

ANNUAL REPORT 2014



SAIF POWER LIMITED
A Saif Group Company



A FORMIDABLE PASHTUN LADY
TRIBUTE TO ONE OF PAKISTAN'S FIRST FEMALE PIONEERS
Begum Kulsum Saifullah Khan
(1923-2015)



Kulsum Saifullah Khan was a businesswoman, a social activist, and a political heavy weight all at one time. Married at 17 and widowed at 40, she took up the political and business work of her late Barrister-Politician husband, Saifullah Khan. After her husband's death, she stepped forward and, despite no formal training in business, took over the Saif Group and developed it into one of Pakistan's most successful corporations which covered so many sectors of the economy. Politically, she was the first female federal minister in Pakistan and operated in a thoroughly male dominated environment.

She was also active socially and was one of the founding members of (a) All Pakistan Women Association (APWA) (b) Sarahad Handicapped Children's Association (c) Pakistan Association of Women Entrepreneurs. She handled other social welfare assignments as well.

It was unique and challenging for a Pashtun woman in Pakistan in 1960s to be so engaged in politics and business but Kulsum Saifullah persevered and, inspired countless others with her grit and determination.

In 2008, then- president Pervez Musharraf conferred on her one of Pakistan's highest civilian award – Hilal e Imtiaz for her contribution to business, politics and social welfare.

May she rest in peace



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Salim Saifullah Khan	Chairman
Mr. Anwar Saifullah Khan	Director
Mr. Javed Saifullah Khan	Director
Mr. Omar Saifullah Khan	CEO/Director
Ms. Hoor Yousafzai	Director
Mr. Osman Saifullah Khan	Director
Mr. Jehangir Saifullah Khan	Director

AUDIT COMMITTEE

Mr. Anwar Saifullah Khan	Chairman
Mr. Salim Saifullah Khan	Member
Ms. Hoor Yousafzai	Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Salim Saifullah Khan	Chairman
Mr. Anwar Saifullah Khan	Member
Ms. Hoor Yousafzai	Member

CHIEF OPERATING OFFICER AND CHIEF FINANCIAL OFFICER

Mr. Sohail H Hydari

COMPANY SECRETARY

Mr. Sabir Khan

AUDITORS

M/s KPMG Taseer Hadi & Co
Chartered Accountants
State Life Building No 6
Jinnah Avenue
Islamabad

LEGAL ADVISORS

M/s Cornelius, Lane & Mufti
Advocates & Solicitors

M/s Slahuddin, Saif & Aslam
Attorneys at Law

REGISTERED / HEAD OFFICE

4th Floor Kulsum Plaza
Jinnah Avenue, Blue Area
Islamabad Pakistan
Tel: +92-51-2342155-60
Fax: +92-51-2342177
Email: info.spl@saifgroup.com

WEBSITE

<http://www.saifgroup.com/power.php>

SHARE REGISTRAR

THK Associates (Pvt.) Ltd.
2nd Floor, State Life Building No.3
Dr. Ziauddin Ahmed Road
Karachi, Pakistan
Tel: +92-21-111-000-322
Fax: +91-21-35655595
Email: secretariat@thk.com.pk

BANKERS

Allied Bank Limited
Askari Bank Limited
Bank Albaraka (Pakistan) Limited
Bank Islami Pakistan Limited
Dubai Islamic Bank Pakistan Ltd
Faysal Bank Limited
Habib Bank Limited
JS Bank Limited
National Bank Limited
Pak Brunei Investment Company
Pak Oman Investment Company Limited
Saudi Pak Industrial and Agricultural
Investment Company Limited
Summit Bank Limited
The Bank of Punjab
United Bank Limited

PLANT LOCATION

Chak 56/5L, Qadarabad
Multan Road, District Sahiwal
Punjab, Pakistan.



VISION STATEMENT

Let us light homes whatever it takes
And let us be an efficient, flexible but also a humble resource
within the power generation industry

ETHICS
INTEGRITY
PRINCIPLES

MISSION STATEMENT

Be looked up as an honest and reliable supplier
Strive to perform at our best under a professional, effective,
transparent and cordial corporate culture
Add value to stake holders' interests

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting of the Shareholders of **Saif Power Limited** ("the Company") will be held on April 29, 2015, Wednesday at 11:00 A.M. at Best Western Hotel, 6th Islamabad Club Road, Near Rawal Dam Chowk, Islamabad to transact the following business:

ORDINARY BUSINESS

1. To Confirm the minutes of EOGM held on October 31, 2014.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2014 together with the Directors' and Auditors' reports thereon.
3. To approve the interim dividends of Rs.2 per share i.e. 20% and Rs.1.5 per share i.e. 15% as final dividend making total 3.50 per share i.e. 35% already paid.
4. To appoint statutory Auditors for the year ending December 31, 2015 and fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought appropriate to pass the following resolution with or without modification:

RESOLVED THAT clause 64 of the articles of association of the Company shall be substituted with "Each elected Director other than the Chairman, Chief Executive and any full time working directors shall receive a sum as determined by the Board and the same shall be reviewed periodically from time to time to match the Prevailing economic conditions. The remuneration of directors for performing extra services including the holding of the office of chairman and BOD Committees shall be determined by the Board" under the section 191 of the companies Ordinance, 1984.

6. To transact any other business with the permission of Chair.

BY ORDER OF THE BOARD

Islamabad
April 08, 2015

SABIR KHAN
Company Secretary

STATEMENT UNDER SECTION 160(1)(B) OF THE COMPANIES ORDINANCE, 1984.

Agenda No.5: the amendment is being made to fairly compensate the directors for attending meetings of the Board or the Committees of the directors.

The board recommended the aforementioned resolution for your approval.

Directors of the company have no interest whether directly or indirectly, in the above special business, except to the matter pointed out in agenda item No. 5.

Notes:

- i. Share Transfer Books of the Company will remain closed from April 23, 2015 to April 29, 2015 (Both days Inclusive).
- ii. A member entitled to attend and vote at the meeting may appoint another member as his / her proxy to attend and vote on his / her behalf. The instrument appointing the proxy duly completed must be received at the Company's Registered Office not later than 48 hours before the time of holding of the meeting.
- iii. CDC individual Account holders or Sub-account holders are required to bring with them their original Computerized National Identity Card (CNIC) / original passport along with participant's ID number and their account number in order to facilitate identification.

iv. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen signatures of nominees shall be produced (unless provided earlier) at the time of meeting.

v. Members are requested to immediately notify the change in address, if any.

vi. Transmission of Annual Financial Statements Through Email:

Pursuant to Securities and Exchange Commission of Pakistan (SECP) SRO 787 (I)/2014 dated September 8, 2014, the Company can circulate annual Balance Sheet and Profit and Loss Account, Auditors' report and Directors' report etc. (Audited Financial Statements) along with notice of Annual General Meeting to its members through email. Those shareholders who wish to receive the Annual Report through email are requested to provide a duly completed annexed consent form to Company's Share Registrar, M/s THK Associates (Pvt.) Ltd. 2nd Floor, State Life Building No.3, Dr. Ziauddin Ahmed Road, Karachi. Form is also available at Company's website <http://www.saifgroup.com/power.php>

Note:

Please note that receipt of Annual Report through email is not compulsory but optional.

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DIRECTORS' REPORT TO THE MEMBERS

Dear Shareholders

The Directors of Saif Power Limited (SPL) are pleased to present the 11th Annual Report of the Company along with the audited financial statements and Auditors' Report thereon for the year ended December 31, 2014.

PRINCIPAL ACTIVITY

SPL owns, operates and maintains a dual fired combined cycle thermal power plant with a gross capacity of 225 MWs based in Qadarabad near Sahiwal, Punjab.

SUMMARY OF FINANCIAL PERFORMANCE

Your Company has achieved its best results during this Financial Year. Turnover for the period was Rs.18.52 billion with an after tax book profit of Rs.1.98 billion which translates into earnings per share of Rs.5.14.

suggest that payments will eventually be recovered as the grounds used by the Power Purchaser for withholding the money are not sustainable. Both of these matters are under Expert Mediation as per the Dispute Resolution process under the PPA. The Company also filed request for arbitration in London Court of International Arbitration during the year.

The Directors draw your attention to last para of the Auditors' Report relating to Notes 16.2 & 16.3 to the Financial Statements.

KEY OPERATIONAL AND FINANCIAL DATA

	Dec 31, 2014 (Rs. in Million)	Dec 31, 2013 (Rs. in Million)	Dec 31, 2012 (Rs. in Million)	Dec 31, 2011 (Rs. in Million)	Dec 31, 2010 (Rs. in Million) (8 months)
Turnover	18,519	11,891	17,027	12,040	5,681
Gross Profit	3,745	3,145	3,786	3,376	2,160
Net Profit	1,988	1,223	1,454	779	462
Property, Plant and Equipment	15,353	15,966	16,212	16,720	17,196
Net worth	6,969	6,334	6,464	5,010	4,063
Long term financing	9,529	10,550	11,311	11,895	12,502
Short term borrowings	1,508	3,256	4,075	3,966	1,761
Earnings per share	5.14	3.17	3.76	2.07	1.32
Dispatch Level	41.99%	37.96%	37.96%	49.21%	74.35%
Capacity Made Available-GWHs	1,746	1,512	1,633	1,603	1,023

Pending Issues

Included in trade debts are amounts of:

- Rs 477.56 million withheld by the Power Purchaser from the Capacity Purchase Price (CPP) Invoices during year ended December 31, 2012; and
- Rs. 239.68 million relating to Capacity Purchase Price withheld by NTDC during the year ended December 31, 2011.

Legal advices received by SPL in both cases strongly favor the Company and the opinions

LISTING ON KARACHI STOCK EXCHANGE

Near the end of financial year, SPL decided to list itself in the market and performed brilliantly. During the Book Building, the shares were oversubscribed by more than 3 times at the ceiling price of Rs.30 as fixed by SECP. Subsequently, the IPO was also oversubscribed and the share price of the company has already touched Rs.40. SPL also showed a huge gesture in withholding a part of its earlier declared dividends and allowing new successful public shareholders to receive such dividends immediately after the acquisition of the shares.

CIRCULAR DEBT AND LIQUIDITY

Circular debt plagues the industry. SPL also continues to face substantial delays from Power Purchaser against settlement of Company's invoices. However, your company successfully mitigated any risk of cash crunch through increased working capital lines from the Lenders who obliged the company by showing complete confidence in Company's management and in the handling of its financial and operational affairs.

DIVIDENDS

Unless any existing or potential issue is seen to disturb SPL's cash flows, your company will continue to practice its principle policy of distributing cash surplus as dividends.

