG have been complied with.

For and on Behalf of the
Board of Directors

Aftab Mahmood Butt
Chief Executive

Islamabad
September 1, 2016



REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Kot Addu Power Company Limited to comply with the Listing Regulation No. 5.19 of the Pakistan Stock Exchange, where the company is listed.

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

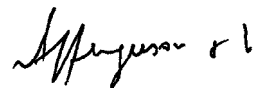
As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Chapter 5, Clause 5.19.6 (b) of the Listing Regulations requires the company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price, recording proper justification for using such alternate pricing mechanism.

Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee.

We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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



Chartered Accountants

Name of engagement partner: Amer Raza Mir
Lahore

Date: September 1, 2016



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Kot Addu 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 management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied.

- (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2016 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

Emphasis of matter

We draw attention to note 13.1 (v) to the financial statements, which describes the uncertainty regarding the outcome of certain claims by WAPDA which have been disputed by the Company. Our opinion is not qualified in respect of this matter.

Chartered Accountants

Name of engagement partner: Amer Raza Mir
Lahore: September 1, 2016



BALANCE SHEET

As at June 30, 2016

	Note	2016 (Rupees in thousand)	2015
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Authorised capital			
3,600,000,000 (2015: 3,600,000,000) ordinary shares of Rs 10 each		<u>36,000,000</u>	<u>36,000,000</u>
Issued, subscribed and paid up capital			
880,253,228 (2015: 880,253,228) ordinary shares of Rs 10 each	5	8,802,532	8,802,532
Capital reserve	6	444,451	444,451
Unappropriated profit		21,708,105	20,481,626
		<u>30,955,088</u>	<u>29,728,609</u>
NON-CURRENT LIABILITIES			
Long term finances	7	386,195	926,402
Liabilities against assets subject to finance lease	8	47,982	58,561
Deferred liabilities	9	2,508,136	3,075,197
		<u>2,942,313</u>	<u>4,060,160</u>
CURRENT LIABILITIES			
Current portion of long term liabilities	10	569,057	567,241
Finances under mark-up arrangements - secured	11	41,346,145	32,871,918
Trade and other payables	12	16,397,140	29,034,166
		<u>58,312,342</u>	<u>62,473,325</u>
CONTINGENCIES AND COMMITMENTS			
	13		
		<u>92,209,743</u>	<u>96,262,094</u>

The annexed notes 1 to 42 form an integral part of these financial statements.



Aftab Mahmood Butt
(Chief Executive)



ASSETS

NON-CURRENT ASSETS

	Note	2016 (Rupees in thousand)	2015
Property, plant and equipment	14	12,632,019	14,038,572
Intangible assets	15	9,527	13,193
Assets subject to finance lease	16	53,140	79,146
Capital work-in-progress	17	29,226	726,221
Long term loans and deposits	18	31,859	36,385
		12,755,771	14,893,517

CURRENT ASSETS

Stores and spares	19	4,361,205	4,481,508
Stock-in-trade	20	3,134,827	3,539,023
Trade debts	21	69,376,790	71,069,093
Loans, advances, deposits, prepayments and other receivables	22	1,983,500	1,603,641
Cash and bank balances	23	597,650	675,312
		79,453,972	81,368,577
		92,209,743	96,262,094


Anwar ul Haq
(Director)



PROFIT AND LOSS ACCOUNT

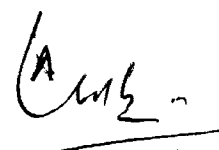
For the year ended June 30, 2016

	Note	2016 (Rupees in thousand)	2015
Sales	24	64,178,389	101,480,570
Cost of sales	25	<u>(50,770,461)</u>	<u>(86,334,572)</u>
Gross profit		13,407,928	15,145,998
Administrative expenses	26	(528,603)	(417,718)
Other operating expenses	27	(25)	(13,734)
Other income	28	<u>4,040,713</u>	<u>6,321,217</u>
Profit from operations		16,920,013	21,035,763
Finance cost	29	<u>(3,236,733)</u>	<u>(6,248,083)</u>
Profit before tax		13,683,280	14,787,680
Taxation	30	(4,612,229)	(4,988,971)
Profit for the year		<u>9,071,051</u>	<u>9,798,709</u>
Earnings per share	Rupees 38	<u>10.31</u>	<u>11.13</u>

The annexed notes 1 to 42 form an integral part of these financial statements.



Aftab Mahmood Butt
(Chief Executive)



Anwar ul Haq
(Director)



STATEMENT OF COMPREHENSIVE INCOME

For the year ended June 30, 2016

	2016 (Rupees in thousand)	2015 (Rupees in thousand)
Profit for the year	9,071,051	9,798,709
Items that will not be reclassified to profit or loss		
- Re-measurement of net defined benefit obligation - net of tax	77,707	(35,984)
Items that may be reclassified subsequently to profit or loss	-	-
Other comprehensive gain / (loss) for the year - net of tax	77,707	(35,984)
Total comprehensive income for the year	9,148,758	9,762,725

The annexed notes 1 to 42 form an integral part of these financial statements.

Aftab Mahmood Butt
(Chief Executive)

Anwar ul Haq
(Director)



CASH FLOW STATEMENT

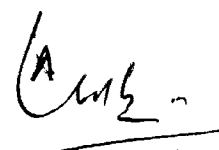
For the year ended June 30, 2016

	Note	2016 (Rupees in thousand)	2015
Cash flows from operating activities			
Cash generated from operations	36	9,597,369	24,487,028
Finance cost paid		(3,035,379)	(9,252,265)
Taxes paid		(6,179,704)	(4,917,654)
Staff retirement benefits paid		(251,297)	(342,228)
Net cash generated from operating activities		130,989	9,974,881
Cash flows from investing activities			
Fixed capital expenditure including intangible assets		(118,485)	(1,039,971)
Income on bank deposits received		22,816	23,870
Net decrease in long term loans and deposits		4,526	16,735
Proceeds from sale of property, plant and equipment		7,190	2,964
Net cash used in investing activities		(83,953)	(996,402)
Cash flows from financing activities			
Repayment of liabilities against assets subject to finance lease		(17,559)	(27,608)
Repayment of long term loan - unsecured		(540,207)	(540,207)
Repayment of long term loans - secured		-	(304,530)
Dividend paid		(8,041,159)	(6,579,057)
Net cash used in financing activities		(8,598,925)	(7,451,402)
Net (decrease) / increase in cash and cash equivalents		(8,551,889)	1,527,077
Cash and cash equivalents at beginning of the year		(32,196,606)	(33,723,683)
Cash and cash equivalents at the end of the year	37	(40,748,495)	(32,196,606)

The annexed notes 1 to 42 form an integral part of these financial statements.



Aftab Mahmood Butt
(Chief Executive)



Anwar ul Haq
(Director)

STATEMENT OF CHANGES IN EQUITY

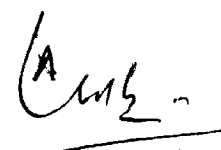
For the year ended June 30, 2016

	Share capital	Capital reserve	Un-appropriated profit	Total
	(Rupees in thousand)			
Balance as at June 30, 2014	8,802,532	444,451	17,540,864	26,787,847
Final dividend for the year ended June 30, 2014 - Rs 3.75 per share	-	-	(3,300,950)	(3,300,950)
Profit for the year	-	-	9,798,709	9,798,709
Other comprehensive loss:				
- Re-measurement of net defined benefit obligation - net of tax	-	-	(35,984)	(35,984)
Total comprehensive income for the year	-	-	9,762,725	9,762,725
Interim dividend for the year ended June 30, 2015 - Rs 4.00 per share	-	-	(3,521,013)	(3,521,013)
Balance as at June 30, 2015	8,802,532	444,451	20,481,626	29,728,609
Final dividend for the year ended June 30, 2015 - Rs 4.75 per share	-	-	(4,181,203)	(4,181,203)
Profit for the year	-	-	9,071,051	9,071,051
Other comprehensive gain:				
- Re-measurement of net defined benefit obligation - net of tax	-	-	77,707	77,707
Total comprehensive income for the year	-	-	9,148,758	9,148,758
Interim dividend for the year ended June 30, 2016 - Rs 4.25 per share	-	-	(3,741,076)	(3,741,076)
Balance as at June 30, 2016	<u>8,802,532</u>	<u>444,451</u>	<u>21,708,105</u>	<u>30,955,088</u>

The annexed notes 1 to 42 form an integral part of these financial statements.



Aftab Mahmood Butt
(Chief Executive)



Anwar ul Haq
(Director)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

1. Legal status and nature of business

Kot Addu Power Company Limited ('the Company'), was incorporated in Pakistan on April 25, 1996 as a public limited company under the Companies Ordinance, 1984. The Company was listed on April 18, 2005 on the Karachi, Islamabad and Lahore Stock Exchanges (now merged as Pakistan Stock Exchange Limited). The principal activities of the Company are to own, operate and maintain a multi-fuel fired power station with fifteen generating units with a nameplate capacity of 1,600 MW in Kot Addu, District Muzaffargarh, Punjab, Pakistan and to sell the electricity produced therefrom to a single customer, the Pakistan Water and Power Development Authority (WAPDA) under a Power Purchase Agreement (PPA). This agreement is for a term of 25 years which commenced from June 1996.

2. Basis of preparation

2.1 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 Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan (ICAP) as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of IFRS or IFAS, the requirements of the Companies Ordinance, 1984 or the said directives shall prevail.

2.2 Standards, amendments and interpretations to published approved accounting standards

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

2.2.1 Standards, amendments and interpretations to existing standards effective in current year and applicable / relevant to the Company's operations

Standards or Interpretation

There are no standards, amendments and interpretations to existing standards that are becoming effective in current year and applicable / relevant to the Company's operations.

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

Standards or Interpretation

Effective date (annual periods beginning on or after)

IFRS 10, 'Consolidated financial statements'	January 1, 2015
IFRS 11, 'Joint arrangements'	January 1, 2015
IFRS 12, 'Disclosure of interests in other entities'	January 1, 2015
IFRS 13 (Amendment), 'Fair Value measurement' on scope of portfolio exception	January 1, 2015

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

- IFRIC 4, 'Determining Whether an Arrangement Contains a Lease' is applicable for annual periods beginning on or after January 1, 2006, however, Securities and Exchange Commission of Pakistan (SECP) granted waiver from the application of IFRIC 4 to all companies including power sector companies. This interpretation



provides guidance on determining whether arrangements that do not take the legal form of a lease should, nonetheless, be accounted for as a lease in accordance with IAS 17, 'Leases'.

