BRIEF PROFILE

2011	First year of profitable operations
2010	Started commercial operations
2009	Listed on KSE & LSE
2007	Incorporated as a public Ltd company

CONTENTS

COMPANY INFORMATION

BOARD OF DIRECTORS:

Mrs. Farhat Saleem
Director
Mr. Shahzad Saleem (Nominee NCL)
Chairman
Mr. Yahya Saleem
Chief Executive
Mr. Asad Farooq (Nominee ABL)
Director
Mr. Aftab Ahmad Khan
Director
Mr. Shahid Malik
Director
Mr. Kamran Rasool
Director
Mr. Wasif M. Khan

AUDIT COMMITTEE:

Mr. Wasif M. Khan
Chairman
Mr. Aftab Ahmad Khan
Member
Mr. Shahid Malik
Member

HR & R COMMITTEE:

Mr. Shahzad Saleem
Chairman
Mr. Aftab Ahmad Khan
Member
Mr. Kamran Rasool
Member

CHIEF FINANCIAL OFFICER: Ms. Sonia Karim

HEAD OF INTERNAL AUDIT: M. Ibraheem Saleem

COMPANY SECRETARY: Mr. Babar Ali Khan

BANKERS TO THE COMPANY:

Allied Bank Limited
Habib Bank Limited
United Bank Limited
National Bank of Pakistan
Faysal Bank Limited
Summit Bank Limited
Sindh Bank Limited
Bank Alfalah Limited
Askari Bank Limited
Habib Metropolitan Bank Limited
Al Baraka Bank (Pakistan) Limited
Meezan Bank Limited
Burj Bank Limited
The Bank of Punjab
Dubai Islamic Bank
Barclays Bank PLC Pakistan

AUDITORS:	A.F. Ferguson & Co. Chartered Accountants
LEGAL ADVISERS:	Raja Muhammad Akram & Co. Advocates & Legal Consultants Cornelius Lane & Mufti Advocates & Solicitors
REGISTERED & HEAD OFFICE:	31 -Q, Gulberg II, Lahore, Pakistan. Ph: 042-35761730 Fax: 042-35878696-97 www.nishat.net
SHARE REGISTRAR:	Hameed Majeed Associates (Pvt) Limited 1st Floor, H.M. House 7-Bank Square, Lahore Ph: 042 37235081-2 Fax: 042 37358817
PLANT:	66-km, Multan Road, Pattoki Kasur.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 7th Annual General Meeting of the Shareholders of Nishat Chunian Power Limited will be held at the Registered Office of the Company, 31-Q, Gulberg II, Lahore on 31st October 2014 (Friday) at 10.30 A.M to transact the following business:-

ORDINARY BUSINESS:

1. To confirm the minutes of extra ordinary general meeting held on 22nd August 2014.

2. To receive and adopt audited accounts of the Company for the year ended 30 June 2014 together with Directors' and Auditors' reports thereon.

3. To approve 20% final cash dividend i.e Rs.2 per share as recommended by the Board of Directors. This is in addition to already paid Rs.4.50 per share i.e. 45%

4. To appoint auditors for the year ending 30 June 2015 and to fix their remuneration. The present auditors M/s. A.F.Ferguson & Company, Chartered Accountants retired and being eligible offered themselves for re-appointment.

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

Lahore: October 10, 2014

By Order of the Board

Babar Ali Khan
Company Secretary

NOTES:

1. The Members' Register will remain closed from 22-10-2014 to 28-10-2014 (both days inclusive).Transfers received at Hameed Majeed Associate (Pvt) Limited, H.M. House, 7-Bank Square, Lahore, the Registrar and share transfer office of the Company by the close of business on 21-10-2014 will be considered in time for attending the AGM and for above entitlement.

2. A member eligible to attend and vote at this meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.

3. Shareholders are informed that Income Tax Ordinance, as amended by Finance Act., 2014 has prescribed 15% withholding tax on dividend payment to non-filers while filers of income tax returns will be liable to withholding tax @10%. Shareholders are advised to provide their NTN to Share Registrar s of the Company for availing the benefit of withholding tax rate applicable to filers.