OPERATIONAL AND TERRORISM RISK PROFILE

Your company has covered all of its operational and terrorism risks through a reinsurance program with some of the world's best and leading reinsurers and such program is comprehensive and exhaustive and covers all pertinent details. In any case, the Shareholders should be happy with the fact that SPL plant has the most reliable machinery through General Electric Gas Turbines and Siemens Steam Turbine. The combined cycle plant is not only the most efficient plants in Pakistan but is also among the most efficient plant in the world in its category of 225 MWs gross.

FUTURE PROSPECTS

- (a) LNG will be made available to SPL. This will ensure continuous dispatch to the Power Plant translating into more economical costs for the end consumer as well as reduced prorata load shedding.
- (b) As the current project is running smoothly under the supervision of professional management and is yielding dividends, Directors and Management of the Company are conducting internal discussions to explore further investments in extension of this project based on LNG

fuel. However, at the same time, Directors and Management are also reviewing industry problems related to (a) Circular debt (b) unreasonable conduct by Power Purchaser in withholding legitimate due amounts (c) public misperceptions on IPPs. The Management is also reviewing the new agreements and tariff structures being proposed by GOP and NEPRA. The final decision on any new investment or not will be taken after a thorough evaluation of the above.

COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE 2012:

In compliance with the requirement of Code of Corporate Governance (CCG) 2012, the board has approved a Performance Evaluation Procedure. The Board will carry out Performance evaluation annually whereby Company Secretary will summarize and present the results for discussion and review by the Board.

Corporate and Financial Reporting Framework:

The Company's Management is fully cognizant of its responsibility as recognized by the formulated Companies Ordinance, 1984 provisions and CCG as incorporated in the Listing Regulations of Karachi Stock Exchange. The following comments are acknowledgement of Company's commitment to high standards of Corporate Governance and continuous improvement:

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

- International Financial Reporting Standards (IFRS), as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- There are no doubts upon Company's ability to continue as a going concern;
- All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies. The directors were apprised of their duties and responsibilities through orientation courses; and
- There has been no trading of shares by CEO, Directors, CFO, Company Secretary and their spouses.

During the current financial year, four Board of Directors' Meetings were held, attendance position was as under:

Name of Directors	Meetings attended
Mr. Salim Saifullah Khan (Chairman)	04
Mr. Anwar Saifullah Khan	04
Mr. Javed Saifullah Khan	04
Mr. Omar Saifullah Khan (CEO)	03
Ms. Hoor Yousafzai	04
Mr. Osman Saifullah Khan	04
Mr. Jehangir Saifullah Khan	04

Leave of absence was granted to Director(s) who could not attend any meeting.

PATTERN OF SHAREHOLDING:

The statement of pattern of shareholding as on December 31, 2014 under section 236 (2) (d) of the Companies Ordinance, 1984 and additional information as required by the Code of Corporate Governance is annexed.

APPROPRIATIONS:

The total dividend to be approved by the shareholders at the Annual General Meeting on April 29, 2015 will be Rs 3.5 per share i.e. 35% amounting to Rs 1,352.651 million for the year ended December 31, 2014.

AUDITORS:

The present auditors M/s KPMG Taseer Hadi & Co, Chartered Accountants retire and are eligible for re-appointment for the year 2015. The Audit Committee of the Board has recommended the reappointment of the retiring auditors.

ACKNOWLEDGEMENT:

The Directors of your company would like to express their appreciation to all stakeholders for their trust and continued support to the Company. The Board also recognizes the contribution made by a very dedicated staff of Saif Power's corporate family who served the Company with enthusiasm and, we are confident that the same spirit of devotion shall remain intact in the days ahead.

For and on behalf of the board

Islamabad
April 03, 2015

SALIM SAIFULLAH KHAN
Chairman



COMPLIANCE

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE (CCG)

This statement is being presented to comply with the Code of Corporate Governance (the Code) contained in listing regulations of Karachi Stock Exchange Limited (KSE) for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance. We would like to highlight that as the Company was listed on KSE on 15 December 2014, therefore the few compliances of the Code couldn't be complied within this limited period of 15 days available with the Company from the date of listing to the 31 December 2014 ("the period").

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

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

Category	Names
Executive Director	Mr. Omar Saifullah Khan
Non- Executive Directors	Mr. Salim Saifullah Khan
	Mr. Anwar Saifullah Khan
	Mr. Javed Saifullah Khan
	Ms. Hoor Yousafzai
	Mr. Osman Saifullah Khan
	Mr. Jehangir Saifullah Khan

Independent Director*	*Election of directors was held on 31 October 2014 i.e. prior to listing. Hence independent director will be appointed in next election of directors.
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2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
3. All directors are registered taxpayers and none of them has defaulted in payment of any loan to a banking company, to a DFI or an NBFIs or to a member of a stock exchange and, none of them has been declared as a defaulter by any stock exchange.
4. No casual vacancy occurred on the board during the period.
5. The company was in process of preparation of "Code of Conduct" at the period end. Subsequent to the period end on 03 April 2015 "Code of Conduct" is approved by the Board of Directors.
6. The board was in process of developing a vision/mission statement and overall corporate strategy at the period end. Subsequent to the period end on 03 April 2015 vision/mission statement and overall corporate strategy was approved by the Board of Directors. Further, the Board is

- in process of developing all significant policies of the Company.
7. All the powers of the board have been duly exercised and decisions on material transactions, if any, have been taken by the board/shareholders.
 8. The meeting of the board was presided over by the Director, in absence of the Chairman. Written notice of the board meeting along with agenda and working papers was circulated at least seven days before the meeting. The minute of the meeting were appropriately recorded and circulated.
 9. Five of the directors are exempt from the requirements of directors' training program. The remaining directors shall obtain certifications under directors' training program upto 2016.
 10. There was no new appointment of Chief Financial officer and Company Secretary. Appointment of Head of Internal Audit, has been approved by the Board.
 11. The directors' report for this period has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
 12. The financial statements of the company were duly endorsed by one director in place of CEO and CFO before approval of the board.
 13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
 14. The company has complied with all the corporate and financial reporting requirements of the CCG except wherever mentioned otherwise.
 15. The board has formed an Audit Committee. It comprises 3 members, who are non-executive directors and chairman of the committee is a non-executive director.
 16. Subsequent to the period end on 02 April 2015 the Audit Committee meeting was held prior to approval of final results of the Company and the terms of reference of the committee have been formed and advised to the committee for compliance on 16 February 2015.
 17. The Board has formed Human Resource and Remuneration Committee. It comprises of 3 members, who are non-executive directors.
 18. The board has set up an internal audit function.
 19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants ('ICAP'), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants ('IFAC') guidelines on code of ethics as adopted by the ICAP.
 20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
 21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
 22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
 23. We confirm that all other material principles enshrined in the CCG have been complied with except for whatever mentioned otherwise with reasons.

Islamabad
April 03, 2015

SALIM SAIFULLAH KHAN
Chairman

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

We have reviewed the Directors' Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Saif Power Limited ("the Company") to comply with the requirements of Listing Regulation No. 35 of Karachi Stock Exchange Limited, where the Company is listed.

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

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

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 31 December 2014.

Further, we highlight instances of non-compliance with the requirements of the Code as mentioned in paragraphs 5, 6, 9, 12 & 16 to the Statement of Compliance.

KPMG Taseer Hadi & Co.
Chartered Accountants
Engagement Partner:
Riaz Pesnani

Islamabad
03 April 2015

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Saif Power Limited (the Company) as at 31 December 2014 and the related profit and loss account, statement of comprehensive income, statement of changes in equity and cash flow statement 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, statement of changes in equity and cash flow statement 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 31 December 2014 and of the profit, 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.

We draw attention to notes 16.2 and 16.3 to the financial statements, which describes the matters regarding recoverability of certain trade debts. Our opinion is not qualified in respect of these matters.

Islamabad:
April 03, 2015

KPMG Taseer Hadi & Co.
Chartered Accountants
Engagement Partner:
Riaz Pesnani



FINANCIAL STATEMENTS 2014

BALANCE SHEET AS AT 31 DECEMBER 2014

	Note	2014 Rupees	2013 Rupees
SHARE CAPITAL AND RESERVES			
Share capital	4	3,864,717,790	3,864,717,790
Unappropriated profit		3,104,298,218	2,469,683,830
		6,969,016,008	6,334,401,620
NON-CURRENT LIABILITIES			
Long term financing - secured	5	7,823,222,915	9,249,148,209
Sub-ordinated loan - unsecured	6	186,817,067	320,235,164
Liabilities against assets subject to finance lease - secured	7	3,264,359	975,313
Deferred liability - gratuity	8	24,192,509	18,269,009
		8,037,496,850	9,588,627,695
CURRENT LIABILITIES			
Trade and other payables	9	1,637,815,456	867,473,742
Markup accrued	10	519,723,387	520,462,977
Short term borrowings - secured	11	1,508,332,599	3,256,004,851
Current portion of non current liabilities	12	2,214,983,990	1,707,981,591
		5,880,855,432	6,351,923,161
		20,887,368,290	22,274,952,476
CONTINGENCIES AND COMMITMENTS			
	13		

The annexed notes 1 to 37 form an integral part of these financial statements.

Statement under section 241(2) of the Companies Ordinance, 1984

At the time of the meeting of the Board of Directors, the Chief Executive was not in Pakistan. As such these financial statements, as approved by the Board of Directors, have been signed by two Directors.

DIRECTOR

	Note	2014 Rupees	2013 Rupees
NON-CURRENT ASSETS			
Property, plant and equipment	14	15,353,286,600	15,965,603,485
Intangible assets	15	213,252	1,128,252
Long term deposits		511,800	254,620
		15,354,011,652	15,966,986,357
CURRENT ASSETS			
Stock in trade - HSD		228,163,546	241,584,687
Trade debts, secured-considered good	16	4,417,254,552	4,413,018,027
Advances - considered good	17	5,165,045	8,075,677
Trade deposits and short term prepayments	18	59,603,763	57,520,703
Other receivables	19	281,995,598	888,343,922
Advance income tax		7,366,171	6,654,139
Other financial assets	20	319,968,992	-
Bank balances	21	213,838,971	692,768,964
		5,533,356,638	6,307,966,119
		20,887,368,290	22,274,952,476

DIRECTOR

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 Rupees	2013 Rupees
Turnover - net	22	18,519,602,442	11,890,693,462
Cost of sales	23	(14,773,909,829)	(8,746,103,980)
Gross profit		3,745,692,613	3,144,589,482
Administrative expenses	24	(89,945,228)	(72,393,343)
Finance cost	25	(1,726,593,116)	(1,834,909,928)
Other operating expenses		-	(65,617,469)
Other income	26	58,826,383	53,117,320
Profit for the year		1,987,980,652	1,224,786,062
Earnings per share- basic and diluted	27	5.14	3.17

The annexed notes 1 to 37 form an integral part of these financial statements.