Consequently, the Company is not required to account for a portion of its Power Purchase Agreement (PPA) as a lease under IAS 17. If the Company were to follow IFRIC 4 and IAS 17, the effect on the financial statements would be as follows:

	2016 (Rupees in thousand)	2015
De-recognition of property, plant and equipment	(12,618,138)	(14,020,075)
Recognition of lease debtor	5,909,946	6,746,129
Decrease in deferred tax liability	2,313,059	2,489,189
Decrease in un-appropriated profit at the beginning of the year	(4,784,757)	(5,348,092)
Increase in profit for the year	389,624	563,335
Decrease in un-appropriated profit at the end of the year	(4,395,133)	(4,784,757)

- IFRS 2 (Amendment), 'Share-based Payment – Group Cash-settled Share-based Payment Transactions' effective for annual periods beginning on or after January 1, 2010.

The International Accounting Standards Board (IASB) amended IFRS 2 whereby an entity receiving goods or services is to apply this IFRS in accounting for group cash-settled share-based payment transactions in its financial statements when that entity has no obligation to settle the share-based payment transaction.

On August 14, 2009, the Government of Pakistan (GOP) launched Benazir Employees' Stock Option Scheme ("the Scheme") for employees of certain State Owned Enterprises (SOEs) and non-State Owned Enterprises where GOP holds significant investment (non-SOEs). The Scheme is applicable to permanent and contractual employees who were in employment of these entities, on the date of launch of the scheme, subject to completion of five years vesting period by all contractual employees and by permanent employees in certain instances.

The Scheme provides for a cash payment to employees on retirement or termination based on the price of shares of respective entities. To administer this scheme, GOP transferred 12% of its investment in such SOEs and non-SOEs to a Trust Fund created for the purpose by each of such entities. The eligible employees would be allotted units by each Trust Fund in proportion to their respective length of service. On retirement or termination such employees would be entitled to receive such amounts from Trust Fund in exchange for the surrendered units as would be determined based on market price for listed entities or breakup value for non-listed entities. The shares relating to the surrendered units would be transferred back to GOP.

The Scheme also provides that 50% of dividend related to shares transferred to the respective Trust Fund would be distributed amongst the unit-holder employees. The balance 50% dividend would be transferred by the respective Trust Fund to Central Revolving Fund Managed by the Privatization Commission of Pakistan for payment to employees against surrendered units. The deficit, if any, in Trust Fund to meet the re-purchase commitments would be met by GOP.

The Scheme, developed in compliance with stated GOP Policy of empowerment of employees of SOEs need to be accounted for by the covered entities, including the Company, under the provisions of amended IFRS 2. However, keeping in the view the difficulties that may be faced by entities covered under the scheme, the SECP on receiving representations from some of entities covered under the Scheme and after having consulted the ICAP, has granted exemption to such entities from the application of IFRS 2 to the Scheme.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

Had the exemption not been granted, the staff costs of the Company for the year would have been higher by Rs 2,737 million (2015: Rs 3,129 million), profit after taxation would have been lower by Rs 1,769 million (2015: Rs 2,024 million), retained earnings would have been lower by Rs 1,769 million (2015: Rs 2,024 million), earning per share would have been lower by Rs 2.01 per share (2015: Rs 2.30 per share) and reserves would have been higher by Rs 2,737 million (2015: Rs 3,129 million).

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

- IAS 16 and 38 (Amendment), 'Property, plant and equipment' and 'Intangibles' on acceptable methods of depreciation and amortization. The application of these amendments have no material impact on the Company's financial statements. The amendments are effective for annual periods beginning on or after January 1, 2016.

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

Standards or Interpretations	Effective date (annual periods beginning on or after)
IAS 27 (Amendment), 'Separate financial statements' on application of equity method in separate financial statements	January 1, 2016
IAS 41 (Amendment), 'Agriculture' on bearer plants	January 1, 2016
IFRS 10, 12 and IAS 28 (Amendment), on exception to consolidation for investment entities	January 1, 2016
IFRS 10 and IAS 28 (Amendment), on sale or contribution of assets between an Investor and its associate or joint venture	January 1, 2016
IFRS 11 (Amendment), 'Joint arrangements' on acquisition of interest in joint operations	January 1, 2016
IFRS 14, 'Regulatory deferral accounts'	January 1, 2016
Annual improvements 2014; IFRS 5, 'Non-current assets held for sale and discontinued operations'. IFRS 7, 'Financial instruments: disclosures'. IAS 19, 'Employee benefits'. IAS 34, 'Interim financial reporting'	January 1, 2016
IAS 7 (Amendment), 'Statement of cash flows' disclosure initiative	January 1, 2017
IAS 12 (Amendments), 'Income taxes' on recognition of deferred tax assets for unrealized losses	January 1, 2017
IFRS 9, 'Financial instruments'	January 1, 2018
IFRS 15, 'Revenue from contracts'	January 1, 2018
IFRS 2 (Amendments), 'Shared-based payment' classification and measurement	January 1, 2018
IFRS 16, 'Leases'	January 1, 2019

3. Basis of measurement

These financial statements have been prepared under the historical cost convention except for recognition of certain employee retirement benefits at present value.



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

a) Staff retirement benefits

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

b) Provision for taxation

The Company takes into account the current income tax law and the decisions taken by appellate authorities. Instances where the Company's view differs from the view taken by the income tax department at the assessment and appellate stage and where the Company considers that its views on items of material nature are in accordance with law, the amounts are disclosed as contingent liabilities.

c) Useful life and residual values of property, plant and equipment

The Company reviews the useful lives of property, plant and equipment on regular basis. Any change in estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding effect on the depreciation charge and impairment.

4. Significant accounting policies

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Taxation

Current

Provision of current tax is based on the 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.

Previously, income of the Company derived from the power station up to June 27, 2006 was exempt from income tax under clause 138 of the Part I of the Second Schedule to the Income Tax Ordinance, 2001. The Company was also exempt from minimum tax under clause 13(A) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001 for the period it continued to be entitled to exemption under clause 138 of the Part I of the Second Schedule i.e. up to June 27, 2006. Thereafter, the income of the Company is taxable under the provisions of the Income Tax Ordinance, 2001.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

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 the taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses and tax credits can be utilised.

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 or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to equity in which case it is included in equity.

4.2 Staff retirement benefits

The main features of the schemes operated by the Company for its employees are as follows:

- (a) The Company operates an approved funded defined benefit pension scheme for all employees with a qualifying service period of ten years. Monthly contribution is made to the fund on the basis of actuarial recommendation. The latest actuarial valuation was carried out as at June 30, 2016. The actual return on plan assets during the year is Rs 274 million (2015: Rs 264 million). The actual return on plan assets represents the difference between the fair value of plan assets at beginning of the year and end of the year after adjustments for contributions made by the Company as reduced by benefits paid during the year.

The future contribution rate includes allowances for deficit and surplus. Projected unit credit method, using the following significant assumptions, is used for valuation of the scheme:

- Discount rate: 9.00 percent per annum (2015: 10.50 percent per annum).
- Expected rate of increase in salary level: 8.50 percent per annum (2015: 10.00 percent per annum).
- Expected rate of increase in pension: 5.50 percent per annum (2015: 5.50 percent per annum).

Plan assets include long-term Government bonds, term finance certificates of financial institutions and term deposits with banks. Return on Government bonds and debt is at fixed and floating rates.

The Company is expected to contribute Rs 62 million to the pension fund in the next year ending June 30, 2017.

- (b) The Company also operates an approved funded contributory provident fund for all employees. Equal monthly contributions are made by both the Company and the employees to the fund.
- (c) The Company provides medical facilities to its retired employees and eligible dependent family members along with free electricity. Provisions are made annually to cover the obligation on the basis of actuarial valuation and are charged to income. The latest actuarial valuation was carried out as at June 30, 2016.

Projected unit credit method, using the following significant assumptions, is used for valuation of these schemes:

- Discount rate: 9.00 percent per annum (2015: 10.50 percent per annum).
- Expected rate of increase in medical cost: 7.00 percent per annum (2015: 8.50 percent per annum).
- Expected rate of increase in electricity benefit: 9.00 percent per annum (2015: 10.50 percent per annum).

The Company's policy with regard to remeasurement gains/losses is to immediately recognise all remeasurement losses and gains in other comprehensive income under IAS 19, 'Employee benefits'.



Retirement benefits are payable to all regular employees on completion of prescribed qualifying period of service under these schemes.

4.3 Property, plant and equipment

Property, plant and equipment except freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss. Cost represents the acquisition price of assets transferred to the Company in accordance with the Transfer Agreement signed between WAPDA and the Company on June 26, 1996 based on a valuation by M/s Stone and Webster using depreciated replacement cost basis.

Depreciation on all property, plant and equipment is charged to profit and loss account on the straight line method so as to write off the depreciable amount of an asset over the economic useful life or the remaining term of PPA, whichever is lower using the annual rates mentioned in note 14 after taking their residual values into account.

The assets' residual values and estimated useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant. The Company's estimate of the residual value of its property, plant and equipment as at June 30, 2016 has not required any adjustment.

Depreciation on additions to property, plant and equipment is charged from the month in which an asset is acquired or capitalised while no depreciation is charged for the month in which the asset is disposed off.

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognised in income currently. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognised, the depreciation charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

Major plant modifications and improvements are capitalised. Overhauls, maintenance and repairs are charged to income as and when incurred. The gain or loss on disposal or retirement of an asset, represented by the difference between the sale proceeds and the carrying amount of the asset, is recognised as an income or expense.

Blades for Gas Turbines are considered a separate category of assets. All blades are depreciated at the annual rate as mentioned in note 14 regardless of whether they are in use or not. Refurbishment costs are accrued and charged to profit and loss account.

4.4 Intangible assets

Expenditure incurred to acquire computer software are capitalised as intangible assets and stated at cost less accumulated amortization and any identified impairment loss. Intangible assets are amortized using the straight line method so as to write off the depreciable amount of an asset over its estimated useful life at the annual rates mentioned in note 15.

Amortization on additions to intangible assets is charged from the month in which an asset is acquired or capitalised, while no amortization is charged for the month in which the asset is disposed off.