4. SECP through its Notification SRO 787/(i)/2014 dated September 8, 2014, has allowed the circulation of Audited Financial Statements along with the Notice of Annual General meeting to the members of the Company through email. Therefore all members who want to receive the soft copy of Annual Report are requested to send their email addresses. The consent form for electronic transmission can downloaded from the Company's website: www.nishatchunian.com or http://nishat.net

5. Shareholders are requested to immediately notify the change in address, if any.

6. CDC account holders will further have to follow the following guidelines as laid down by the Securities and Exchange Commission of Pakistan:

a. For attending the meeting

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.

ii) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting

b. For Appointing Proxies

i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.

ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

iv) The proxy shall produce his original CNIC or original passport at the time of the Meeting.

v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the company.

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Pursuant to the allowance granted through SRO 787(I)/2014 of September 8, 2014, by the Securities Exchange Commission of Pakistan, the Company can circulate its annual balance sheet and profit and loss accounts, auditor's report and directors' report etc. ("Audited Financial Statements") along with the Company's Notice of Annual General Meeting through email to its shareholders. Those shareholders who wish to receive the Company's Annual Report via email are requested to provide a completed consent form to the Company' s Share Registrar, Hameed Majeed Associates (Pvt) Limited.

PLEASE NOTE THAT RECEIPT OF THE ANNUAL REPORT VIA EMAIL IS OPTIONAL AND NOT COMPULSORY.

ELECTRONIC TRANSMISSION CONSENT FORM

Date:____________________

The Share Registrar
Hameed Majeed Associates (Pvt) Limited Hameed Majeed House, 7-Bank Square
The Mall, Lahore.
Ph#042-37235081-82 Fax#042-37358817
Email: info@hmaconsultants.com

Pursuant to the directions given by the Securities Exchange Commission of Pakistan through its SRO 787(I)/2014 of September 8, 2014, I, Mr./Ms.________________________ S/o, D/o,W/o________________________ hereby consent to have The Nishat Chunian Power Limited's Audited Financial Statements and Notice of Annual General Meeting delivered to me via email on my email address provided below:

Name of Member/ Shareholder	
Folio/ CDC Account Number	
Email Address:	

It is stated that the above mentioned information is true and correct and that I shall notify the Company and its Share Registrar in writing of any change in my email address or withdrawal of my consent to email delivery of the Company's Audited Financial Statements and Notice of Annual General Meeting.

____

Signature of the Member/ Shareholder

DEAR SHAREHOLDER

Our board is pleased to present our financial statements for the year ending on June 30, 2014. Fiscal year 2014 has been a successful one during which our company achieved record sales and earnings. Turnover for the period was Rs. 27.63-billion with an after tax profit of Rs. 2.90billion.

PROFITABILITY

Our top line has improved largely due to increase in electricity dispatched as the plant was running on higher capacity factor compared to the previous year (74.83% in 2013 vs. 85.82% in 2014). Moreover, the sudden devaluation of the Pakistani rupee against US dollar in first half of the fiscal year and rise in both US and PKR inflation also contributed to our increased sales.

It is pertinent to note that thermal efficiency and O&M cost component in our tariff is levelized over a 25 year period.

As maintenance costs in the initial years are low, our profit will be higher than the average over the life of the project. However, we expect reduced profitability in later years due to plant ageing and higher maintenance costs.

We also receive principal payment under our 10 year long term loan as part of revenue from NTDCL. Therefore, our bottom line would be inflated in the first ten years of operation and we anticipate it to reduce from the eleventh year onwards.

CIRCULAR DEBT

Circular debt still continues to be a source of trouble for companies operating in the power sector. Liquidity management remained challenging during the year even after substantial payment was received from the government, amounting to PKR 6.8 billion, on June 28, 2013. As of June 30, 2014, our total receivables from NTDCL have amplified to PKR. 10.20 billion, out of which PKR. 4.93 billion were overdue.

During the year, our receivables have increased by more than 75% as compared to last year as National Transmission and Despatch Company Limited (NTDCL) has been unable to make timely payments to the company. To permanently address this issue, a firm and clear initiative has to be taken tomove towards a more cost effective energy mix and concrete steps need to be taken to eliminate inefficiencies found in distribution & generation companies.