Statement under section 241(2) of the Companies Ordinance, 1984

At the time of the meeting of the Board of Directors, the Chief Executive was not in Pakistan. As such these financial statements, as approved by the Board of Directors, have been signed by two Directors.

DIRECTOR

DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2014

	<u>2014</u> <u>Rupees</u>	<u>2013</u> <u>Rupees</u>
Profit for the year	1,987,980,652	1,224,786,062
Other comprehensive income for the year		
<i>Items that will never be reclassified to profit and loss account</i>		
Remeasurements of defined benefit liability	(715,037)	(2,138,862)
Total comprehensive income for the year	1,987,265,615	1,222,647,200

The annexed notes 1 to 37 form an integral part of these financial statements.

DIRECTOR

DIRECTOR

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 Rupees	2013 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit for the year		1,987,980,652	1,224,786,062
Adjustments for non cash items:			
Depreciation	14.1	587,586,250	575,609,109
Amortization	15	915,000	915,000
Other operating expenses		-	65,617,469
Gain on sale of property, plant and equipment	26	(156,231)	-
Write back of liabilities		-	(8,347,976)
Provision for staff retirement benefits - gratuity	8	5,931,506	5,395,379
Finance cost	25	1,726,593,116	1,776,827,971
Profit on deposit accounts	26	(1,350,004)	(1,464,740)
Return on investments	26	(27,306,674)	(42,905,961)
Operating profit before working capital changes		4,280,193,615	3,596,432,313
(Increase) / decrease in current assets			
Advances		2,910,632	11,827,115
Trade deposits and prepayments		(1,939,399)	(3,951,106)
Other receivable		606,348,324	(767,678,361)
Stock in trade		13,421,141	(80,909,321)
Trade debts		(4,236,525)	2,873,101,282
		616,504,173	2,032,389,609
Increase / (decrease) in trade and other payables		148,423,784	(166,598,632)
Net cash generated from operations		5,045,121,572	5,462,223,290
Income taxes paid		(712,032)	(495,834)
Finance cost paid		(1,727,332,706)	(1,832,701,874)
Staff retirement benefits paid		(723,043)	(1,043,250)
Net cash generated from operating activities		3,316,353,791	3,627,982,332
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(1,924,050)	(831,375,876)
(Decrease) / increase in long term deposits		(257,180)	196,100
Proceeds from disposal of property, plant and equipment		354,264	491,904,731
Profit on deposit accounts		1,350,004	1,464,740
Return on investments - receipt		27,306,674	42,905,961
Net cash generated from / (used in) investing activities		26,829,712	(294,904,344)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term financing		(1,021,698,727)	(883,482,429)
Long term financing disbursements		-	200,000,000
Interim dividend paid		(730,733,294)	(1,352,651,226)
Short term borrowings - net		(1,747,672,252)	(897,273,025)
Repayment of liabilities against assets subject to finance lease		(2,040,231)	(2,637,498)
Net cash used in financing activities		(3,502,144,504)	(2,936,044,178)
Net (decrease) / increase in cash and cash equivalents		(158,961,001)	397,033,810
Cash and cash equivalents at beginning of the year		692,768,964	295,735,154
Cash and cash equivalents at end of the year		533,807,963	692,768,964

The annexed notes 1 to 37 form an integral part of these financial statements.

DIRECTOR

DIRECTOR

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

	Share capital Rupees	Unappropriated profit Rupees	Total Rupees
Balance at 01 January 2013	3,864,717,790	2,599,687,856	6,464,405,646
Total comprehensive income for the year			
Profit for the year	-	1,224,786,062	1,224,786,062
Other comprehensive income	-	(2,138,862)	(2,138,862)
Total comprehensive income for the year	-	1,222,647,200	1,222,647,200
Transaction with owners of the company			
Distributions			
Interim dividend @ Rs. 3.50 per share	-	(1,352,651,226)	(1,352,651,226)
Total distributions	-	(1,352,651,226)	(1,352,651,226)
Balance at 31 December 2013	3,864,717,790	2,469,683,830	6,334,401,620
Balance at 01 January 2014	3,864,717,790	2,469,683,830	6,334,401,620
Total comprehensive income for the year			
Profit for the year	-	1,987,980,652	1,987,980,652
Other comprehensive income	-	(715,037)	(715,037)
Total comprehensive income for the year	-	1,987,265,615	1,987,265,615
Transaction with owners of the company			
Distributions			
First interim dividend @ Rs.2 per share	-	(772,943,558)	(772,943,558)
Second interim dividend @ Rs.1.5 per share	-	(579,707,669)	(579,707,669)
Total distributions	-	(1,352,651,227)	(1,352,651,227)
Balance at 31 December 2014	3,864,717,790	3,104,298,218	6,969,016,008

The annexed notes 1 to 37 form an integral part of these financial statements.

DIRECTOR

DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 STATUS AND NATURE OF OPERATIONS

Saif Power Limited ("the Company") was incorporated in Pakistan on 11 November 2004 as a public limited Company under the Companies Ordinance 1984. During the year, the Company got itself listed on the Karachi Stock Exchange Limited and effective 15 December 2014 trading of its shares started on the Exchange. Pursuant to Offer for sale during the year, 12.5% of the Company's share are being held by General Public and Institutional Investors. The principal activities of the Company are to own, operate and maintain combined cycle power plant having nameplate capacity of 225 MW (ISO) in district Sahiwal, Punjab, Pakistan and sell the electricity to National Transmission and Despatch Company (NTDC). The registered office of the Company is situated at Kulsum Plaza, Blue Area, Islamabad. The Company has commenced operations from 30 April 2010. The Company is a subsidiary of Saif Holdings Limited (the Holding Company) with shareholding of 51.04% shares (2013: 51%).

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for staff retirement benefits, which has been measured at values determined through actuarial valuation.

2.3 Significant accounting estimates

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of revision and future periods. Judgments made by management in the application of approved accounting standards that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in the ensuing paragraphs.

(a) Property, plant and equipment

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

(b) Impairment

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. Any change in estimates in future years might affect the carrying amounts of the respective assets with corresponding effect on depreciation charge and impairment.

(c) Taxation

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

(d) Employee benefits

Defined benefits plan is provided for permanent employees of the Company for which deferred liability is recognized in the Company's financial statements. The calculation of defined benefit liability requires assumptions to be made of future outcomes, the principal ones being in respect of expected salary growth, expected mortality of active members and the discount rate used to convert future cash flows to current values. Calculations are sensitive to the changes in assumptions used.

(e) Provision for inventory obsolescence and doubtful receivables

The Company reviews the carrying amount of stores and spares and stock in trade on a regular basis and provision is made for obsolescence if there is any change in usage pattern and physical form of related stores and spares. Further the carrying amounts of trade and other receivables are assessed on a regular basis and if there is any doubt about the realisability of these receivables, appropriate amount of provision is made.

(f) Provisions and contingencies

The Company reviews the status of all the legal cases on a regular basis. Based on the expected outcome and lawyers' judgments, appropriate disclosure or provision is made.

2.4 Functional and presentation currency

These financial statements are presented in Pakistan Rupee (PKR), which is the Company's functional currency. All financial information presented in PKR has been rounded off to the nearest of PKR, unless otherwise stated.

3 SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items that are considered material to the Company's financial statements.

3.1 Property, plant and equipment

(a) Tangible assets

Owned

These are stated at cost less accumulated depreciation and impairment loss, if any, except for freehold land and capital work in progress which are stated at cost less impairment loss, if any. Cost comprises purchase price, including import duties, non-recourse purchase taxes and other related costs of bringing the asset to its present working condition and location for intended use. While exchange gains or losses on long term foreign currency loans utilized for acquisition of assets are added to / deducted from cost of respective asset in accordance with note 3.10.

Depreciation is charged to profit and loss account on straight line method at the rates given in note 14, after taking into account their respective residual values if any, so as to write off the cost of assets over their estimated useful lives whereby depreciable amount adjusted for above exchange rate movements of an asset is written off over its remaining estimated useful life. Depreciation is charged from the month asset is available for use while no depreciation is charged in the month in which the asset is disposed off.

Normal repairs and maintenance are charged to the profit and loss account as and when incurred whereas major improvements and modifications are capitalised. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within "other income" in profit and loss account.

Leased

Assets subject to finance lease in which the Company bears substantially all risks and rewards of ownership of the assets are recognised at the inception of lease at lower of their fair value and the present value of minimum lease payments, less accumulated depreciation and impairment losses, if any. Related obligations under the agreement are accounted for as liabilities and financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of interest on the outstanding liability. Depreciation is charged on leased assets at the rates given in note 14.

(b) Intangible assets

Expenditure incurred to acquire computer software are capitalized as intangible assets and stated at cost less accumulated amortization and any identified impairment loss. Intangible assets are amortized using the straight line method over a period of five years. Amortization on additions to intangible assets is charged from the month in which an asset is acquired or capitalized, while no amortization is charged for the month in which the asset is disposed off. Gain / loss on retirement / disposal of intangible assets is taken to profit and loss account currently.

3.2 Staff retirement benefits - gratuity

The Company is operating an unfunded gratuity scheme for its employees according to the terms of employment subject to a minimum qualifying period of service. The liability is provided on the basis of actuarial valuation using Projected Unit Credit Method while movement in the liability is included in profit and loss account and other comprehensive income. The Company has a policy of carrying out actuarial valuations annually with assistance of independent actuarial appraisers. The details of actuarial valuation are given in note 8 to the financial statements.

3.3 Taxation

(a) Current

The profits and gains of the Company derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause (132) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. Further, the Company is also exempt from minimum tax on turnover under clause (11 A) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

(b) Deferred

Deferred tax has not been provided in these financial statements as the Company's management believes that the temporary differences will not reverse in the foreseeable future due to the fact that the profits and gains of the Company derived from electric power generation are exempt from tax subject to the conditions and limitations provided

for in terms of clause (132) of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

3.4 Trade debts and other receivables

Trade debts and other receivables are initially recognised at fair value plus any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using effective interest method, less any impairment losses. Known bad debts are written off, when identified.

3.5 Borrowing costs

Borrowing costs on loans which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent that these are regarded as adjustment to borrowing cost. All other borrowing costs are charged to profit or loss account.

3.6 Markup bearing borrowings

Markup bearing borrowings are recognized initially at cost being the fair value of consideration received, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost with any difference between originally recognized amount and redemption value being recognized in profit and loss account over the period of borrowing on an effective interest rate basis.