The Company assesses at each balance sheet date whether there is any indication that intangible asset may be impaired. If such indication exists, the carrying amount of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

is recognised in income currently. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an impairment loss is recognised, the amortization charge is adjusted in the future periods to allocate the asset's revised carrying amount over its estimated useful life.

4.5 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss.

4.6 Leases

The Company is the lessee:

Finance leases

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. At inception finance leases are capitalised at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets.

The related rental obligations, net of finance charges, are included in liabilities against assets subject to finance lease. The liabilities are classified as current and long term depending upon the timing of the payment.

Assets acquired under a finance lease are depreciated over the useful life of the asset on a straight line method so as to write off the depreciable amount of an asset over its estimated useful life at the annual rates mentioned in note 16. Depreciation of leased assets is charged to profit and loss account.

Depreciation on additions to leased assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed off.

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit on a straight line basis over the lease term.

4.7 Stores and spares

Usable stores and spares are valued principally at weighted average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

Refurbishable items are valued at the lower of cost and net realisable value. Cost of refurbishment is charged to the profit and loss account as it is incurred. The item is charged to the profit and loss account when, upon inspection, it cannot be refurbished. Certain items are identified by the management for provisioning purposes and specific provision is recognized based on management's best estimate.

4.8 Stock-in-trade

Stock-in-trade except for those in transit are valued at lower of cost based on First In First Out (FIFO) and net realisable value.

Materials in transit are stated at cost comprising invoice value plus other charges paid thereon.

Net realisable value signifies the estimated selling price in the ordinary course of business less costs



necessarily to be incurred in order to make a sale. Provision is made in the financial statements for obsolete and slow moving stock-in-trade based on management's best estimate.

4.9 Financial instruments

4.9.1 Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at the time of initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise advances, deposits and other receivables and cash and cash equivalents in the balance sheet.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date.

d) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has the intention and ability to hold till maturity are classified as held to maturity and are stated at amortized cost.

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

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



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Changes in the fair value of securities classified as 'available-for-sale' are recognised in equity. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit and loss account as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit and loss account. Dividends on available-for-sale equity instruments are recognised in the profit and loss account when the Company's right to receive payments is established.

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the Company determines the fair value of financial assets using valuation techniques based on assumptions that are dependent on market conditions existing at balance sheet date.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is removed from equity and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account.

4.9.2 Financial liabilities

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

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

4.10 Offsetting of financial assets and liabilities

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

4.11 Long term loans and deposits

Loans and deposits are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in non-current assets for having maturities greater than 12 months after the balance sheet date. Initially they are recognised at fair value and subsequently stated at amortized cost.

4.12 Trade debts

Trade debts are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

4.13 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash in hand, demand deposits, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value and finances under mark-up arrangements. In the balance sheet, finances under mark-up arrangements are included in current liabilities.



4.14 Borrowings

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

4.15 Trade and other payables

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

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

4.16 Derivative financial instruments

These are initially recorded at fair value on the date a derivative contract is entered into and are remeasured to fair value at subsequent reporting dates.

4.17 Foreign currencies

a) Functional and presentation currency

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

b) Transactions and balances

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

4.18 Borrowing costs

Mark-up, interest and other charges on borrowings are capitalised up to the date of commissioning of the related property, plant and equipment, acquired out of the proceeds of such borrowings. All other mark-up, interest and other charges are charged to income.

4.19 Revenue recognition

Revenue on account of energy is recognised on transmission of electricity to WAPDA, whereas on account of capacity is recognised when due.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

4.20 Dividend

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

5. Issued, subscribed and paid up capital

2016 (Number of shares)	2015		2016 (Rupees in thousand)	2015
253,000	253,000	Ordinary shares of Rs 10 each fully paid in cash	2,530	2,530
880,000,228	880,000,228	Ordinary shares of Rs 10 each issued as fully paid for consideration other than cash	8,800,002	8,800,002
<u>880,253,228</u>	<u>880,253,228</u>		<u>8,802,532</u>	<u>8,802,532</u>

Ordinary shares of the Company held by associated undertakings are as follows:

	2016 (Number of shares)	2015
Pakistan Water and Power Development Authority (WAPDA)	354,311,133	354,311,133
KAPCO Employees Empowerment Trust [Formed under Benazir Employees' Stock Option Scheme (BESOS)]	<u>48,252,429</u> <u>402,563,562</u>	<u>48,252,429</u> <u>402,563,562</u>

6. Capital reserve

This represents the value of fuel stock taken over by the Company at the time of take over of Kot Addu Gas Turbine Power Station from WAPDA. The value of stock was not included in the valuation of assets at the time of take over.

7. Long term finances

	2016 (Rupees in thousand)	2015
Loan from related parties - unsecured - note 7.1	926,402	1,466,609
Less: Current maturity	<u>540,207</u>	<u>540,207</u>
	<u>386,195</u>	<u>926,402</u>



7.1 Loan from related parties - unsecured

Lender	Currency	Amount of loan outstanding (Rs in thousand)	Rate of interest / mark-up per annum	Remaining number of installments	Interest / Mark-up payable
					<u>2016</u>
WAPDA	PKR	<u>926,402</u>	14%	4 equal semi annual installments ending June 2018	Semi annually
					<u>2015</u>
WAPDA	PKR	<u>1,466,609</u>	14%	6 equal semi annual installments ending June 2018	Semi annually

8. Liabilities against assets subject to finance lease

	2016	2015
	(Rupees in thousand)	
Present value of minimum lease payments	76,832	85,595
Less: Current portion shown under current liabilities	<u>28,850</u>	<u>27,034</u>
	<u>47,982</u>	<u>58,561</u>

Minimum lease payments have been discounted at an implicit interest rate ranging from 8.62 percent to 9.55 percent (2015: 9.48 percent to 12.68 percent) per annum to arrive at their present value. The lessee has the option to purchase the assets after expiry of the lease term.

Taxes, repairs, replacements and insurance costs are to be borne by the lessee.



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For the year ended June 30, 2016

The amount of future payments of the lease and the period in which these payments will become due are as follows:

	2016 (Rupees in thousand)		
	Minimum lease payment	Future finance charge	Present value of lease liability
Not later than one year	33,689	4,839	28,850
Later than one year and not later than five years	53,671	5,689	47,982
	<u>87,360</u>	<u>10,528</u>	<u>76,832</u>
	2015		
Not later than one year	34,376	7,342	27,034
Later than one year and not later than five years	65,522	6,961	58,561
	<u>99,898</u>	<u>14,303</u>	<u>85,595</u>

		2016 (Rupees in thousand)	2015
9. Deferred Liabilities			
Deferred taxation	- note 9.1	1,841,329	2,217,369
Staff retirement benefits	- note 9.2	666,807	857,828
		<u>2,508,136</u>	<u>3,075,197</u>
9.1 Deferred taxation			
The liability for deferred taxation comprises of timing differences relating to:			
Accelerated tax depreciation		2,049,100	2,382,677
Provision for store obsolescence		(37,505)	(34,371)
Provision for doubtful debts		(95,105)	(53,070)
Write back of unpaid liabilities		(51,743)	(51,436)
Liabilities against assets subject to finance lease		(23,418)	(26,431)
		<u>1,841,329</u>	<u>2,217,369</u>
9.2 Staff retirement benefits			
These are composed of:			
Pension	- note 9.2.1	(3,467)	154,029
Medical	- note 9.2.2	139,060	157,628
Free electricity	- note 9.2.2	495,210	508,307
Other long term employee benefits		36,004	37,864
		<u>666,807</u>	<u>857,828</u>



2016
(Rupees in thousand)

2015

9.2.1 Pension

The amounts recognised in the balance sheet are as follows:

Present value of defined benefit obligation	2,621,615	2,350,904
Fair value of plan assets	(2,625,082)	(2,196,875)
(Asset) / liability as at June 30	(3,467)	154,029
Liability as at July 1	154,029	288,402
Charge to profit and loss account	91,431	99,968
Contribution paid by the Company	(245,410)	(336,469)
Remeasurement (gains) / losses recognised in other comprehensive income	(3,517)	102,128
(Asset) / liability as at June 30	(3,467)	154,029

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

Present value of defined benefit obligation as at July 1	2,350,904	1,932,096
Current service cost	72,508	63,422
Interest cost for the year	245,916	259,765
Benefits paid during the year	(90,971)	(47,074)
Remeasurement losses on obligation	43,258	142,695
Present value of defined benefit obligation as at June 30	2,621,615	2,350,904

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

Fair value as at July 1	2,196,875	1,643,694
Expected return on plan assets	226,993	223,219
Contribution paid by the Company	245,410	336,469
Benefits paid during the year	(90,971)	(47,074)
Remeasurement gains on plan assets	46,775	40,567
Fair value as at June 30	2,625,082	2,196,875

Plan assets are comprised as follows:

	2016	2015
Mutual funds	41%	41%
Interest bearing instruments	46%	55%
Other	13%	4%
	100%	100%



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For the year ended June 30, 2016

The present value of defined benefit obligation, the fair value of plan assets and the surplus or deficit of pension fund is as follows:

	2016	2015	2014	2013	2012
	(Rupees in thousand)				
As at June 30					
Present value of defined benefit obligations	2,621,615	2,350,904	1,932,096	1,749,201	1,400,795
Fair value of plan assets	(2,625,082)	(2,196,875)	(1,643,694)	(1,481,381)	(1,192,195)
(Surplus) / deficit	(3,467)	154,029	288,402	267,820	208,600
Experience adjustment on obligation	43,258	142,695	(6,660)	198,474	(172,322)
Experience adjustment on plan assets	46,775	40,567	24,222	(520)	(3,352)

Year end sensitivity analysis on present value of defined benefit obligation:

	2016	2015
	(Rupees in thousand)	
Discount rate + 0.50%	2,475,546	2,226,810
Discount rate - 0.50%	2,782,792	2,485,971
Increase in salary level + 0.50%	2,649,960	2,379,553
Increase in salary level - 0.50%	2,594,097	2,322,181
Increase in pension + 0.50%	2,716,456	2,422,098
Increase in pension - 0.50%	2,534,511	2,284,262

9.2.2

Post retirement Medical	Post retirement Free electricity
2016 2015	2016 2015
(Rupees in thousand)	
(Rupees in thousand)	

The amounts recognised in the balance sheet are as follows:

Present value of defined benefit obligation as at June 30	139,060	157,628	495,210	508,307
Liability as at July 1	157,628	136,820	508,307	479,337
Charge to profit and loss account	21,410	22,983	68,844	80,974
Benefits paid during the year	(1,227)	(1,490)	(4,660)	(4,269)
Remeasurement gains recognised in other comprehensive income	(38,751)	(685)	(77,281)	(47,735)
Liability as at June 30	139,060	157,628	495,210	508,307

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

Present value of defined benefit obligation as at July 1	157,628	136,820	508,307	479,337
Current service cost	4,695	4,335	14,858	15,561
Interest cost for the year	16,715	18,648	53,986	65,413
Benefits paid during the year	(1,227)	(1,490)	(4,660)	(4,269)
Remeasurement gains on obligation	(38,751)	(685)	(77,281)	(47,735)
Present value of defined benefit obligation as at June 30	139,060	157,628	495,210	508,307



The present value of defined benefit obligation, the fair value of plan assets and the surplus or deficit of post retirement medical is as follows:

	2016	Post Retirement Medical			
		2015	2014	2013	2012
		(Rupees in thousand)			
As at June 30					
Present value of defined benefit obligations	139,060	157,628	136,820	104,953	90,731
Fair value of plan assets	-	-	-	-	-
Deficit	139,060	157,628	136,820	104,953	90,731
Experience adjustment on obligation (gain) / loss	(38,751)	(685)	18,241	618	(9,799)

The present value of defined benefit obligation, the fair value of plan assets and the surplus or deficit of post retirement free electricity is as follows:

	2016	Post Retirement Free Electricity			
		2015	2014	2013	2012
		(Rupees in thousand)			
As at June 30					
Present value of defined benefit obligations	495,210	508,307	479,337	363,794	296,546
Fair value of plan assets	-	-	-	-	-
Deficit	495,210	508,307	479,337	363,794	296,546
Experience adjustment on obligation (gain) / loss	(77,281)	(47,735)	65,972	18,997	(32,456)

Year end sensitivity analysis on present value of defined benefit obligation:

	Post retirement Medical		Post retirement Free electricity	
	2016	2015	2016	2015
	(Rupees in thousand)		(Rupees in thousand)	
Discount rate + 0.50%	126,797	143,297	449,526	460,665
Discount rate - 0.50%	153,016	173,393	547,467	562,857
Increase in medical cost / electricity benefit + 0.50%	142,276	161,270	506,023	520,374
Increase in medical cost / electricity benefit - 0.50%	135,975	153,632	484,843	496,758

2016
(Rupees in thousand)

2015

10. Current portion of long term liabilities

Long term finances	- note 7	540,207	540,207
Liabilities against assets subject to finance lease	- note 8	28,850	27,034
		569,057	567,241

11. Finances under mark-up arrangements - secured

Short term finances - secured			
- Under Conventional finances	- note 11.1	20,918,048	14,819,695
- Under Islamic finances	- note 11.1	20,428,097	18,052,223
		41,346,145	32,871,918



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- 11.1** Short term finances available from various commercial banks under mark-up arrangements amount to Rs 30,950 million (2015: Rs 26,950 million) and finances available under musharika and murabaha arrangements amount to Rs 25,450 million (2015: Rs 19,720 million). The rate of mark-up ranges from 6.57 percent to 9.49 percent (2015: 7.66 percent to 12.31 percent) per annum on the balances outstanding. In the event, the Company fails to pay the balances on the expiry of the quarter, year or earlier demand, mark-up is to be computed at the rate of 20 percent to 24 percent (2015: 20 percent to 24 percent) per annum on the balances unpaid.
- 11.2** Of the aggregate facility of Rs 3,400 million (2015: Rs 3,688 million) for opening letters of credit and Rs 4,569 million (2015: Rs 113 million) for guarantees, the amounts utilised as at June 30, 2016 were Rs 392 million (2015: Rs 490 million) and Rs 4,569 million (2015: Rs 113 million) respectively.
- 11.3** The aggregate running finances, short term finances and letters of credit and guarantees are secured by joint pari passu charge on stores, spares, stock-in-trade and trade debts up to a limit of Rs 82,800 million (2015: Rs 62,712 million), joint pari passu charge on property, plant and equipment up to a limit of Rs 68,045 million (2015: Rs 60,912 million) and ranking charge up to a limit of Rs 10,667 million (2015: Rs 2,667 million).

		2016 (Rupees in thousand)	2015
12. Trade and other payables			
Trade creditors	- note 12.1	700,079	11,037,932
Accrued liabilities		477,518	2,176,712
Liquidated damages		224,275	229,004
Markup accrued on:			
- Long term loan - unsecured		1,421	2,250
- Finances under mark-up arrangements - secured		288,190	310,806
- Liabilities against assets subject to finance lease		549	763
- Credit supplies of raw material		13,392,902	13,167,889
		13,683,062	13,481,708
Deposits - interest free repayable on demand		166	167
Workers' Welfare Fund		296,849	312,660
Workers' Profit Participation Fund	- note 22.4	-	44,384
Income tax payable		258,579	1,096,703
Differential payable to WAPDA	- note 12.2	228,345	-
Unclaimed dividends		506,174	625,054
Others		22,093	29,842
		<u>16,397,140</u>	<u>29,034,166</u>

- 12.1** Trade creditors include payable to Pakistan State Oil (PSO) amounting to Rs 671 million (2015: Rs 6,409 million) and Sui Northern Gas Pipelines Limited (SNGPL) amounting to Rs 82 million (2015: Rs 4,605 million) including disputed amounts of Nil (2015: Rs 3,026 million) on account of provisional price of Regasified Liquefied Natural Gas (RLNG) and Rs 8 million (2015: Rs 648 million) on account of Gas Infrastructure Development Cess (GIDC) .
- 12.2** This represents income tax differential payable to WAPDA in accordance with clause 6.7 and 6.15(a) of Part I of Schedule 6 of Power Purchase Agreement (PPA) on account of difference in income tax rate as provided for in the PPA and the current tax rate as applicable to the Company.



13. Contingencies and commitments

13.1 Contingencies

- (i) Income tax returns of the Company for Tax Years 2003 to 2007 were filed, wherein, only normal tax depreciation was claimed. However, the aforesaid returns were revised thereby depreciation and initial allowance earlier claimed in respect of assets in the original income tax returns for tax periods upto June 27, 2006 were not claimed being the date upto which Company was exempt from levy of income tax.

Tax depreciation in income tax return for Tax Year 2008 was also claimed with resultant written down value carried forward from tax year 2007, as computed in the revised return of income in accordance with position explained above. Aggregate exposure amounts to Rs 1,611 million. Such return and revised returns for Tax Years 2003 to 2008 were amended by Tax Authorities by restoring the earlier position and were also endorsed by Commissioner Inland Revenue (Appeals) [CIR(A)]. The Company preferred appeal before Income Tax Appellate Tribunal (ITAT) [now Appellate Tribunal Inland Revenue (ATIR)] against the decision of CIR(A) which was decided in Company's favor in April 2012. No appeal was filed by the Tax Department before High Court within the time stipulated under law.

Tax Department had filed miscellaneous application for rectification before ATIR which was decided against the Company. Being aggrieved, the Company filed reference with Lahore High Court (LHC) against this order. LHC granted interim relief to the Company and restrained Tax Department from passing any order on the basis of aforementioned ATIR order.

The management is of the view that there are meritorious grounds available to defend the foregoing demands. Consequently no provision for such demands has been made in these financial statements.

- (ii) Company's appeals with Appellate Tribunal Inland Revenue (ATIR) for Tax Years 2011, 2012 & 2013 against orders of Commissioner Inland Revenue Appeals [CIR(A)] are pending for hearing. Aggregate demand for these years amounts to Rs 116 million.

For Tax Year 2014, Additional DCIR issued demand notice amounting to Rs 98 million. Company filed an appeal before CIR(A) who decided some of the issues in favor of the Company whereas others were upheld. Being aggrieved, both the Company and Tax Department have filed appeal with ATIR in respect of issues decided against them. The Additional Commissioner Inland Revenue (ACIR) further amended the assessment order by disallowing certain repair and maintenance expenses by treating them as a capital expenditure and issued a combined appeal effect order of Rs 284 million. Company filed an appeal with CIR(A) against the appeal effect order. The CIR(A) reduced the demand to Rs 116 million. Being aggrieved, the Company has filed appeal with ATIR which is pending for fixation.

The management is of the view that there are meritorious grounds available to defend the foregoing demands. Consequently no provision for such demands has been made in these financial statements.

- (iii) On the strength of an unfavorable decision by ATIR in the case of other Independent Power Producers, the Tax Department issued a sales tax order against the Company for the financial period from June 2008 to June 2013 and created a demand of Rs 10,102 million by apportioning input sales tax between



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

Capacity invoices and Energy invoices and allowed input sales tax allocated to Energy invoices only. The refund claims of the Company during the period falling between the aforementioned period were also rejected by the Tax Authorities. Against the foregoing order, the Company filed an appeal before CIR(A) which was decided against the Company. However, CIR(A) instructed the Tax Department to rectify the demand by deleting the sales tax liability in respect of tax periods beyond 5 years, resulting in reduction of demand to the tune of Rs 1,481 million. Being aggrieved, the Company filed an appeal before ATIR against the CIR(A) order which was also decided against the Company. The Company has filed petition with Lahore High Court (LHC) against ATIR decision. Further, in response to the writ petition filed by the Company, LHC has stayed the recovery of tax demand till adjudication of the case.

During the year, Tax Department conducted sales tax audit for the financial period July 2013 to June 2014 and created demand which included Rs 2,933 million pertaining to aforementioned issue of apportionment of input tax. The Company filed an appeal before CIR(A) who remanded back the demand of Rs 2,933 million till adjudication of petition from LHC on inadmissibility of input tax on Capacity invoices.

The management is of the view that there are meritorious grounds available to defend the foregoing demands. Consequently no provision for such demands has been made in these financial statements.

- (iv) Before introduction of amendments in Finance Act 2006, the Company had not established Workers' Profit Participation Fund under the Companies Profit (Workers' Participation) Act, 1968 (the Act) based on the opinion of the legal advisor that it did not employ any person who fell under the definition of Worker as defined in the Act.

Further, the question whether a company to which the Act and its scheme applies but which does not employ any worker is nevertheless obliged to establish and pay contributions into the Fund under the Act and thereafter transfer the same to the Fund established under the WWF Ordinance, 1971 is subjudice before the Sindh High Court as the Supreme Court of Pakistan accepted the petition of another company and remanded the case to the Sindh High Court for fresh decision in accordance with its order.