PENDING ISSUES

An amount of Rs. 957.876 million relating to capacity purchase price is currently not acknowledged by NTDCL as the company had reduced generation. However, the sole reason of this reduced generation was non-availability of fuel owing to non-payment by NTDCL. The company maintains the view that this amount should be payable by NTDCL. However, as part of the settlement with the GOP at the time of payment of PKR 6.8 billion in June 2013, the IPPs withdrew their case of with-held capacity payments from the Supreme Court of Pakistan. NTDC and the IPPs have now appointed Justice Sair Ali as the expert for mediation on this issue. To date,several hearings have been held and efforts are being made to ensure a timely resolution of the matter.

There are certain ambiguities with respect to the applicability of SRO 24 dated January 16, 2012 issued by the Securities and Exchange Commission of Pakistan ('SECP'). We believe that we are not required to present any disclosures in addition to those already given in the financial statements.

INDUSTRY OUTLOOK

Pakistan is highly dependent on expensive sources of energy namely gas, oil and diesel for electricity generation. The world generates more than 40% of total electricity from coal due to its lower cost, whereas Pakistan generates less than 0.1% from coal. A medium to long term policy for improving the energy mix is needed to be implemented to effectively address the growing energy problems of the country.

FUTURE OUTLOOK

We expect the plant to operate at full capacity during the next year and plan to arrange further short term borrowings to help improve the liquidity position of the company.

CORPORATE SOCIAL RESPONSIBILITY

As always, we remain committed to our vision and mission to assist our society in achieving equitable growth. We add substantially to the national exchequer through the methodical payment of various taxes, duties and levies.

We strongly believe that these contributions alone are not enough to make a meaningful impact on society. We must support the development of society at large, through assisting educational programs, aiding healthcare, protecting the environment and empowering women and improving the condition of the disadvantaged.

The company donates to a hospital and school through a trust that was founded to deal in philanthropic activities. The school provides quality education for a nominal fee while the hospital provides affordable healthcare for the underprivileged.

The Saleem family and Nishat Chunian Group are in the process of setting up a state of the art not for profit hospital. The hospital will be based on a model of subsidized medical treatment for the underprivileged and self-pay for those who can afford it. During the year the trust established to undertake the project, entered into a consultancy agreement with Langdon Wilson International, responsible for overall architecture and designing of the Hospital. The trust has also purchased land for the hospital and we are in the process of finalizing the architectural plans finalised.

We are committed to providing our employees with a work environment that is healthy, safe and conducive to continuous learning. The company continues to employ people irrespective of ethnicities, cultures or gender. We pride ourselves in being an equal opportunity employer.

APPROPRIATION

The Board of Directors in its meeting held on 26th September 2014 recommended 20% final cash dividend i.e. Rs.2 per share. This is in addition to interim dividends of Rs.4.50 per share i.e.45%

CORPORATE GOVERNANCE

As required by the Code of Corporate Governance. Directors are pleased to report that:

(a) The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.

(b) Proper books of accounts have been maintained by the Company.

(c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.

(d) The International Financial Reporting Standardsas applicable in Pakistan have been followed in preparation of financial statements.

(e) The system of internal control is sound in design and has been effectively implemented and monitored.

(f) There are no doubts upon the Company's ability to continue as a going concern.

(g) There has been no material departure from the best practices of Corporate Governance as detailed in the listing regulations of the stock exchanges.

(h) The value of investment of contributory provident fund as at June 30, 2014 amounts to Rupees19.408 million (based on un-audited financial statements).

(i) The pattern of shareholding as at June 30, 2014 is annexed.

(j) Information about outstanding taxes and levies is given in Notes to the Accounts.