3.7 Provisions

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

3.8 Stock in trade

These are valued at lower of cost and net realizable value. Cost is determined using moving weighted average cost method. Cost of inventory comprises of the purchase price and other direct costs incurred in bringing the inventory items to their present location and condition. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make a sale.

3.9 Stores held for capitalization

These are stated at cost plus exchange gain / loss on foreign loan as disclosed in note 3.10.

3.10. Foreign currency transactions

- (a)** Foreign currency transactions are recorded in PKR at the rate of exchange prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate prevalent on the balance sheet date. Non monetary assets that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions. Exchange differences are accounted for as follows:
- (b)** Exchange differences related to foreign currency loans obtained for financing of the plant and stores held for capitalization have been capitalized. Exchange differences related to plant are depreciated over the remaining useful life of the related assets in accordance with SRO 24 (1) / 2012 of SECP.
- (c)** All other exchange differences are charge to the profit and loss account on net basis.

3.11 Revenue recognition

Revenue from sale of electricity to National Transmission and Despatch Company Limited (NTDC) is recognised based on the transmission of electricity and whereas on account of capacity is recognised when due, at rates as specified under the Power Purchase Agreement (PPA) and revised reference tariff determined by National Electric Power Regulatory Authority (NEPRA) and after incorporation of relevant applicable quarterly indexation.

3.12 Cash and cash equivalents

Cash and cash equivalents comprise cash with banks on current, saving and deposit accounts and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

3.13 Related party transactions

All transactions with related parties and associated undertakings are entered into at arm's length price using permissible valuation method.

3.14 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provision of the financial instruments and are measured initially at fair value adjusted by transaction cost, except for those carried at fair value through profit and loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below;

Financial assets are derecognized when the contractual rights from the cash flows from the financial assets expired, or when the financial assets in all substantial risk and rewards are transferred. The financial liability is derecognized when it is distinguished , discharged, cancelled or expires.

3.14.1 Financial assets

Financial assets of the Company fall under loan and receivables.

(a) Financial assets at fair value through profit and loss

Financial assets at fair value through fair profit and loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit and 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. Assets in this category are measured at fair value with gains or losses recognized in profit and loss account.

(b) Loans and receivables

Loans and receivable are non-derivative financial assets with fixed and determinable payments that are not quoted in an active market. Loan and receivables include trade debts, deposits, other receivables, other financial assets and cash and bank balances. After initial recognition these are measured at amortized cost using the effective interest method less provision for impairment.

3.14.2 Financial liabilities

The Company's financial liabilities include borrowings and trade & other payables.

(a) Borrowings

Subsequent to initial recognition borrowings are measured at amortised cost using the effective interest method. Finance costs are accounted for on an accrual basis and are reported under mark-up payable on borrowings to the extent of the amount remains unpaid.

(b) Trade and others payables

Liabilities for trade and other amounts payable are initially recognised at fair value less any directly attributable transaction cost. Subsequent to initial recognition, these are measured at amortised cost using effective interest method.

(c) Offsetting of financial assets and financial liabilities

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

3.15 Finance income and finance cost

Finance income comprises interest income on bank deposits. Income on bank deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return. Finance cost comprises interest expense on borrowings and bank charges. Mark up, interest and other charges on borrowings are charged to income in the period in which they are incurred.

3.16 Impairment

3.16.1 Non financial assets

The carrying amounts of non-financial assets other than inventories and deferred tax asset, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit, or CGU").

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs. An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit and loss account.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the losses have decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

3.17 Provisions for Workers' Profit Participation Fund

The Company does not account for Provision for Workers Profit Participation Fund (WPPF) in its financial statements as they are pass through items to NTDC under the Power Purchase Agreement (PPA). In case the liability arises, it is recovered from NTDC.

3.18 Dividend

Dividend distribution to the shareholders is recognized as liability in the period in which it is declared.

3.19 Forthcoming changes in approved accounting standards that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after 01 January 2015:

Amendments to IAS 19 "Employee Benefits" Employee contributions – a practical approach (effective for annual periods beginning on or after 1 July 2014). The practical expedient addresses an issue that arose when amendments were made in 2011 to the previous pension accounting requirements. The amendments introduce a relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. The amendments are relevant only to defined benefit plans that involve contributions from employees or third parties meeting certain criteria. The amendments are not likely to have an impact on Company's financial statements.

Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company's financial statements. Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of 'currently has a legally enforceable right of set-off'; and that some gross settlement systems may be considered equivalent to net settlement.

IFRS 10 'Consolidated Financial Statements' – (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 'Consolidated and Separate Financial Statements'. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements. Certain further amendments have been made to IFRS 10, IFRS 12 and IAS 28 clarifying the requirements relating to accounting for investment entities and would be effective for annual periods beginning on or after 1 January 2016. This standard has no impact on the Company's financial statements.

IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016. The adoption of this standard is not like to have an impact on Company's financial statements.

IFRS 12 'Disclosure of Interest in Other Entities' (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place.

IFRS 13 'Fair Value Measurement' effective for annual periods beginning on or after 1 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The adoption of this standard is not like to have an impact on Company's financial statements.

Amendment to IAS 27 'Separate Financial Statement' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The management is evaluating the option of equity accounting in the separate financial statements as allowed under amendments to IAS 27. The amendments are not likely to have an impact on Company's financial statements.

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

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after 1 January 2016]. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments are not likely to have an impact on Company's financial statements.

Annual Improvements 2010-2012 and 2011-2013 cycles (most amendments will apply prospectively for annual period beginning on or after 1 July 2014). The new cycle of improvements contain amendments to the following standards:

IFRS 2 'Share-based Payment'. IFRS 2 has been amended to clarify the definition of 'vesting condition' by separately defining 'performance condition' and 'service condition'.

IFRS 3 'Business Combinations'. These amendments clarify the classification and measurement of contingent consideration in a business combination.

IFRS 8 'Operating Segments' has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria. These amendments are not likely to have any material impact on the Company's financial statements.

Amendments to IAS 16 'Property, plant and equipment' and IAS 38 'Intangible Assets'. The amendments clarify the requirements of the revaluation model in IAS 16 and IAS 38, recognizing that the restatement of accumulated depreciation (amortization) is not always proportionate to the change in the gross carrying amount of the asset.

IAS 24 'Related Party Disclosure'. The definition of related party is extended to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity.

IAS 40 'Investment Property'. IAS 40 has been amended to clarify that an entity should: assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.

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

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

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

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

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

4 SHARE CAPITAL	Note	2014 Rupees	2013 Rupees
4.1 Authorized share capital			
405,000,000 (2013: 405,000,000) ordinary shares of Rs.10 each		4,050,000,000	4,050,000,000
4.2 Issued, subscribed and paid-up capital			
386,471,779 (2013: 386,471,779) ordinary shares of Rs. 10 each fullypaid in cash		3,864,717,790	3,864,717,790
4.3 Saif Holding Limited ("Holding Company") holds 197,272,619 i.e. 51.04% shares (2013: 197,114,619 i.e. 51%) ordinary shares of Rs.10/- each at the balance sheet date and 20,002 (2013: 20,002) ordinary shares of Rs. 10 each and 200 (2013: 200) ordinary shares of Rs. 10 each are held by nominee directors and associated company respectively.			

5 LONG TERM FINANCING - SECURED

Loan from banking companies and financial institutions

Syndicate term finance facilities	5.1	9,328,681,590	10,350,380,317
Term loan II	5.2	200,000,000	200,000,000
		9,528,681,590	10,550,380,317
Current portion of long term financing	12	(1,705,458,675)	(1,301,232,108)
		7,823,222,915	9,249,148,209

5.1 Breakup of syndicate term finance facilities is as follows:

Syndicate term finance facility under SFA	5.1.1	7,740,940,951	8,591,928,591
Syndicate term finance facility under TFFA	5.1.2	1,587,740,639	1,758,451,726
		9,328,681,590	10,350,380,317

5.1.1 Syndicated term finance facility under Senior Facility Agreement ("SFA")

National Bank of Pakistan	1,803,989,868	2,002,308,532
Habib Bank Limited	1,803,989,868	2,002,308,532
United Bank Limited	1,803,989,868	2,002,308,531
Allied Bank Limited	865,915,137	961,108,095
Faysal Bank Limited	360,797,973	400,461,707
Askari Bank Limited	360,797,973	400,461,707
Bank of Punjab	360,797,973	400,461,707
Pak Oman Investment Company Limited	216,478,784	240,277,024
Saudi Pak Industrial & Agricultural Investment Co. Ltd.	164,183,507	182,232,755
	7,740,940,951	8,591,928,591

This represents a syndicated senior facility of Rs. 10,727.5 million obtained from a consortium of seven banks and two investment companies led by Habib Bank Limited, an agent bank. The facility carries mark-up at the rate of 3 months KIBOR plus 3% per annum with no floor or cap and payable in quarterly installments in a period of ten years, started from 30 June 2010. The facility is secured against immovable property located at Sahiwal, project receivables, sponsors' shares constituting 51% of total issued share capital of the Company, lien over project accounts and all present and future assets and properties of the Company for an amount of Rs. 27,210.47 million (2013: Rs. 27,210.47 million).

5.1.2 Syndicated term finance facility under Term Finance Facility Agreement ("TFFA")

	2014 Rupees	2013 Rupees
National Bank of Pakistan	369,999,217	409,780,884
Habib Bank Limited	369,999,217	409,780,884
United Bank Limited	369,999,217	409,780,884
Allied Bank Limited	177,599,624	196,694,823
Faysal Bank Limited	73,999,843	81,956,176
Askari Bank Limited	73,999,843	81,956,176
Saudi Pak Industrial & Agricultural Investment Co. Ltd.	33,743,928	37,372,015
Pak Brunei Investment Company Limited	118,399,750	131,129,886
	1,587,740,639	1,758,451,726

This represents a syndicated term finance facility of Rs. 2.18 billion obtained from a consortium of six banks and two investment companies led by Habib Bank Limited, an agent bank. The facility carries mark-up at the rate of 3 months KIBOR plus 3% per annum with no floor or cap and payable in quarterly installments in a period of ten years, started from 30 June 2010. The facility is secured against immovable property located at Sahiwal, project receivables, sponsors' shares constituting 51% of total issued share capital of the Company, lien over project accounts and all present and future assets and properties of the Company for an amount of Rs. 2,906.66 million (2013: Rs. 2,906.66 million).

5.2 This represents the facility obtained from Habib Bank Limited subject to a maximum limit of Rs. 275 million equivalent to US \$ 2.50 million for a period of 2 years from the date of first disbursement i.e. 06 December 2013. The facility carries a markup of 3 months KIBOR plus 0.9% and is secured from bank of Singapore Stand by letter of credit (SBLC) of USD 15.096 million (2013:USD 21.096 million) with 2.5% margin. Refer to notes 11.2.