Certain amendments were introduced in Finance Act 2006, to relax the conditions of payment of interest and penalty for companies defaulting in creating Fund under the Act. If it is established that Workers' Profit Participation Fund (WPPF) is applicable to the Company and Company makes the principal payment on or before the date which is yet to be decided by the Federal Government, no such penalty may be imposed and the Company may not be liable to pay interest.

In case this liability materializes, the cumulative amount of contributions to WPPF would be Rs 3,463 million (2015: Rs 3,463 million). However, it is not certain at the moment that any penalties will be levied on non-payment of WPPF as the relaxation provided under the Finance Act 2006 is still applicable. If it is established that the scheme is applicable to the Company and the Company is liable to pay contribution to the Workers' Welfare Fund, then these amounts would be recoverable from WAPDA as a pass through item under the provisions of Power Purchase Agreement.



In view of the foregoing, the Company did not make any provision for Workers' Profit Participation Fund and interest thereon in the financial statements up to June 30, 2006.

However, subsequent to the amendments in Finance Act 2006, the Company has established the KAPCO Workers' Participation Fund in March 2008 to allocate the amount of annual profits stipulated by the Act for distribution amongst workers eligible to receive such benefits under the Act.

- (v) WAPDA has raised invoices for liquidated damages to the Company for the years ended June 30, 2009 through 2015 (after taking into account forced outage allowance stipulated under the terms of Power Purchase Agreement) on account of short supply of electricity by the Company, which was due to cash flow constraints of the Company as a result of default by WAPDA in making timely payments. Liquidated damages invoiced to the Company amount to Rs 27,872 million (2015: Rs 22,939 million). Estimated amount of liquidated damages (including un-invoiced liquidated damages till June 30, 2016) are not expected to exceed Rs 27,681 million as at June 30, 2016 (2015: Rs 25,958 million) based on the best estimate of the management of the Company.

The Company disputes and rejects any claim on account of liquidated damages that may be raised by WAPDA on the premise that its failure to dispatch electricity was due to WAPDA's non-payment of dues on timely basis to the Company and consequential inability of the Company to make timely payments to its fuel supplier (PSO) that resulted in inadequate level of electricity production owing to shortage of fuel. In this regard, the Company has initiated the dispute resolution procedures specified in the Power Purchase Agreement.

According to legal advice available with the Company, there are adequate grounds to defend any claim by WAPDA for such liquidated damages since these conditions were imposed on the Company due to circumstances beyond its control. The ultimate outcome of the matter cannot presently be determined, and consequently no provision for such liquidated damages has been made in these financial statements.

- (vi) The Company has provided bank guarantees in favor of following;
- Sui Northern Gas Pipelines Limited on account of payment of dues against gas sales etc., amounting to Rs 4,504 million (2015: Rs 47 million);
 - Punjab Power Development Board on account of Coal Project as explained in note 22.5, amounting to Rs 65 million (2015: Rs 65 million); and
 - Collector of Customs on account of temporary import of rental tools, amounting to Nil (2015: Rs 1 million).

13.2 Commitments

- (i) Contracts for capital expenditure are Rs 428 million (2015: Rs 82 million).
- (ii) Letters of credit other than for capital expenditure are Rs 392 million (2015: Rs 490 million).



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

14. Property, plant and equipment

	Freehold Land	Buildings on freehold land	Plant and machinery	Gas turbine blading	Auxiliary plant and machinery	Office equipment	Fixtures and fittings	Vehicles	Total
(Rupees in thousand)									
Net carrying value basis									
Year ended June 30, 2016									
Opening net book value (NBV)	100,773	202,065	9,755,181	3,859,315	63,202	45,723	220	12,093	14,038,572
Additions (at cost)	-	22,036	750,986	-	18,489	18,960	-	1,716	812,187
Transfers from leased assets at NBV	-	-	-	-	-	-	-	9,534	9,534
Disposals (at NBV)	-	-	-	(23)	-	(2)	-	(5,629)	(5,654)
Depreciation charge	-	(35,350)	(1,446,899)	(702,999)	(21,490)	(14,982)	(75)	(825)	(2,222,620)
Closing net book value (NBV)	100,773	188,751	9,059,268	3,156,293	60,201	49,699	145	16,889	12,632,019
Gross carrying value basis									
As at June 30, 2016									
Cost	100,773	740,905	35,490,380	8,908,014	366,724	158,172	17,831	80,965	45,863,764
Accumulated depreciation	-	(552,154)	(26,431,112)	(5,751,721)	(306,523)	(108,473)	(17,686)	(64,076)	(33,231,745)
Net book value (NBV)	100,773	188,751	9,059,268	3,156,293	60,201	49,699	145	16,889	12,632,019
Depreciation rate % per annum	-	4 - 19.67	4 - 16.90	10 - 15.79	20	20	20	25	
Net carrying value basis									
Year ended June 30, 2015									
Opening net book value (NBV)	100,773	230,694	10,896,362	4,404,001	77,728	36,223	153	9,531	15,755,465
Additions (at cost)	-	4,588	170,909	179,089	12,893	21,910	185	2,641	392,215
Transfers from leased assets at NBV	-	-	-	-	-	-	-	2,043	2,043
Disposals (at NBV)	-	-	-	(3,714)	-	(248)	-	(2,053)	(6,015)
Depreciation charge	-	(33,217)	(1,312,090)	(720,061)	(27,419)	(12,162)	(118)	(69)	(2,105,136)
Closing net book value (NBV)	100,773	202,065	9,755,181	3,859,315	63,202	45,723	220	12,093	14,038,572
Gross carrying value basis									
As at June 30, 2015									
Cost	100,773	718,869	34,739,394	8,910,718	348,235	139,293	17,831	59,726	45,034,839
Accumulated depreciation	-	(516,804)	(24,984,213)	(5,051,403)	(285,033)	(93,570)	(17,611)	(47,633)	(30,996,267)
Net book value (NBV)	100,773	202,065	9,755,181	3,859,315	63,202	45,723	220	12,093	14,038,572
Depreciation rate % per annum	-	4 - 16.22	4 - 16.44	10 - 15.79	20	20	20	25	

The cost of fully depreciated assets which are still in use as at June 30, 2016 is Rs 3,082 million (2015: Rs 2,789 million).

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

		2016 (Rupees in thousand)	2015
Cost of sales	- note 25	2,186,370	2,071,732
Administration expenses	- note 26	36,250	33,404
		<u>2,222,620</u>	<u>2,105,136</u>



14.2 Disposal of Property, plant and equipment of book value exceeding Rs 50,000

2016

Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal
(Rupees in thousand)						
Vehicles	Executives					
Toyota Corolla XLi	Mr. Amjad Hayee	1,342	(1,075)	267	267	Company Policy
Toyota Corolla XLi	Mr. Mushtaq Ahmed	1,735	(896)	839	839	Company Policy
Honda City MT	Mr. Mehmood Rahim	1,545	(721)	824	824	Company Policy
Nissan Sunny	Mr. Aamir Chishti	1,546	(1,237)	309	309	Company Policy
Toyota Corolla XLi	Mr. Muhammad Bilal	1,730	(1,211)	519	954	Company Policy
Toyota Corolla Altis	Mr. Muhammad Asif	2,062	(1,477)	585	997	Company Policy
	Outsiders					
Toyota Hilux Vigo	TPL Direct Insurance	3,609	(1,323)	2,286	3,000	Insurance claim

2015

Particulars of assets	Sold to	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal
(Rupees in thousand)						
Vehicles	Executives					
Honda Civic	Mr. Jamil Ahmad Shah	1,736	(1,389)	347	347	Company Policy
Honda Civic	Mr. Muhammad Khan	1,696	(1,357)	339	339	Company Policy
Toyota Corolla - XLi	Mr. Aurangzeb Alamgir	1,295	(1,036)	259	259	Company Policy
Toyota Corolla - GLi	Mr. Nazir Ahmad Ch.	1,414	(1,131)	283	283	Company Policy
Toyota Corolla - XLi	Mr. Muhammad Jamil	1,295	(1,036)	259	259	Company Policy
Toyota Corolla - GLi	Mr. Azhar Baig	1,414	(1,131)	283	283	Company Policy
Toyota Corolla - GLi	Mr. Muhammad Amin	1,413	(1,130)	283	283	Company Policy
Office equipment	Executives					
Iphone 5s	Mr. Azfar Saeed Baig	92	(9)	83	83	Negotiaion
	Outsiders					
Iphone 5s	IGI Insurance Limited	80	(16)	64	50	Insurance Claim

2016 2015
(Rupees in thousand)

15. Intangible assets - computer software

Net carrying value basis

Year ended June 30

Opening net book value (NBV)	13,193	14,648
Additions (at cost)	1,191	3,248
Amortization charge	(4,857)	(4,703)
Closing net book value	9,527	13,193

Gross carrying value basis

Cost	53,855	52,664
Accumulated amortization	(44,328)	(39,471)
Net book value	9,527	13,193

Amortization rate % per annum	20	20
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

15.1 Amortization charge for the year has been allocated to cost of sales.

2016 2015
(Rupees in thousand)

16. Assets subject to finance lease

Net carrying value basis

Year ended June 30

Opening net book value (NBV)	79,146	90,934
Additions (at cost)	10,897	18,892
Disposals (at NBV)	(9,533)	(2,225)
Depreciation charge	(27,370)	(28,455)
Closing net book value	<u>53,140</u>	<u>79,146</u>

Gross carrying value basis

Cost	138,313	160,507
Accumulated depreciation	(85,173)	(81,361)
Net book value	<u>53,140</u>	<u>79,146</u>

Depreciation rate % per annum	<u>25</u>	<u>25</u>
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16.1 Depreciation charge for the year has been allocated to administrative expenses.

2016 2015
(Rupees in thousand)

17. Capital work-in-progress

Civil works	6,596	5,950
Plant and machinery	1,604	717,727
Others	21,026	2,544
	<u>29,226</u>	<u>726,221</u>

18. Long term loans and deposits

Loans to employees - considered good	- note 18.1	29,662	31,569
Security deposits		14,367	14,834
		44,029	46,403
Less: Receivable within one year		12,170	10,018
		<u>31,859</u>	<u>36,385</u>

18.1 Loans to employees - considered good

Loans to employees - unsecured	- note 18.1.1	<u>29,662</u>	<u>31,569</u>
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18.1.1 These represent unsecured loans to non-executive employees for the purchase of plot, car, construction of house etc. and are repayable in monthly installments over a maximum period of 120 months. These loans carry interest of 9 percent per annum (2015: 9 percent per annum). Included in loans to employees are loans amounting to Rs 0.442 million (2015: Rs 1 million) given to employees who were victims of flood. These are interest free and repayable up to 10 years.