BOARD MEETINGS

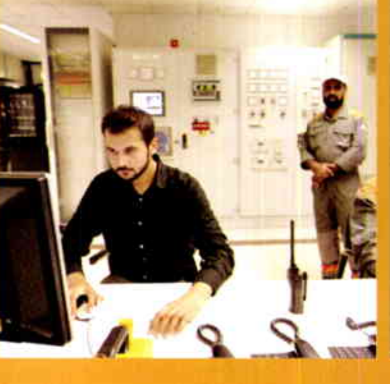
During the year under review Five (5) meetings were held. Attendance of each director is as follows:

Name of Director	Attendance
Mr. Shahzad Saleem	4
Mr. Yahya Saleem	1
Mrs. Farhat Saleem	2
Mr. Wasif M Khan	4
Mr. Sahibzada Rafat Raoof Ali (Resigned on 22 August 2014)	4
Mr. Aftab Ahmad Khan	3
Mr. Kamran Rasool	5
Mr. Shahid Malik	4

ACKNOWLEDGEMENT

The Directors of your Company would like to show their appreciation of the support of respected customers, banks, financial institutions, regulators and shareholders for achieving good results and hope that this cooperation and support continues to grow in the future.

The Directors of your Company would also like to express their deep appreciation for the services,loyalty and efforts being continuously rendered by the employees of the Company and hope that they will continue to do so in the future.



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FINANCIAL HIGHLIGHTS

	2009/10	Rupees	2010/11
Result of Operations			
Net Sales	-		20,353,055,242
Gross Profit	-		4,623,556,899
Operating Income	(6,453,809)		4,587,535,361
Financial Charges	-		(2,940,579,074)
Tax Reversal/(Taxation)	(1,303,361)		(13,579,721)
Net Income	**(7,757,170)**		**1,633,376,566**
Financial Position at Year-end:			
Capital	3,673,469,390		3,673,469,390
Accumulated profit/(loss)	(24,139,607)		1,241,889,312
Net Worth	**3,649,329,783**		**4,915,358,702**
Fixed Assets	18,073,016,518		16,765,215,626
Long Term Deposits & Advances	265,650		2,197,525
Current Assets	4,629,745,779		8,047,407,087
Total Assets	**22,703,027,947**		**24,814,820,238**
Long Term Liabilities	15,378,142,653		13,811,282,788
Current Liabilities	3,675,555,511		6,088,178,748
Net Interest-Bearing Debt	**19,053,698,164**		**19,899,461,536**
Per Share			
Net Income	(0.02)		4.45
Cash Dividends	-		2
Dividend payout ratio	0%		45%
Financial Measures			
ROE	-0.21%		33.23%
Shareholders' Equity Ratio	16.1%		19.8%
Net Debt Equity Ratio (times)	5.22		4.05
Current Ratio	1.26		1.32
Common Stock			
Number of Shares Outstanding at Year-End	367,346,939		367,346,939

2011/12	2012/13	2013/14
	Rupees	
21,585,391,983	25,165,538,264	27,629,641,999
5,168,429,599	5,067,708,707	4,935,048,172
5,096,641,997	5,136,846,341	4,822,434,206
(3,080,778,539)	(2,424,115,317)	(1,921,675,298)
(11,207,516)	24,760,917	-
2,004,655,942	**2,737,491,941**	**2,900,758,908**
3,673,469,390	3,673,469,390	3,673,469,390
2,328,177,906	3,596,282,092	3,374,592,028
6,001,647,296	**7,269,751,482**	**7,048,061,418**
15,825,927,605	14,772,193,670	14,116,423,362
960,796	486,506	524,499
12,761,209,694	7,857,827,423	13,281,512,794
28,588,098,095	**22,630,507,599**	**27,398,460,655**
12,898,060,793	11,836,995,051	10,604,150,775
9,688,390,006	3,523,761,066	9,746,248,462
22,586,450,799	**15,360,756,117**	**20,350,399,2**
5.46	7.45	7.90
3.5	6	6.5
64%	81%	82%
33.40%	37.66%	41.16%
21.0%	32.1%	25.7%
3.76	2.11	2.89
1.32	2.23	1.36
367,346,939	367,346,939	367,346,939

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE (CCG) FOR THE YEAR ENDED: 30 JUNE 2014

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No.35 of Listing Regulations of Karachi, Lahore and Islamabad Stock Exchanges 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.