5.3 Subject to certain materiality test, significant covenants of above facilities are as follows:

- (i) Restriction of creation of further charge on the Company's assets;
- (ii) Certain restriction on distribution of dividend;
- (iii) Maintenance of debt service coverage ratio, debt equity ratio and leverage ratio.

Further covenants under these loans relate to the operation of the Company, project accounts, PPA and material agreements.

6 SUB-ORDINATED LOAN - UNSECURED	Note	2014 Rupees	2013 Rupees
Opening balance		725,692,165	669,816,624
Exchange (gain) / loss capitalized	6.2	(31,731,787)	55,875,541
	6.1	693,960,378	725,692,165
Current portion of subordinated loan	12	(507,143,311)	(405,457,001)
		186,817,067	320,235,164

6.1 This represents remaining balance of US \$ 6,898,215 (2013: US \$ 6,898,215) from the original foreign currency loan of US \$ 8,946,353 obtained from Orastar Limited incorporated under the laws of British Virgin Island (BVI), duly registered with State Bank of Pakistan (SBP). The loan carries a mark-up at the rate of 3 months LIBOR plus 3% per annum and payable in quarterly installments in a period of six years subject to availability of surplus funds available for distribution. As per agreement, the Company can also issue shares to Orastar Limited in lieu of repayment on mutually agreed basis.

6.2 Exchange (gain) / loss on sub-ordinated loan has been capitalized as disclosed in note 3.10 (b).

7 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE - SECURED

	2014			2013
	Minimum lease payments	Finance cost for future periods	Present value of minimum lease payments	Present value of minimum lease payments
	Rupees	Rupees	Rupees	Rupees
Within one year	2,870,272	488,268	2,382,004	1,292,482
Later than one year and not later than five years	3,579,565	315,206	3,264,359	975,313
	6,449,837	803,474	5,646,363	2,267,795

7.1 Minimum lease payments have been discounted by using financing rates ranging from 11.81 % to 12.70% per annum (2013: 12 % to 12.59% per annum). Lease rental are repayable monthly. Title to the assets acquired under the leasing arrangements are transferable to the Company upon payment of entire lease obligations and on adjustment of lease key deposits.

8 DEFERRED LIABILITY - GRATUITY

	2014	2013
	Rupees	Rupees
The amount recognized in the balance sheet is as follows:		
Present value of defined benefit obligation	24,192,509	18,269,009

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

Opening balance	18,269,009	11,778,018
Charge for the year	5,931,506	5,395,379
Actuarial loss on gratuity valuation	715,037	2,138,862
Benefits paid during the year	(723,043)	(1,043,250)
Closing balance	24,192,509	18,269,009

Expense recognized in profit and loss account:

Current service cost	3,693,070	3,289,094
Prior year adjustment	-	563,585
Interest cost	2,238,436	1,542,700
	5,931,506	5,395,379

Measurements chargeable in other comprehensive income:

Actuarial loss on gratuity valuation	715,037	2,138,862
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Allocation of expense

Cost of sales	4,745,205	4,316,303
Administrative expenses	1,186,301	1,079,076
	5,931,506	5,395,379

Key actuarial assumptions

	2014	2013
Discount rate	12.5%	12.5%
Expected rate of salary growth	9.50%	11.50%
Expected mortality for active members	As per SLIC 2001-2005 setback 1 Year Age Based	As per EFU (61-66) mortality table
Average expected remaining working life time of employees	6 years	7 years

Comparison of present values of defined benefit obligation for five years is as follows:

2014	2013	2012	2011	2010
Rupees	Rupees	Rupees	Rupees	Rupees
24,192,509	18,269,009	12,341,603	9,316,122	5,810,761

Sensitivity analysis

The calculation of the defined benefit obligation is sensitive to the assumption set out above. The following table summarizes how the impact on the defined benefit obligation at the end of the reporting period would have increased / (decreased) the liability as a result of a change in the respective assumptions by one percent.

	Defined benefit obligation	
	1 percent increase	1 percent decrease
Discount rate (Rupees)	1,336,894	1,514,629
Salary increase rate (Rupees)	(1,554,140)	(1,396,793)

The above sensitivities are based on the average duration of the benefit obligation determined at the date of the last actuarial valuation at 31 December 2014 and are applied to adjust the defined benefit obligation at the end of the reporting period for the assumptions concerned.

9 TRADE AND OTHER PAYABLES	Note	2014	2013
		Rupees	Rupees
Creditors	9.1	661,606,163	524,657,136
Accrued liabilities		17,379,122	54,061,859
Dividend payable		621,917,933	-
Retention money		212,271	696,472
Withholding tax payable		13,554,848	3,410,760
Payable against WPPF	9.2	99,363,281	61,132,360
Support services fee payable to Holding Company		221,525,725	221,525,725
Other payables		2,256,113	1,989,430
		1,637,815,456	867,473,742
9.1	This includes an amount of Rs. 390.42 million (2013: Rs. 396.34 million) payable to Sui Northern Gas Pipelines Limited (SNGPL) against gas consumption. The Company has issued bank guarantees in the normal course of business to SNGPL for commercial and industrial use of gas for an amount of Rs. 1.226 billion (2013: Rs. 1.226 billion).		
9.2	Workers' Profit Participation Fund		
Opening balance		61,132,360	72,727,137
Provision for the year		99,363,281	61,132,360
Payment during the year		(61,132,360)	(57,904,589)
Adjustment made during the year		-	(14,822,548)
Closing balance	9.2.1	99,363,281	61,132,360
9.2.1	This represent amount payable to Workers' Profit Participation Fund (WPPF) at the rate of 5% of the net profit for the year and is a pass through item under the provisions of Power Purchase Agreement.		
10 MARKUP ACCRUED			
Markup on long term financing - secured		309,915,274	324,328,276
Markup on short term borrowings - secured		73,371,674	76,927,048
Markup on sub-ordinated loan - unsecured		136,436,439	119,207,653
		519,723,387	520,462,977
11 SHORT TERM BORROWINGS - SECURED			
Short term borrowings from banking companies			
Working capital facilities - secured	11.1	643,125,166	1,255,007,389
Short term loan facilities - secured	11.2	524,398,280	1,718,981,240
Short term murabaha facilities- secured	11.3	299,999,831	241,206,900
Other-Sponsor - unsecured	11.4	40,809,322	40,809,322
		1,508,332,599	3,256,004,851

11.1 The Company has obtained working capital facilities of amounting Rs. 5.35 billion (2013: Rs. 4.75 billion) from several commercial banks for meeting the working capital requirements, expiring on various dates during 2015. The facilities carries mark-up ranging from 3 months KIBOR plus 1.5% to 3 months KIBOR plus 2% per annum (2013: 3 months KIBOR plus 2% per annum) with no floor or cap and payable in arrears on quarterly basis. The facilities are secured by way of mortgage charge on fuel stocks inventory and energy payment receivables and subordinated charge on all present and future assets and properties of the Company for an amount of Rs. 6.33 billion (2013: Rs. 6.33 billion) and ranking charge over the fuel stock and energy purchase price receivables upto Rs. 675 million (2013: Nil).

11.2 This represents utilized amount of short term finance facilities obtained from various commercial bank subject to a maximum limit of Rs.965 million (31 December 2013: Rs.1,719 million). These facilities are expiring on various dates during 2015. These facilities carry markup ranging from 1 months KIBOR plus 0.9% to 3 months KIBOR plus 0.9% per annum (31 December 2013: 1 months KIBOR plus 0.9% to 3 months KIBOR plus 0.9% per annum) payable on quarterly basis in arrears. These facilities are secured by financial guarantee from bank of Singapore with 2.5% margin for an amount of USD 15.096 million (2013: USD 21.096 million) and / or lien over USD deposits. Also refer note 5.2 and 21.2.

11.3 This represents utilized amount of short term murabaha facilities obtained from various commercial banks subject to a maximum limit of Rs.1,300 million (31 December 2013: Rs.500 million). These murabaha facilities are available for agreed maturity dates subject to maximum maturity of one Murabaha for a period of 180 days from date of disbursement. The facilities carry a mark-up of ranging from relevant KIBOR plus 1.5% to relevant KIBOR plus 2.00% (31 December 2013: relevant KIBOR plus 2.00%) and is secured by ranking charge on fuel stock and energy purchase price receivables of the company upto Rs. 1,500 million (2013: 500 million) that has to be upgraded to joint pari passu charge with other banks.

11.4 This represents unsecured interest free loan obtained from Globecomm (Pvt) Limited, one of the Sponsors, and is payable on demand.

11.5 Unavailed letter of guarantee

Facility of letter of guarantee amounting to Rs. 10 million (2013: Rs. 10 million) is available to the Company. Facility of letter of guarantee is secured by lien on USD deposits accounts as mentioned in note 21.2.

12 CURRENT PORTION OF LONG TERM LIABILITIES	2014	2013
	Rupees	Rupees
Current portion of long term financing - secured	1,705,458,675	1,301,232,108
Current portion of sub-ordinated loan - unsecured	507,143,311	405,457,001
Current portion of liabilities against assets subject to finance lease	2,382,004	1,292,482
	2,214,983,990	1,707,981,591

13 CONTINGENCIES AND COMMITMENTS

13.1 Cotingencies:

Tax authorities, during the year, raised sales tax demand of Rs. 1,498.51 million, (2013: Nil) by disallowing proportionate input sales tax for the tax periods from 2010 to 2013 on the contention that 'Capacity Purchase Price' was a non-taxable / exempt supply and 'Energy Purchase Price' was a taxable supply. Company is in appeal before the Appellate Tribunal Inland Revenue, which is pending adjudication.

Based on the advice of the Company's tax consultants, management believes that the contention of tax department does not commensurate with the related statutory provisions and the issue is likely to be decided in favour of the Company as there are meritorious grounds to defend the Company's stance in respect of the above mentioned issue.

13.2 Supreme Court of Pakistan, during the month of August 2014, in its decision on various Civil Petitions, declared the levy of Gas Infrastructure Development Cess (GIDC) through GIDC Act, 2011 (the Act) constitutionally invalid. However Government of Pakistan, in the month of September 2014, promulgated the GIDC Ordinance, 2014 to validate its imposition through the Act. Accordingly Sui Northern Gas Pipeline Ltd. (SNGPL) billed to the company the unpaid amount of GIDC for the year 2013 and August and September 2014 amounting to Rs. 449.50 million. Though the company has already obtained an interim relief for the billed amount of 2013, however the company filed a Writ Petition before the Honourable Lahore High Court to challenge the imposition of GIDC through the Ordinance and the impugned amount of GIDC including markup billed by SNGPL and obtained a status quo on the same.