		2016 (Rupees in thousand)	2015
19. Stores and spares			
Stores and spares including in transit Rs 93 million (2015: Rs 389 million)	- note 19.1	4,486,223	4,596,078
Less: Provision for store obsolescence	- note 19.2	125,018	114,570
		<u>4,361,205</u>	<u>4,481,508</u>

Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

- 19.1** Included in stores are items valuing Rs 5 million (2015: Rs 26 million) which are being held by the following suppliers:

	2016 (Rupees in thousand)	2015
Siemens, Germany	4,640	3,113
Gulf Turbine Services LLC, UAE	-	23,275
	<u>4,640</u>	<u>26,388</u>

These stores and spares comprise of bearings and shrouds sent to suppliers for inspection / refurbishment purposes.

	2016 (Rupees in thousand)	2015
19.2 Provision for store obsolescence		
Opening balance as at July 1	114,570	174,700
Add: Provision / (reversal of provision) for the year	15,409	(37,911)
	<u>129,979</u>	<u>136,789</u>
Less: Stores written off against provision	4,961	22,219
Closing balance as at June 30	<u>125,018</u>	<u>114,570</u>

20. Stock-in-trade

Furnace oil	- note 20.1	2,692,820	2,979,423
Diesel		442,007	559,600
		<u>3,134,827</u>	<u>3,539,023</u>

- 20.1** Stock-in-trade include Nil (2015: Rs 2 million) being carried at net realisable value.

21. Trade debts

Trade debts	- note 21.1	69,599,531	71,245,994
Less: Provision for doubtful debts	- note 21.2	222,741	176,901
		<u>69,376,790</u>	<u>71,069,093</u>

- 21.1** These are considered good except Rs 223 million (2015: Rs 177 million) which are considered doubtful. Trade debts include an overdue amount of Rs 58,646 million (2015: Rs 59,243 million) receivable from WAPDA, which is a related party of the Company. The trade debts are secured by a guarantee from the Government of Pakistan under the Facilitation Agreement. These are in the normal course of business and are interest free, however, a penal mark-up of SBP discount rate plus 4 percent per annum is charged in case the amounts are not paid within due dates. Aging analysis of trade receivables is given in note 39.1(b).



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

	2016 (Rupees in thousand)	2015
21.2 Provision for doubtful debts		
Opening balance as at July 1	176,901	146,773
Add: Provision for the year	45,840	33,842
	<u>222,741</u>	<u>180,615</u>
Less: Trade debts written off against provision	-	3,714
Closing balance as at June 30	<u>222,741</u>	<u>176,901</u>

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

Loans to employees - considered good		8,271	7,907
Advances to suppliers - considered good	- note 22.1	50,208	37,965
Sales tax claims recoverable from Government	- note 22.2	774,921	377,024
Prepayments		27,661	4,321
Claims recoverable from WAPDA as pass through items:			
Workers' Welfare Fund		296,848	312,660
Workers' Profit Participation Fund		684,164	739,384
	- note 22.3	<u>981,012</u>	<u>1,052,044</u>
Security deposits		6,171	3,585
Refundable from Workers' Profit Participation Fund	- note 22.4	836	-
Advance for coal expansion project	- note 22.5	111,967	6,999
Insurance claim receivable - net of provision	- note 22.6	-	99,594
Other receivables		22,453	14,202
		<u>1,983,500</u>	<u>1,603,641</u>

22.1 Advances to suppliers include amounts due from WAPDA amounting to Rs 21 million (2015: Rs 21 million). These are in the normal course of business and are interest free.

22.2 Sales tax recoverable includes an amount of Rs 17 million (2015: Rs 17 million), which represents refund for input tax on purchase of diesel for start-up. This refund was withheld by Deputy Collector (Refunds) and has also been adjudicated against the Company by Collector of Customs, Federal Excise & Sales Tax. The Company has filed Miscellaneous Application before the Customs, Excise and Sales Tax Appellate Tribunal.

Sales tax recoverable also includes an amount of Rs 415 million (2015: Rs 415 million) which represents refund held for input tax on EPP and CPP apportionment issue in 2009 and 2011 as explained in note 13.1(iii) to these financial statements.

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

	2016 (Rupees in thousand)	2015
22.4 Workers' Profit Participation Fund		
Opening payable / (refundable) as at July 1	44,384	(11,500)
Add: Provision for the year	684,164	739,384
	<u>728,548</u>	<u>727,884</u>
Less: Payments made during the year	729,384	683,500
Closing (refundable) / payable as at June 30	<u>(836)</u>	<u>44,384</u>



22.5 The Company initiated coal expansion project during year ended June 30, 2014. For this purpose, a special purpose vehicle was incorporated under the name of KAPCO Energy (Private) Limited (KEPL) on April 30, 2014. Share Capital of KEPL has not been paid up as at June 30, 2016. The balance represents regulatory fees, professional charges, guarantee commission, feasibility study costs, consultant charges and other related expenses incurred by the Company on behalf of KEPL. Final decision for expansion project is dependent upon the outcome of feasibility study and approvals from shareholders as well as regulatory authorities.

	2016	2015
	(Rupees in thousand)	
22.6 Provision for insurance claim		
Opening balance as at July 1	-	-
Add: Provision for the year	94,274	-
Less: Debts written off against provision	-	-
Closing balance as at June 30	<u>94,274</u>	<u>-</u>

23. Cash and bank balances

At banks on:			
- Current accounts	- note 23.1	219,340	187,950
- Savings accounts	- note 23.1	378,100	487,237
		<u>597,440</u>	<u>675,187</u>
In hand		210	125
		<u>597,650</u>	<u>675,312</u>

23.1 Included in these are total restricted funds of Rs 35 million (2015: Nil) held by banks under lien as margin against letters of credit. The balances in saving accounts bear mark up ranging from 4.5 percent to 6 percent (2015: 4.5 percent to 7 percent) per annum.

	2016	2015
	(Rupees in thousand)	
24. Sales		
Energy purchase price	55,868,258	98,049,900
Sales tax	<u>(9,340,707)</u>	<u>(14,265,771)</u>
Net energy purchase price	46,527,551	83,784,129
Capacity purchase price	<u>17,650,838</u>	<u>17,696,441</u>
	<u>64,178,389</u>	<u>101,480,570</u>

25. Cost of sales

Fuel cost		44,821,350	81,833,907
Salaries, wages and benefits	- note 25.1	1,456,392	1,433,244
Plant maintenance	- note 25.3	263,143	308,578
Gas turbines overhauls	- note 25.3	666,627	358,683
Repair and renewals	- note 25.3	1,356,313	361,636
Depreciation on property, plant and equipment	- note 14.1	2,186,370	2,071,732
Amortization on intangible assets	- note 15.1	4,857	4,703
Provision / (reversal of provision) for store obsolescence	- note 19.2	<u>15,409</u>	<u>(37,911)</u>
		<u>50,770,461</u>	<u>86,334,572</u>



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

	2016 (Rupees in thousand)	2015
25.1 Salaries, wages and benefits		
Salaries, wages and benefits include following in respect of retirement benefits;		
Pension		
Current service cost	72,508	63,422
Net interest cost for the year	18,923	36,546
	<u>91,431</u>	<u>99,968</u>
Medical		
Current service cost	4,695	4,335
Net interest cost for the year	16,715	18,648
	<u>21,410</u>	<u>22,983</u>
Free electricity		
Current service cost	14,858	15,561
Net interest cost for the year	53,986	65,413
	<u>68,844</u>	<u>80,974</u>

In addition to above, salaries, wages and benefits also include Rs 36 million (2015: Rs 38 million) in respect of provident fund contribution by the Company.

	2016 (Rupees in thousand)	2015
25.2 Disclosures relating to provident fund		
Size of the fund	917,089	795,075
Cost of investments made	599,019	590,890
Percentage of investments made	65.32%	74.32%
Fair value of investments	687,951	626,405
Breakup of investments		
Government securities	372,438	348,846
Term finance certificates	40,905	70,036
Listed securities	274,608	205,941
	2016	2015
	% age of size of the fund	
Breakup of investments		
Government securities	40.61%	43.88%
Term finance certificates	4.46%	8.81%
Listed securities	29.94%	25.90%

The figures for 2016 are based on the un-audited financial statements of the Provident Fund. Investments out of Provident Fund have been made in accordance with the provisions of section 227 of the Companies' Ordinance, 1984 and the rules formulated for this purpose.

25.3 Cost of sales include Rs 1,027 million (2015: Rs 659 million) for stores and spares consumed.



26. Administrative expenses	2016 (Rupees in thousand)	2015
Travelling	13,329	12,658
Motor vehicles running	37,322	43,198
Postage, telephone and telex	13,530	12,084
Legal and professional charges	35,788	44,288
Computer charges	19,269	14,830
Auditors' remuneration - note 26.1	4,617	3,652
Printing, stationery and periodicals	12,973	12,123
Repairs and maintenance infrastructure	50,576	53,670
Training expenses	18,497	5,492
Rent, rates and taxes	24,524	12,349
Depreciation on property, plant and equipment - note 14.1	36,250	33,404
Depreciation on assets subject to finance lease - note 16.1	27,370	28,455
Infrastructure cost	43,291	37,519
Education fee	30,024	32,495
Bad debts written off	6,414	9,266
Provision for loans and advances	94,274	-
Provision for doubtful debts - note 21.2	45,840	33,842
Other expenses	14,715	28,393
	<u>528,603</u>	<u>417,718</u>

26.1 Auditors' remuneration

The charges for auditors' remuneration include the following in respect of auditors' services for:

Statutory audit	2,590	2,242
Half yearly review	849	735
Workers' Profit Participation Fund audit, Employees Provident and Pension Fund audit, special reports and certificates	864	454
Out of pocket expenses	314	221
	<u>4,617</u>	<u>3,652</u>

27. Other operating expenses

Write down of property, plant and equipment	25	3,734
Donations - note 27.1	-	10,000
	<u>25</u>	<u>13,734</u>