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

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

Category	Names
Independent Directors	Mr. Wasif M Khan
Executive Directors	Mr. Shahzad Saleem Mr. Yahya Saleem
Non Executive Directors	Mrs. Farhat Saleem Mr. Asad Farooq (appointed on 22 August 2014) Mr. Kamran Rasool Mr. Aftab Ahmad Khan Mr. Shahid Malik Sahibzada Rafat Raoof Ali (Retired on 22 August 2014)

The independent director meets the criteria of independence as required under clause i (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

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

4. No casual vacancy was occurred on the Board during the year.

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

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

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and

conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board in accordance with the Articles of
Association of the Company.

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

9. 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

10. Two of the directors were required to obtain
certification under directors' training program (DTP) during the year ended 30 June, 2014. One of the
directors attended the DTP during the year ended 30 June, 2014. Remaining directors shall obtain
certification under directors' training program up to 2016.

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

12. The Directors' Report for this year has been prepared in compliance with the requirements of the CCG and fully

13. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

14. 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.

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

16. The Board has formed an Audit Committee. It
comprises of 3 members, all are non-executive directors. The Chairman of the committee is an independent director.

17. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company as required by the CCG. The Terms of Reference of the committee have been formed and approved by the Board and advised to the committee for compliance.

18. The Board has formed a Human Resource and Remuneration (HR&R) Committee. It comprises of 3 members, of whom 2 are non-executive directors and the chairman of the Committee is an Executive director.

19. The Board has set up an effective internal audit function that is considered suitably qualified and
experienced for the purpose and is conversant with the policies and procedures of the Company and they are involved in the internal audit function on full time basis.

20. The statutory auditors of the Company have
confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the 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.

21. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Listing Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

22. The 'closed period', prior to the announcement of interim/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 Exchanges.

23. Material/price sensitive information has been
disseminated among all market participants at once through Stock Exchanges.

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

Lahore
September 26, 2014

SHAHZAD SALEEM
Chairman

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

We have reviewed the annexed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the 'Code') prepared by the Board of Directors of Nishat Chunian Power Limited (the 'company') for the year ended June 30, 2014 to comply with the requirements of Listing Regulation No. 35 of the Karachi,Lahore and Islamabad Stock Exchanges, 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 on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the company's corporate governance procedures and risks.

The Code requires the company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of 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 June 30, 2014.

Further, we highlight the instance of non-compliance with the requirement of the Code as reflected in the paragraph 10 of the Statement of Compliance which states that the training of a director has not been conducted. The company is in process of arranging this training.

A.F. Ferguson & Co.

Chartered Accountants. Lahore,
Engagement Partner: Muhammad Masood

September 26, 2014

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Nishat Chunian Power Limited(the 'company') as at June 30, 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 except for the changes in accounting policies as stated in note 2.2.1 to the annexed financial statements with which we concur;

(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 June 30, 2014 and of the profit, total comprehensive income, changes in equity and its cash flows for the year then ended;

(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; and

(e) we draw attention to note 16.2 to the financial statements, which describes the matter regarding recoverability of certain trade debts Our opinion is not qualified in respect of this matter.

A. F. Ferguson & Co.
Chartered Accountants
Engagement Partner: Muhammad Masood

Lahore
September 26, 2014

NISHAT CHUNIAN POWER LIMITED

BALANCE SHEET AS AT JUNE 30, 2014

	Note	2014 Rupees	2013 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 385,000,000 (2013: 385,000,000) ordinary shares of Rs 10 each		3,850,000,000	3,850,000,000
Issued, subscribed and paid up share capital 367,346,939 (2013: 367,346,939) ordinary shares of Rs 10 each	5	3,673,469,390	3,673,469,390
Revenue reserve: Un-appropriated profit	6	3,374,592,028	3,596,282,092
		7,048,061,418	7,269,751,482
NON-CURRENT LIABILITY			
Long term financing - secured	7	10,604,150,775	11,836,995,051
CURRENT LIABILITIES			
Current portion of long term financing - secured	7	1,232,844,273	1,061,065,742
Short term borrowings - secured	8	5,698,837,812	4,210,860
Trade and other payables	9	2,306,600,169	1,938,833,399
Accrued finance cost	10	507,966,208	519,651,065
		9,746,248,462	3,523,761,066
CONTINGENCIES AND COMMITMENTS	11		
		27,398,460,655	22,630,507,599