Based on the advice of legal advisor, the company expects a favorable decision and accordingly liability of Rs. 65.231 million liability related to GIDC for the month of August and September 2014 which was billed under the GIDC Ordinance has not been accounted for in the books of account. Further, if it is levied, then such amount is recoverable from NTDC as a pass through items under approved tariff.

13.2 Commitments:

The Company is committed to pay monthly fee and milestone payments to its O&M contractors as per terms agreed in the Operations & Maintenance (O&M) agreement.

14 PROPERTY, PLANT AND EQUIPMENT

	Owned assets										Leased assets		Total
	Freehold land	Buildings on freehold land	Plant and machinery	Office equipment	Computer and accessories	Furniture and fixtures	Motorcycle and bicycle	Vehicles	Other assets	Stores held for capitalization	Capital work in progress	Vehicles	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance at 01 January 2013	43,890,600	2,348,761,023	14,855,056,953	6,759,110	4,120,149	3,016,586	223,740	3,544,960	626,230	480,803,537	3,824,579	10,312,404	17,760,939,871
Additions	-	-	-	362,280	371,400	101,280	158,591	-	-	-	830,382,325	-	831,375,876
Disposals / transfers	-	4,127,735	602,656,039	2,479,655	(127,400)	-	(56,141)	-	-	-	(609,287,129)	(1,345,570)	(1,552,811)
Impairment	-	-	(611,079,655)	-	-	-	-	-	-	-	-	-	(611,079,655)
Effect of exchange loss (Refer note 6.2)	-	-	25,640,497	-	-	-	-	-	-	30,235,044	-	-	55,875,541
Balance at 31 December 2013	43,890,600	2,352,888,758	14,872,273,834	9,601,045	4,364,149	3,117,866	326,190	3,544,960	626,230	511,038,581	224,919,775	8,966,834	18,035,558,822
Balance at 01 January 2014	43,890,600	2,352,888,758	14,872,273,834	9,601,045	4,364,149	3,117,866	326,190	3,544,960	626,230	511,038,581	224,919,775	8,966,834	18,035,558,822
Additions	-	-	-	165,210	342,900	22,208	-	-	-	-	1,393,732	-	7,199,186
Disposals	-	-	-	(23,700)	-	-	-	(909,192)	-	-	-	-	(932,892)
Transfers	-	-	226,313,507	-	-	-	-	909,192	-	-	(226,313,507)	(909,192)	-
Effect of exchange gain (Refer note 6.2)	-	-	(14,561,270)	-	-	-	-	-	(17,170,517)	-	-	-	(31,731,787)
Balance at 31 December 2014	43,890,600	2,352,888,758	15,084,026,071	9,742,555	4,707,049	3,140,074	326,190	3,544,960	626,230	493,868,064	-	13,332,778	18,010,093,329
DEPRECIATION													
Balance at 01 January 2013	-	219,094,993	1,316,572,703	3,259,641	3,560,679	1,654,771	93,070	1,203,005	423,225	-	-	3,594,407	1,549,456,494
Charge for the year	-	78,293,923	493,269,692	877,089	611,147	304,191	45,028	567,194	62,623	-	-	1,578,222	575,609,109
On disposals	-	-	-	(5,925)	(123,087)	-	(4,680)	-	-	-	-	(663,815)	(797,507)
On impairment	-	-	(54,312,759)	-	-	-	-	-	-	-	-	-	(54,312,759)
Balance at 31 December 2013	-	297,388,916	1,755,529,636	4,130,805	4,048,739	1,958,962	133,418	1,770,199	485,848	-	-	4,508,814	2,069,955,337
Balance at 01 January 2014	-	297,388,916	1,755,529,636	4,130,805	4,048,739	1,958,962	133,418	1,770,199	485,848	-	-	4,508,814	2,069,955,337
Charge for the year	-	78,351,196	505,239,269	1,103,227	351,662	312,895	65,238	567,194	62,623	-	-	1,532,946	587,586,250
On disposals	-	-	-	(7,505)	-	-	-	(727,353)	-	-	-	-	(734,858)
Balance at 31 December 2014	-	375,740,112	2,260,768,905	5,226,527	4,400,401	2,271,857	198,656	1,610,040	548,471	-	-	6,041,760	2,656,806,729
Carrying amounts - 31 December 2013	43,890,600	2,055,499,842	13,116,744,198	5,470,240	315,410	1,158,904	192,772	1,774,761	140,382	511,038,581	224,919,775	4,458,020	15,965,603,485
Carrying amounts - 31 December 2014	43,890,600	1,977,148,646	12,823,257,166	4,516,028	306,648	868,217	127,534	1,934,920	77,759	493,868,064	-	7,291,018	15,353,286,600
Rates of depreciation per annum (%)	-	3.33%	3.33% to 3.68%	10% to 20%	33.33%	10%	20%	20%	10%	-	-	20%	20%

14.1 The depreciation charge for the year has been allocated as follows:	Note	2014	2013
		Rupees	Rupees
Cost of sales	23	583,590,465	571,563,615
Administrative expenses	24	3,995,785	4,045,494
		587,586,250	575,609,109

14.2 Detail of Property, plant and equipment disposed during the year

Asset description	2014				Purchaser	Mode of disposal
	Rupees			Sale proceeds		
	Cost	Carrying amount				
Vehicle	909,192	181,839	335,264		Saleem Akhtar	As per company policy
Office equipment	23,700	16,195	19,000			Insurance claim
31 Dec 2014	932,892	198,034	354,264			
31 Dec 2013	1,552,811	755,304	755,304			

15 INTANGIBLE ASSETS	Note	2014	2013
		Rupees	Rupees
Cost			
Balance at 01 January		5,505,000	5,505,000
Balance at 31 December		5,505,000	5,505,000
Amortization			
Balance at 01 January		4,376,748	3,461,748
Charge for the year	24	915,000	915,000
Net book value		5,291,748	4,376,748
Carrying value at 31 December		213,252	1,128,252
Rate of amortization		20%	20%

16 TRADE DEBTS - secured, considered good

National Transmission and Despatch Company (NTDC)	16.2	4,417,254,552	4,413,018,027
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16.1 These are secured by way of guarantee issued by the Government of Pakistan (GoP) under the Implementation Agreement (IA). These are subject to mark-up on delayed payments under section 9.6 (d) of PPA at the rate of KIBOR + 4.5% per annum.

16.2 Included in trade debts is an amount of Rs. 477.56 million (2013: Rs. 477.56 million) relating to capacity purchase price not acknowledged by National Transmission and Dispatch Company (NTDC) as the plant was not fully available for power generation. However, the sole reason of this under-utilization of plant capacity was non-availability of fuel owing to non-payment by NTDC.

Since management considers that the primary reason for claiming these payments is that plant was available, however, could not generate electricity due to non-payment by NTDC, therefore, management believes that Company cannot be penalized in the form of payment deductions due to NTDC's default of making timely payments under the Power Purchase Agreement. The company along with other IPPs has agreed with NTDC to resolve the dispute through dispute resolution mechanism under the PPA and accordingly proceedings have been initiated. Management feels that there are meritorious grounds to support the Company's stance and such amount is likely to be recovered. Consequently, no provision for the above mentioned amount has been recognised in these financial statements.

16.3 Included in trade debts is an amount of Rs. 239.68 million (2013: Rs. 239.68 million) relating to capacity purchase price not acknowledged by NTDC. The Company's management is under discussion with NTDC, SNGPL and the Private Power and Infrastructure Board (PIIB) regarding the aforesaid amount. Based on the advice of the Company's legal counsel, management is of the view that under the terms of Power Purchase Agreement, Implementation Agreement and Gas supply Agreement, there are meritorious grounds that the aforesaid amount would be accepted by the relevant authorities. Consequently, no provision for the above mentioned amount has been made in these financial statements.

16.4 The Company also filed request for arbitration in London Court of International Arbitration during the year for amounts mentioned in note 16.2 and 16.3.

16.5 Included in trade debts is an amount of Rs. 387.693 million receivable from NTDC on account of disputed Gas Infrastructure Development Cess (GIDC). Case details are given in note 13.2.

16.6 For aging of receivable from NTDC at the reporting date, refer to note 29 (a) (ii).

	Note	2014 Rupees	2013 Rupees
17 ADVANCES - CONSIDERED GOOD			
Advances to supplier		5,155,027	8,075,677
Advances to employees		10,018	-
		5,165,045	8,075,677
18 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Lease key money		254,620	196,100
Security deposit		1,618,000	914,000
Prepayments		57,731,143	56,410,603
		59,603,763	57,520,703
19 OTHER RECEIVABLES			
Sales tax receivable - net		61,166,929	41,746,651
Receivable against WPPF		218,400,230	119,036,949
Insurance claim receivable		-	725,515,328
Other receivables		2,428,439	2,044,994
		281,995,598	888,343,922
20 OTHER FINANCIAL ASSETS			
Loans and receivables			
Units of mutual funds	20.1	30,000,000	-
Market Treasury Bills	20.2	289,968,992	-
		319,968,992	-
20.1			
20.2			
21 BANK BALANCES			
Cash at bank:			
Current accounts			
Local currency		1,321	392,932
Foreign currency	21.2	201,093,447	210,306,859
		201,094,768	210,699,791
Deposit accounts			
Local currency		12,548,351	481,862,640
Foreign currency	21.2	195,852	206,533
	21.1	12,744,203	482,069,173
		213,838,971	692,768,964

21.1 These carry markup ranging from 6.55% to 6.95% (2013: 6.1% to 6.35%) per annum for PKR denominated balances while from 0.09% to 0.9% (2013: 0.25% to 0.3%) per annum for USD denominated balances.

21.2 This represents an amount of USD 2.005 million (2013: US Dollar 2.005 million) in US Dollar deposit and current accounts. USD 1.40 million (2013: US Dollar 1.809 million) are under lien with Habib Bank Limited.