27.1 None of the directors and their spouses had any interest in any of the donees during the prior year.

28. Other income	2016 (Rupees in thousand)	2015
Income from financial assets		
Income on bank deposits - note 23.1	22,816	23,870
Interest on loans to employees	2,856	3,065
Interest on late payment - WAPDA	3,942,032	6,169,794
Exchange gain	-	14,642
	<u>3,967,704</u>	<u>6,211,371</u>
Income from non-financial assets		
Profit on disposal of property, plant and equipment	1,561	684
Colony electricity	5,309	4,889
Provisions and unclaimed balances written back	19,039	21,434
Others - note 28.1	47,100	82,839
	<u>73,009</u>	<u>109,846</u>
	<u>4,040,713</u>	<u>6,321,217</u>

28.1 Others include income from rent, scrap sales, housing facilities and miscellaneous items.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

2016
(Rupees in thousand)

2015

29. Finance cost

Interest and mark up including commitment charges on		
- long term loan from WAPDA - unsecured	185,589	261,218
- long term finances - secured	-	5,280
- finances under mark-up arrangements - secured	2,569,185	3,704,701
- credit supplies of raw material	419,719	2,259,925
- liabilities against assets subject to finance lease	6,040	9,578
Exchange loss	14,549	-
Bank and other charges	41,651	7,381
	<u>3,236,733</u>	<u>6,248,083</u>

30. Taxation

Current tax		
- Current year	4,988,044	5,447,287
- Prior year	225	21,781
	<u>4,988,269</u>	<u>5,469,068</u>
Deferred tax	(376,040)	(480,097)
	<u>4,612,229</u>	<u>4,988,971</u>

30.1 Tax charge reconciliation

2016
%age

2015
%age

Numerical reconciliation between the applicable tax rate and the average effective tax rate

Applicable tax rate	32.00	33.00
One time super tax - note 30.2	3.00	3.00
Effect of change in tax rate	0.13	(1.23)
Effect of tax credit	(1.51)	(1.22)
Effect of prior period tax	-	0.15
Others	0.09	0.04
Average effective tax rate	<u>33.71</u>	<u>33.74</u>

30.2 It represents tax expense pertaining to super tax, which has been levied at the rate of 3% for the tax year 2016 on all the companies having taxable income of Rs 500 million or above through amendments introduced in the Income Tax Ordinance, 2001 vide Finance Act, 2016.

30.3 Section 5A of Income Tax Ordinance, 2001 imposed income tax at the rate of 10% on undistributed reserves where such reserves of the Company are in excess of its paid up capital and the Company does not distribute minimum prescribed threshold out of current year profits. The Company has distributed the requisite amount of dividend during the year and accordingly no provision has been recognized in these financial statements.



31. Remuneration of Directors, Chief Executive and Executives

31.1 The aggregate amount charged in the financial statements for the year for remuneration including certain benefits to the chief executive and executives of the Company is as follows:

	Chief Executive		Executives	
	2016 (Rupees in thousand)	2015	2016 (Rupees in thousand)	2015
Managerial remuneration including bonus and other allowances	57,815	53,681	496,306	443,118
Contribution to provident & pension funds and other retirement benefit plans	3,898	3,544	68,542	62,498
Leave passage	3,000	3,000	20,009	17,531
	<u>64,713</u>	<u>60,225</u>	<u>584,857</u>	<u>523,147</u>
Number of Persons	1	1	121	114

In addition to above, the Company also provides the Chief Executive and some of the Executives with Company transport, telephones and medical facilities.

31.2 Remuneration to other directors

Aggregate amount charged in the financial statements for the year for fee to 6 directors (2015: 6 directors) is Rs 4 million (2015: Rs 3 million).

32. Transactions with related parties

The related parties comprise associated undertakings, key management personnel and post retirement benefit plans. The Company in the normal course of business carries out transactions with various related parties. Amounts due to/from related parties are shown under payables and receivables and remuneration of the key management personnel is disclosed in note 31. Other significant transactions with related parties are as follows:

Relationship with the Company	Nature of transaction	2016 (Rupees in thousand)	2015
i. Associated undertakings	Sale of goods and electricity	64,178,389	101,480,570
	Interest expense	185,589	261,218
	Interest income on late payment	3,942,032	6,169,794
	Bad debts written off	6,414	9,266
	Provision for doubtful debts	45,840	33,842
	Dividend paid	3,623,072	3,119,867
	Purchase of services	1,402	2,241
ii. Post retirement benefit plans	Expense charged	218,073	241,647

Sale and purchase transactions with related parties are carried out on mutually agreed terms.

33. Non-adjusting events after the balance sheet date

The Board of Directors of the Company have proposed a final dividend for the year ended June 30, 2016 of Rs 4.75 (2015: Rs 4.75) per share amounting to Rs 4,181 million (2015: Rs 4,181 million) at their meeting held on September 1, 2016 for approval of members at the Annual General Meeting to be held on October 20, 2016. These financial statements do not reflect this dividend payable.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

	2016 MWh	2015 MWh	
34. Capacity and production			
Annual dependable capacity based on 8,784 hours (2015: 8,760 hours)	11,788,128	11,756,064	
Actual energy delivered	6,582,630	6,933,805	
Capacity for the power plant taking into account all the planned scheduled outages is 10,583,936 MWh (2015: 11,159,830 MWh). Actual energy delivered by the plant is dependent on the load demanded by WAPDA and the plant availability.			
35. Rates of exchange			
Liabilities in foreign currencies as on June 30, 2016 have been translated into Rupees at USD 0.9551 (2015: USD 0.9833), EURO 0.8598 (2015: EURO 0.8788), GBP 0.7123 (2015: GBP 0.6254) and YEN 98.1740 (2015: YEN 121.7582) equal to Rs 100.			
36. Cash generated from operations	2016 (Rupees in thousand)	2015	
Profit before tax	13,683,280	14,787,680	
Adjustments for:			
- Depreciation on property, plant and equipment	2,222,620	2,105,136	
- Amortization on intangible assets	4,857	4,703	
- Depreciation on assets subject to finance lease	27,370	28,455	
- Profit on disposal of property, plant and equipment	(1,561)	(684)	
- Write down of property, plant and equipment	25	3,734	
- Income on bank deposits	(22,816)	(23,870)	
- Bad debts written off	6,414	9,266	
- Provision for doubtful advances	94,274	-	
- Provision / (reversal of provision) for store obsolescence	15,409	(37,911)	
- Provision for doubtful debts	45,840	33,842	
- Staff retirement benefits accrued	181,685	204,585	
- Finance cost	3,236,733	6,248,083	
Profit before working capital changes	19,494,130	23,363,019	
Effect on cash flow due to working capital changes:			
- Decrease / (increase) in stores and spares	104,894	(530,760)	
- Decrease in stock-in-trade	404,196	588,998	
- Decrease / (increase) in trade debts	1,640,049	(5,024,566)	
- (Increase) / decrease in loans, advances, deposits, prepayments and other receivables	(162,664)	295,210	
- (Decrease) / increase in trade and other payables	(11,883,236)	5,795,127	
	(9,896,761)	1,124,009	
	9,597,369	24,487,028	
37. Cash and cash equivalents			
Cash and bank balances	- note 23	597,650	675,312
Finances under mark-up arrangements - secured	- note 11	(41,346,145)	(32,871,918)
		(40,748,495)	(32,196,606)



		2016	2015
		(Rupees in thousand)	
38. Earnings per share			
38.1 Basic earnings per share			
Profit for the year	Rupees in thousand	9,071,051	9,798,709
Weighted average number of ordinary shares	Number	880,253,228	880,253,228
Earnings per share	Rupees	10.31	11.13

38.2 Diluted earnings per share

Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2016 and June 30, 2015 which would have any effect on the basic earnings per share.

39. Financial risk management

39.1 Financial risk factors

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

Risk management is carried out by the management in accordance with the Financial Risk Management Policy approved by the Board of Directors. This policy covers specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of this policy.

(a) Market risk

(i) Currency risk

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

The Company is exposed to currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), Great Britain Pound (GBP) and Euro. Currently, the Company's foreign exchange risk exposure is restricted to the amounts receivable/payable from/to the foreign entities. The Company's exposure to currency risk is as follows:



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

	2016	2015
Trade and other payables - USD	(359,745)	(736,471)
Advances to suppliers - USD	-	-
Net exposure - USD	(359,745)	(736,471)
Trade and other payables - GBP	(55,500)	(216,433)
Advances to suppliers - GBP	-	-
Net exposure - GBP	(55,500)	(216,433)
Trade and other payables - Euro	(1,356,420)	(439,965)
Advances to suppliers - Euro	-	-
Net exposure - Euro	(1,356,420)	(439,965)
The following exchange rates were applied during the year:		
Rupees per USD		
Average rate	104.24	101.28
Reporting date rate	104.70	101.70
Rupees per GBP		
Average rate	153.99	159.44
Reporting date rate	140.39	159.91
Rupees per Euro		
Average rate	115.72	124.78
Reporting date rate	116.31	113.79

If the functional currency, at reporting date, had fluctuated by 5% against the USD, GBP and Euro with all other variables held constant, the impact on profit after taxation for the year would have been Rs 7 million (2015: Rs 5 million) respectively lower/higher, mainly as a result of exchange gains/losses on translation of foreign exchange denominated financial instruments. Currency risk sensitivity to foreign exchange movements has been calculated on a symmetric basis.

(ii) Other price risk

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

(iii) Interest rate risk

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

The Company has no significant long-term interest-bearing assets. The Company's interest rate risk arises from short term financing. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk.



At the balance sheet date, the interest rate profile of the Company's interest bearing financial instruments is:

	2016 (Rupees in thousand)	2015
Financial assets		
Fixed rate instruments		
Staff Loans	29,662	31,569
Floating rate instruments		
Bank balances - savings accounts	378,100	487,237
Financial liabilities		
Fixed rate instruments		
Long term loan - WAPDA	926,402	1,466,609
Floating rate instruments		
Liabilities against assets subject to finance lease	76,832	85,595
Finances under mark-up arrangements - secured	41,346,145	32,871,918
	41,422,977	32,957,513

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates on late payments, liabilities against assets subject to finance lease and finances under mark-up arrangement, at the year end date, fluctuate by 1% higher/lower with all other variables held constant, profit after taxation for the year would have been Rs 17 million (2015: Rs 54 million) higher/lower, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company's credit risk is primarily attributable to its trade debts and its balances at banks. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2016 (Rupees in thousand)	2015
Long term loans and deposits	31,859	36,385
Trade debts	69,376,790	71,069,093
Loans, advances, deposits, prepayments and other receivables		
- Loans to employees - considered good	10,059	7,907
- Workers' Welfare Fund receivable from WAPDA	296,848	312,660
- Workers' Profit Participation Fund receivable from WAPDA	684,164	739,384
- Insurance claim receivable	-	99,594
- Security deposits	6,171	3,585
- Refundable from Workers' Profit Participation Fund	836	-
- Other receivables	3,467	5,189
Balances with banks	597,440	675,187
	71,007,634	72,948,984



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings. The Company believes that it is not exposed to major concentration of credit risk and the risk attributable to trade debts, Workers' Welfare Fund and Workers' Profit Participation Fund receivable from WAPDA is mitigated by guarantee from the Government of Pakistan under the Facilitation Agreement. Age analysis of trade receivable balances is as follows:

	2016 (Rupees in thousand)	2015
Not yet due	10,730,915	11,826,313
Due past 90 days	14,185,764	28,033,950
Due past 90 to 180 days	16,089,739	15,105,998
Due past 181 to 365 days	7,767,190	3,734,541
Due past 365 days	20,603,182	12,368,291
	<u>69,376,790</u>	<u>71,069,093</u>

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

	Rating Short term	Rating Long term	Rating Agency	2016 (Rupees in thousand)	2015
National Bank of Pakistan	A-1+	AAA	JCR-VIS	962	11,016
Habib Bank Limited	A-1+	AAA	JCR-VIS	571,631	664,000
MCB Bank Limited	A1+	AAA	PACRA	24,625	-
Faysal Bank Limited	A-1+	AA	JCR-VIS	86	148
Standard Chartered Bank	A1+	AAA	PACRA	1	1
NIB Bank Limited	A1+	AA-	PACRA	8	8
Bank of Punjab	A1+	AA-	PACRA	98	-
Burj Bank Limited	A-2	BBB+	JCR-VIS	15	-
Deutsche Bank AG	A-2	BBB+	S&P Global	13	13
Citibank N.A.	A-1	A	S&P Global	1	1
				<u>597,440</u>	<u>675,187</u>

Due to the Company's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counter parties on their obligations to the Company. Accordingly, the credit risk is minimal.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. At June 30, 2016, the Company had borrowing limits available from financial institutions at Rs 56,400 million (2015: Rs 46,670 million) and Rs 597 million (2015: Rs 675 million) in cash and bank balances. The Company follows an effective cash management and planning policy to ensure availability of funds and to take appropriate measures for new requirements.



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

	<u>Carrying amount</u>	<u>Less than one year</u> (Rupees in thousand)	<u>One to five years</u>	<u>More than five years</u>
Long term loan - unsecured	926,402	540,207	386,195	-
Liabilities against assets subject to finance lease	76,832	28,850	47,982	-
Finances under mark-up arrangements - secured	41,346,145	41,346,145	-	-
Trade and other payables	15,841,712	15,841,712	-	-
	<u>58,191,091</u>	<u>57,756,914</u>	<u>434,177</u>	<u>-</u>

The following are the contractual maturities of financial liabilities as at June 30, 2015:

	<u>Carrying amount</u>	<u>Less than one year</u> (Rupees in thousand)	<u>One to five years</u>	<u>More than five years</u>
Long term loan - unsecured	1,466,609	540,207	926,402	-
Liabilities against assets subject to finance lease	85,595	27,034	58,561	-
Finances under mark-up arrangements - secured	32,871,918	32,871,918	-	-
Trade and other payables	27,580,419	27,580,419	-	-
	<u>62,004,541</u>	<u>61,019,578</u>	<u>984,963</u>	<u>-</u>

39.2 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date

Specific valuation techniques used to value financial instruments include:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

As of reporting date, there were no Level 1, 2 or 3 assets or liabilities during prior or current year.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended June 30, 2016

39.3 Financial instruments by categories

Financial assets as per balance sheet

	Loans and receivables	
	2016	2015
	(Rupees in thousand)	
Long term loans and deposits	31,859	36,385
Trade debts	69,376,790	71,069,093
Loans, advances, deposits, prepayments and other receivables		
- Loans to employees - considered good	10,059	7,907
- Workers' Welfare Fund receivable from WAPDA	296,848	312,660
- Workers' Profit Participation Fund receivable from WAPDA	684,164	739,384
- Insurance claim receivable	-	99,594
- Security deposits	6,171	3,585
- Refundable from Workers' Profit Participation Fund	836	-
- Other receivables	3,467	5,189
Cash and bank balances	597,650	675,312
	<u>71,007,844</u>	<u>72,949,109</u>

Financial liabilities at amortized cost

	2016	2015
	(Rupees in thousand)	
Long term loan - unsecured	926,402	1,466,609
Liabilities against assets subject to finance lease	76,832	85,595
Finances under mark-up arrangements - secured	41,346,145	32,871,918
Trade and other payables	15,841,712	27,580,419
	<u>58,191,091</u>	<u>62,004,541</u>

39.4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders through repurchase of shares, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio.

This ratio is calculated as debt divided by total capital. Debt is calculated as total borrowings including current and non-current borrowings, as disclosed in note 7. Total capital is calculated as 'equity' shown in the balance sheet plus debt. The gearing ratio as at year ended June 30, 2016 and June 30, 2015 are as follows:

		2016	2015
		(Rupees in thousand)	
Debt	- note 7	926,402	1,466,609
Total equity		30,955,088	29,728,609
Total capital		<u>31,881,490</u>	<u>31,195,218</u>
Gearing ratio	Percentage	3	5



40. **Number of employees**

Total number of employees at year end and average number of employees during the year are 604 (2015: 604) and 602 (2015: 589) respectively.

41. **Corresponding figures**

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. However, no significant reclassifications have been made.

42. **Date of authorisation for issue**

These financial statements were authorised for issue on September 1, 2016 by the Board of Directors of the Company.

Aftab Mahmood Butt
(Chief Executive)

Anwar ul Haq
(Director)



Proxy Form

I/We _____ of _____ being a Member of Kot Addu Power Company Limited (the "Company") holding _____ shares hereby appoint _____ of _____ who is also a Member of the Company, as my/our proxy to vote for me/us, and on my/our behalf at the 20th Annual General Meeting of the Company to be held on October 20, 2016 and at any adjournment thereof.

Signed this _____ day of _____ 2016.

Folio No.	CDC Account No.
	Participant I.D. Account No.

Witnesses:

1. Signature _____

Name _____

CNIC _____

Address _____

Revenue Stamp
Rs 5/-

2. Signature _____

Name _____

CNIC _____

Address _____

The Signature should agree with the
Specimen signature registered with
the Company.

Note

1. This Proxy, duly completed, signed and witnessed, must be deposited at the offices of the Company's Registrar, THK Associates (Private) Limited, 2nd Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi, 75530 not later than forty-eight (48) hours before the time appointed for the Meeting.
2. No person shall act as proxy who is not a Member of the Company (except that a corporation may appoint a person who is not a Member).
3. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a Member with Company's Registrar, all such instruments or proxies shall be regarded invalid.
4. The Proxy shall produce his/her original CNIC or original passport at the time of Meeting.
5. Incase of individual CDC Account holders, attested copy of CNIC or passport (as the case may be of the beneficial owner will have to be provided with this Proxy).
6. Incase of a corporate entity, the Board of Directors Resolution/Power of Attorney with specimen signature of the nominee shall be submitted alongwith the Proxy (unless it has been provided earlier).



AFFIX
CORRECT
POSTAGE

THK Associates (Private) Limited
Registrar for
Kot Addu Power Company Limited
2nd Floor, State Life Building No. 3
Dr. Ziauddin Ahmed Road
Karachi 75530, Pakistan

میں / ہم: _____ ولدیت: _____ کوٹ
ادو پاور کمپنی لمیٹڈ (فون نمبر / سی ڈی سی / اکاؤنٹ نمبر / شیئرز کا شمار) بذریعہ ہذا تقرر کرتا ہوں۔
ولدیت: _____ فون نمبر / سی ڈی سی اکاؤنٹ نمبر: _____ یا اس کی
ناکامی میں _____ ولدیت: _____
فون نمبر / سی ڈی سی اکاؤنٹ نمبر: _____
جو کہ میری / ہماری غیر موجودگی میں میرے / ہمارے پراکسی (نمائندے) کے طور پر کمپنی کی 20 ویں سالانہ جنرل میٹنگ
کی 20 اکتوبر 2016 بروز جمعرات دن 9:30 بجے بمقام سرینا ہوٹل لاہور والی میٹنگ میں شرکت کرے گا اور میری / ہماری
جگہ ووٹ استعمال کرے گا۔

ریونیو
مہر

میں بطور گواہ اس _____ دن _____ 2016
دستخط منظور کنندہ: _____

دستخط کمپنی کے پاس موجود نمونہ
کے دستخط کے مطابق ہونا چاہئے

گواہان:

1- دستخط _____	2- دستخط _____
نام _____	نام _____
پتہ _____	پتہ _____
شناختی کارڈ / پاسپورٹ نمبر _____	شناختی کارڈ / پاسپورٹ نمبر _____

خصوصی ہدایات:

- یہ پراکسی فارم باقاعدہ طور پر مکمل کر کے، دستخط اور مہر کے بعد میٹنگ کے انعقاد سے کم از کم 48 گھنٹے پہلے کمپنی کے
شیئر رجسٹر کے دفترٹی ایچ کے ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، دوسری منزل، اسٹیٹ لائف بلڈنگ نمبر 3، ڈاکٹر
ضیاء الدین احمد روڈ، کراچی پہنچ جانے چاہئیں۔
- اگر ایک ممبر ایک سے زائد پراکسی (نامزدگی) یا پراکسی (نامزدگی) کے آلات مقرر کر کے کمپنی کے پاس جمع کرواتا ہے
تو ایسے تمام پراکسی (نامزدگی) کے آلات کو غیر قانونی تصور کیا جائے گا۔
- سی ڈی سی / شیئر ہولڈرز اپنی پراکسی (نمائندہ) مقرر کرنے کا مجاز ہے۔ اس پراکسی (نمائندہ) کو میٹنگ میں شرکت
کے وقت اپنی اصلی کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی کاپی لازمی دکھانا ہوگی۔



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Registrar for
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