22 TURNOVER - NET	Note	2014 Rupees	2013 Rupees
Gross Energy Purchase Price (EPP)		16,296,970,333	8,928,277,624
Less: sales tax		(2,367,935,857)	(1,273,140,048)
		13,929,034,476	7,655,137,576
Capacity Purchase Price (CPP)		4,590,567,966	4,235,555,886
		18,519,602,442	11,890,693,462

23 COST OF SALES

Raw material consumed		13,201,510,976	7,243,327,228
Operation and maintenance		734,026,602	620,709,460
Salaries and other benefits	23.1	40,049,140	36,698,553
Electricity charges		40,777,572	60,257,071
Insurance		170,671,598	163,128,152
Depreciation	14.1	583,590,465	571,563,615
Office expenses		1,129,902	1,152,204
Travelling, conveyance and entertainment		807,548	1,234,263
Repair and maintenance		923,787	47,583,362
Communication		147,784	157,279
Others		274,455	292,793
		14,773,909,829	8,746,103,980

23.1 These include Rs. 4,745,205 (2013: Rs. 4,316,303) charged in respect of staff retirement

24 ADMINISTRATIVE EXPENSES	Note	2014 Rupees	2013 Rupees
Salaries and other benefits	24.1	21,403,739	16,501,962
Traveling and conveyance		2,785,470	2,139,731
Rent, rates and taxes		7,479,974	7,396,363
Security services		8,643,930	8,153,765
Office expenses		4,757,360	2,449,986
Fees and subscriptions		11,556,564	7,171,880
Legal and professional		7,189,639	7,847,124
Consultancy		8,033,318	6,738,198
Repair and maintenance		5,737,841	4,959,122
Utilities		3,177,595	2,338,042
Insurance		1,760,738	1,021,846
Depreciation	14.1	3,995,785	4,045,494
Amortization	15	915,000	915,000
Auditors' remuneration	24.2	2,268,500	552,800
Advertisements		239,775	162,030
		89,945,228	72,393,343

24.1 These include Rs. 1,186,301 (2013: Rs.1,079,076) charged in respect of staff retirement

	Note	2014 Rupees	2013 Rupees
24.2 Auditors' remuneration			
Annual audit fee		500,000	400,000
Half yearly audit fee		300,000	-
Quarterly audit fee		300,000	-
Out of Pocket expenses		149,000	-
Certifications		1,019,500	152,800
		2,268,500	552,800
		2014 Rupees	2013 Rupees
25 FINANCE COST			
Markup on Short term borrowings		387,769,120	406,783,610
Markup on Long term financing		1,278,124,392	1,321,082,148
Markup on Sub-ordinated loan		22,587,122	23,776,139
Markup on RCOD delayed payment		21,130,619	-
Guarantee commission and arrangement fee		16,262,410	23,515,425
Markup on liabilities against assets subject to finance lease		345,794	332,291
Bank charges		373,659	1,338,358
Exchange loss - net		-	58,081,957
		1,726,593,116	1,834,909,928
26 OTHER INCOME			
Income from financial assets			
Profit on deposit accounts		1,350,004	1,464,740
Return on investments		27,306,674	42,905,961
Income from non financial assets			
Gain on disposal of property, plant and equipment		156,231	-
Scrap sales		421,724	398,643
Write back of liabilities		-	8,347,976
Exchange gain-net		29,591,750	-
		58,826,383	53,117,320
27 EARNINGS PER SHARE		2014	2013
Profit for the year (Rupees)		1,987,980,652	1,224,786,062
Weighted average number of shares (Numbers)		386,471,779	386,471,779
Earnings per share - basic (Rupees)		5.14	3.17
There is no dilution effect on the basic earnings per share of the Company.			
28 CASH AND CASH EQUIVALENTS			
Bank balances	21	213,838,971	692,768,964
Other financial assets	20	319,968,992	-
		533,807,963	692,768,964

29 FINANCIAL RISK MANAGEMENT

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

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

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

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

The Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. The primary activity of the Company is power generation and sale of total output to NTDC. The Company is exposed to credit risk from its

Exposure to credit risk

- (i) The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2014 Rupees	2013 Rupees
Trade debts	4,417,254,552	4,413,018,027
Long term deposits	511,800	254,620
Trade deposits	1,872,620	1,110,100
Other receivables	281,995,598	888,343,922
Other financial assets	319,968,992	-
Cash at bank	213,838,971	692,768,964
	5,235,442,533	5,995,495,633

Credit risk is minimum as the bank accounts are maintained with reputable banks with good credit ratings. Further, as disclosed in note 16.1 that the trade debts are secured by way of guarantee issued by the Government of Pakistan (GoP) under the Implementation Agreement (IA).

(ii) Aging analysis and impairment losses

The aging of trade debts at the reporting date was.

	2014		2013	
	Gross Rs	Impairment Rs	Gross Rs	Impairment Rs
Not past due	434,468,387	-	1,462,032,758	-
Past due 0 - 60 days	1,881,528,524	-	1,826,874,718	-
Past due 61 - 120 days	264,621,670	-	230,210,132	-
Past due 121 - 180 days	124,383,538	-	176,650,060	-
181 days and above	1,712,252,433	-	717,250,359	-
	4,417,254,552	-	4,413,018,027	-

(b) Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

The following analysis shows the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity dates. The amount disclosed in the table are the contractual undiscounted cash flows and also include the impact of estimated future interest payments.

	2014 (Rupees)				
	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
Liabilities against assets subject to finance lease	5,646,363	5,646,363	2,382,004	3,264,359	-
Long term financing	9,528,681,590	13,555,668,155	2,609,751,676	10,945,916,478	-
Sub-ordinated loan	693,960,378	769,483,766	577,112,825	192,370,942	-
Trade and other payable:	1,637,815,456	1,637,815,456	1,637,815,456	-	-
Markup accrued	519,723,387	519,723,387	519,723,387	-	-
Short term borrowings	1,508,332,599	1,508,332,599	1,508,332,599	-	-
	13,894,159,773	17,996,669,726	6,855,117,947	11,141,551,779	-
	2013 (Rupees)				
	Carrying amount	Contractual cash flows	Less than 1 year	1-5 years	More than 5 years
Liabilities against assets subject to finance lease	2,267,795	2,467,593	1,450,695	1,016,899	-
Long term financing	10,550,380,317	15,289,126,653	1,986,380,954	12,005,768,766	1,296,976,933
Sub-ordinated loan	725,692,165	804,668,909	469,390,197	335,278,712	-
Trade and other payable:	867,473,742	867,473,742	830,232,654	42,710,145	-
Markup accrued	520,462,977	520,462,977	520,462,977	-	-
Short term borrowings	3,256,004,851	3,256,004,851	3,256,004,851	-	-
	15,922,281,847	20,740,204,725	7,063,922,328	12,384,774,522	1,296,976,933

(c) Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. Foreign exchange risks are mostly "Pass Through" through indexation of tariff as approved by NEPRA.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises on long term loans and short term borrowings. Any increase/decrease in KIBOR is adjustable and approved by NEPRA. The interest rate profile of the Company's interest-bearing financial instruments at the balance sheet date was as under:

	Interest rate		Carrying amounts	
	2014 %	2013 %	2014 Rupees	2013 Rupees
- Variable rate instruments				
Financial assets	6.75%	6.23%	332,713,195	482,069,173
Financial liabilities	11.06%	12.10%	11,736,620,930	14,493,535,806

(ii) 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 and loss. Therefore a change in interest rates at the reporting date would not effect profit and loss account for the year.

(iii) Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates would have increased or decreased unappropriated profit by Rs. 114,039,077 (2013: Rs.150,211,236) and vice versa. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(iv) Currency risk management

PKR is the functional currency of the Company and exposure arises from transactions and balances in currencies other than PKR as foreign exchange rate fluctuations may create unwanted and unpredictable earnings and cash flow volatility. The Company's potential currency exposure comprise:

- Transactional exposure in respect of non functional currency monetary items.
- Transactional exposure in respect of non functional currency expenditure and revenues.

The potential currency exposures are discussed below:

(v) Transactional exposure in respect of non functional currency monetary items

Monetary items, including financial assets and liabilities, denominated in currencies other than the functional currency of the Company are periodically restated to PKR equivalent, and the associated gain or loss is taken to the profit and loss account or capitalized as per the company's policy. The foreign currency risk related to monetary items is managed as part of the risk management strategy.

(vi) Transactional exposure in respect of non functional currency expenditure and revenues

There is no transactional exposure in respect of non functional currency expenditure and revenues.

(vii) Exposure to foreign currency risk

The Company's exposure to foreign currency risk was as follows based on following amounts:

	2014
	USD
Subordinated loan	6,898,215
Trade and other payables	2,120,866
Bank balances	(2,004,874)
	7,014,207
	2013
	USD
Subordinated loan	6,898,215
Trade and other payables	1,352,183
Bank balances	(2,001,078)
	6,249,320

(viii) Following significant exchange rates were used:

	Balance sheet date rate		Average rate	
	2014 Rupees	2013 Rupees	2014 Rupees	2013 Rupees
United States Dollars ("USD")	100.6	105.20	101.14	101.45

(ix) **Sensitivity analysis**

A 5.00 percent weakening of the PKR against the foreign currencies at 31 December would have decreased equity and decrease profit by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	Profit and loss account	
	2014 Rupees	2013 Rupees
US Dollars	35,300,555	32,871,422

(d) **Fair values**

Fair value versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

	2014 Rupees	2014 Rupees	2013 Rupees	2013 Rupees
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets carried at amortized cost				
Trade debts	4,417,254,552	4,417,254,552	4,413,018,027	4,413,018,027
Long term deposits	511,800	511,800	254,620	254,620
Trade deposits	1,872,620	1,872,620	1,110,100	1,110,100
Other receivables	281,995,598	281,995,598	888,343,922	888,343,922
Other financial assets	319,968,992	319,968,992	-	-
Bank balances	213,838,971	213,838,971	692,768,964	692,768,964
	5,235,442,533	5,235,442,533	5,995,495,633	5,995,495,633
	2014 Rupees	2014 Rupees	2013 Rupees	2013 Rupees
	Carrying Value	Fair Value	Carrying Value	Fair Value
Liabilities carried at amortized cost				
Long term financing	9,528,681,590	9,528,681,590	10,550,380,317	10,550,380,317
Sub-ordinated loan	186,817,067	186,817,067	320,235,164	320,235,164
Liabilities against assets subject to	5,646,363	5,646,363	2,267,795	2,267,795
Short term borrowings	1,508,332,599	1,508,332,599	3,256,004,851	3,256,004,851
Trade and other payables	1,637,815,456	1,637,815,456	867,473,742	867,473,742
Markup accrued	519,723,387	519,723,387	520,462,977	520,462,977
	13,387,016,462	13,387,016,462	15,516,824,846	15,516,824,846

(e) **Determination of fair values**

The basis for determining fair values is as follows:

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and / or disclosure purposes based on the following methods.

Non - derivative financial assets

The fair value of non-derivative financial assets is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. This fair value is determined for disclosure purposes.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

30 CAPITAL RISK MANAGEMENT

The Company defines the capital that it manages as the Company's total equity. The objective of the Company when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and to maintain a strong capital base to support the sustained development of its business. There were no changes in the Company's capital management policy during the year. The Company is subject to capital requirements as per external long term financing arrangements and the Company is compliant with these requirements.

31 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in these financial statements for remuneration including benefits applicable to the Chief Executive and executives of the Company are given below:

	Executive 2014 Rupees	Executive 2013 Rupees
Managerial remuneration	34,434,560	32,066,400
Staff retirement benefits	2,895,380	2,672,200
Bonus	6,470,270	2,507,351
	43,800,210	37,245,951
Number of Persons	7	7

31.1 In addition to the above, executives are provided with the company maintained vehicles and health insurance coverage as per the Company's policy.

31.2 No remuneration has been paid to Chief Executive Officer (CEO) and Directors of the Company.

31.3 Executive means any employee whose basic salary exceeds Rs. 500,000 (2013: Rs. 500,000) per year.

32 RELATED PARTY TRANSACTIONS

The Company is a subsidiary of Saif Holdings Limited ("Holding Company"), therefore the Holding Company and all associated undertakings of the Holding Company are the related parties of the Company. Other related parties comprise of directors, key management personnel, entities over which the directors are able to exercise significant influence and major shareholders. Balances with related parties are disclosed in notes 9 and transactions with related parties are disclosed in note 31 to the financial statements. Transactions with related parties other than those disclosed elsewhere in these financial statements are as follows:

	2014 Rupees	2013 Rupees
Transactions with Holding Company		
Rent	4,480,110	4,072,860
Dividend	690,454,167	689,901,166
Transfer of asset	-	56,141
Transactions with associated undertakings due to common directorship		
Expenses incurred on behalf of the company	574,304	-
Dividend	350	350
Transaction with key management personnel		
Dividend	70,007	70,007

Also refer note 31

33 APPLICATION OF IFRIC INTERPRETATION - 4 (IFRIC-4)

"Determining whether an arrangement contain a lease"

SECP through its SRO 24 (I) / 2012 dated 16 January 2012, has exempted the application of IFRIC 4 "Determining whether an Arrangement Contain a Lease", for all the companies including Power Sector Companies. If the Company were to follow IFRIC 4 the effect on the financial statements would have been as follows:

	<u>2014</u> <u>Rupees</u>	<u>2013</u> <u>Rupees</u>
(Decrease) / increase in unappropriated profit at 01 January	(34,985,223)	(7,290,121)
Decrease in profit for the year	(245,697,311)	(27,695,102)
Decrease in unappropriated profit at 31 December	(280,682,534)	(34,985,223)

	2014	2013
Employees on year end (Number)	40	39
Average employees during the year (Number)	39	38

35 CAPACITY AND PRODUCTION

Installed capacity based on 8,760 hours (2013: 8,760) – Megawatt hours	1,788,854	1,794,223
Actual energy delivered – Megawatt hours	751,111	681,004

Output produced by the plant is dependent on the load demanded by NTDC.

36 GENERAL

Figures have been rounded off to the nearest rupee.

37 DATE OF APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors in their meeting held on 03 April 2015.

DIRECTOR

DIRECTOR

PATTERN OF SHAREHOLDING

NO. OF SHAREHOLDERS	SHAREHOLDING		SHARES HELD	PERCENTAGE
	From	To		
26	1	100	865	0.0002
12117	101	500	6057477	1.5674
2665	501	1000	2663651	0.6892
817	1001	5000	1784657	0.4618
68	5001	10000	564500	0.1461
21	10001	15000	266052	0.0688
15	15001	20000	286500	0.0741
10	20001	25000	239000	0.0618
5	25001	30000	139500	0.0361
16	30001	35000	537850	0.1392
7	35001	40000	266000	0.0688
3	40001	45000	127500	0.0330
14	45001	50000	696000	0.1801
1	50001	55000	50500	0.0131
3	55001	60000	173268	0.0448
2	65001	70000	135500	0.0351
1	70001	75000	75000	0.0194
1	75001	80000	80000	0.0207
1	80001	85000	85000	0.0220
1	85001	90000	90000	0.0233
6	95001	100000	599000	0.1550
1	105001	110000	110000	0.0285
2	120001	125000	250000	0.0647
1	145001	150000	150000	0.0388
1	155001	160000	160000	0.0414
1	170001	175000	175000	0.0453
2	195001	200000	400000	0.1035
2	220001	225000	446500	0.1155
1	245001	250000	248000	0.0642
1	285001	290000	290000	0.0750
1	295001	300000	300000	0.0776
1	330001	335000	332000	0.0859
1	345001	350000	350000	0.0906
1	550001	555000	553000	0.1431
1	555001	560000	558500	0.1445

NO. OF SHAREHOLDERS	SHAREHOLDING		SHARES HELD	PERCENTAGE
	From	To		
1	745001	750000	748000	0.1935
1	1280001	1285000	1283000	0.3320
1	1355001	1360000	1356000	0.3509
1	1370001	1375000	1372500	0.3551
1	1395001	1400000	1400000	0.3623
1	1495001	1500000	1500000	0.3881
1	1635001	1640000	1638882	0.4241
1	1765001	1770000	1770000	0.4580
1	1895001	1900000	1900000	0.4916
1	1995001	2000000	2000000	0.5175
1	3295001	3300000	3300000	0.8539
1	3595001	3600000	3600000	0.9315
1	5430001	5435000	5434500	1.4062
1	7215001	7220000	7219500	1.8681
1	13885001	13890000	13889000	3.5938
1	32265001	32270000	32268354	8.3495
1	89275001	89280000	89278604	23.1009
1	197270001	197275000	197272619	51.0445
15835			386471779	100.0000

CATEGORY OF SHAREHOLDER	NO OF FOLIO	SHARES	PERCENTAGE
SPONSORS, DIRECTORS, CEO AND CHILDREN	7	20002	0.0052
ASSOCIATED COMPANIES	2	197272719	51.0446
BANKS, DFI AND NBFI	5	56976854	14.7428
INSURANCE COMPANIES	1	1638882	0.4241
MODARABAS AND MUTUTAL FUNDS	8	5712000	1.4780
GENERAL PUBLIC (LOCAL)	15719	21185018	5.4816
GENERAL PUBLIC (FOREIGN)	72	306600	0.0793
OTHERS	21	103359704	26.7444
Company Total	15835	386471779	100.0000

CATEGORY OF SHAREHOLDERS	SHARES	PERCENTAGE
1. SPONSORS, DIRECTORS, CEO AND CHILDREN		
Mr. Salim Saifullah Khan	1	0.0000
Mr. Javed Saifullah Khan	5000	0.0013
Mr. Anwar Saifullah Khan	5000	0.0013
Mr. Omar Saifullah Khan	1000	0.0003
Ms. Hoor Yousafzai	1	0.0000
Mr. Osman Saifullah Khan	5000	0.0013
Mr. Jehangir Saifullah Khan	4000	0.0010
2. ASSOCIATED COMPANIES		
Saif Holdings Limited	197272619	51.0445
Saif Textile Mills Limited	100	0.0000
3. BANKS, DFI AND NBFİ		
Habib Bank Limited	32268354	8.3495
Allied Bank Limited	13889000	3.5938
United Bank Limited	3600000	0.9315
MCB Bank Limited	7219500	1.8681
4. INSURANCE COMPANIES		
Adamjee Insurance Company Limited	1638882	0.4241
5. MODARABAS AND MUTUAL FUNDS		
Faysal Balanced Growth Fund	125000	0.0323
Faysal Asset Allocation Fund	175000	0.0453
NAFA Stock Fund	1283000	0.3320
NAFA Multi Asset Fund	748000	0.1935
ABL Stock Fund	1900000	0.4916
First Habib Stock Fund	35000	0.0091
NAFA Asset Allocation Fund	1356000	0.3509
NAFA Pension Fund Equity Sub-Fund Account	90000	0.0233
6. GENERAL PUBLIC (LOCAL)	21185018	5.4816
7. GENERAL PUBLIC (FOREIGN)	306600	0.0793
8. OTHERS	103359704	26.7444
	386471779	100.0000

ELECTRONIC TRANSMISSION CONSENT FORM

Date: _____

General Manager

THK Associates (Pvt.) Ltd,

2nd Floor, State Life Building No.3,

Dr. Ziauddin Ahmed Road,

Karachi.

Pursuant to the directions given by Securities and Exchange Commission of Pakistan through its SRO 787 (I)/2014 dated September 8, 2014, I/we Mr./Ms/M/s _____

_____ S/o, D/o, W/o _____

hereby give consent to receive the Audited Financial Statements along with notice of Annual General Meeting of M/s Saif Power Limited through email on my/our email address provided as under:

Name of Member/shareholder: _____

Folio/CDC Account Number: _____

Email Address: _____

It is stated that above mentioned particulars are true and correct. I/we shall notify you and the Company in writing in case of any change in my/our email address or withdrawal of my/our above mentioned consent.

Signature of the Member/Shareholder

CNIC Number:

FORM OF PROXY

I/We, _____

of _____ CDCA/C NO. / FOLIO NO. _____

being a shareholder of the Saif Power Limited (The Company) do hereby appoint.

Mr./Miss/Ms. _____

of _____ CDCA/C NO. / FOLIO NO. _____

and or failing him/her _____ of _____

who is/are also a shareholder of the said Company, as my/our proxy in my/our absence and to vote for me/us at the Annual General Meeting of the Company to be held on April 30, 2015, Thursday at 11:00 A.M. at Kulsum Plaza, Blue Area, Islamabad and at any adjournment thereof in the same manner as I/ we myself/ourselves would vote if personally present at such meeting.

As witness my/our hands in this day of _____ 2015.

Affix Revenue
Stamp of Rs.5

Signature _____

Address _____

CNIC No. _____

No. of shares held _____

(Note: signature should agree with the specimen Signatures registered with the Company/Share Registrar)

NOTES:

No Proxy shall be valid unless duly signed along with revenue stamp and in case of company should be executed under its common seal under signed by its authorized person.

1. This instrument appointing a proxy, duly completed, must be received at the registered Office of the Company at Kulsum Plaza, Blue Area, Islamabad not later than 48 hours before the time of holding the Annual General Meeting.
2. Attested copies of the CNIC or the passport of beneficial owners shall be furnished with the proxy form.
3. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
4. In case of corporate entity, the Board's resolution / power of attorney with specimen signature of the nominee shall be furnished along with proxy form to the Company.

The Company Secretary

SAIF POWER LIMITED

Kulsum Plaza, Jinnah Avenue,
Blue Area,
Islamabad

AFFIX
POSTAGE



225 MW COMBINED CYCLE POWER PLANT OF SAIF POWER LIMITED
LOCATED AT QADARABAD, DISTRICT SAHIWAL, PUNJAB, PAKISTAN