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

Chief Executive

	Note	2014 Rupees	2013 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	12	14,116,423,362	14,772,193,670
Long term loans to executives	13	419,499	381,506
Long term security deposits		105,000	105,000
		14,116,947,861	14,772,680,176
CURRENT ASSETS			
Stores and spares	14	916,391,733	675,127,598
Inventories	15	431,070,568	419,779,447
Trade debts	16	10,199,010,015	5,812,566,330
Loans, advances, deposits, prepayments and other receivables	17	676,051,026	664,427,747
Income tax receivable		15,670,781	13,525,039
Derivative financial instruments	18	-	2,362,939
Bank balances	19	1,043,318,671	270,038,323
		13,281,512,794	7,857,827,423
		27,398,460,655	22,630,507,599

Director

NISHAT CHUNIAN POWER LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2014

	Note	2014 Rupees	2013 Rupees
Sales	20	27,629,641,999	25,165,538,264
Cost of sales	21	(22,694,593,827)	(20,097,829,557)
Gross profit		4,935,048,172	5,067,708,707
Administrative expenses	22	(116,220,861)	(75,795,295)
Other expenses	23	(82,671,785)	(11,053,652)
Other income	24	86,278,680	155,986,581
Finance cost	25	(1,921,675,298)	(2,424,115,317)
Profit before taxation		2,900,758,908	2,712,731,024
Taxation	26	-	24,760,917
Profit for the year		2,900,758,908	2,737,491,941
Earnings per share - basic and diluted	27	7.897	7.452

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

Chief Executive **Director**

NISHAT CHUNIAN POWER LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2014

	2014 Rupees	2013 Rupees
Profit for the year	2,900,758,908	2,737,491,941
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss	-	-
Items that will not be reclassified subsequently to profit or loss	-	-
	-	-
Total comprehensive income for the year	2,900,758,908	2,737,491,941

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

Chief Executive **Director**

NISHAT CHUNIAN POWER LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2014

	Share capital	Revenue reserve: Un-appropriated profit	Total
		Rupees	
Balance as on June 30, 2012	3,673,469,390	2,328,177,906	6,001,647,296
Profit for the year	-	2,737,491,941	2,737,491,941
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	2,737,491,941	2,737,491,941
Dividend to equity holders of the company:			
Final dividend for the year ended June 30, 2012 @ Rs 2 per share	-	(734,693,878)	(734,693,878)
Interim dividend for the first quarter ended September 30, 2012 @ Rs 2 per share	-	(734,693,877)	(734,693,877)
Total distributions to owners of the company recognized directly in equity	-	(1,469,387,755)	(1,469,387,755)
Balance as on June 30, 2013	3,673,469,390	3,596,282,092	7,269,751,482
Profit for the year	-	2,900,758,908	2,900,758,908
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	2,900,758,908	2,900,758,908
Dividend to equity holders of the company:			
Interim dividend for the half year ended December 31, 2012 @ Rs 2 per share	-	(734,693,878)	(734,693,878)
Final dividend for the year ended June 30, 2013 @ Rs 2 per share	-	(734,693,878)	(734,693,878)
Interim dividend for the first quarter ended September 30, 2013 @ Rs 1.5 per share	-	(551,020,398)	(551,020,398)
Interim dividend for the half year ended December 31, 2013 @ Rs 1.5 per share	-	(551,020,409)	(551,020,409)
Interim dividend for the third quarter ended March 31, 2014 @ Rs 1.5 per share	-	(551,020,409)	(551,020,409)
Total distributions to owners of the company recognized directly in equity	-	(3,122,448,972)	(3,122,448,972)
Balance as on June 30, 2014	3,673,469,390	3,374,592,028	7,048,061,418

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

Chief Executive **Director**

NISHAT CHUNIAN POWER LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2014

	Note	2014 Rupees	2013 Rupees
Cash flows from operating activities			
Cash generated from operations	28	1,151,476,853	12,266,356,273
Finance cost paid		(1,933,360,155)	(2,646,361,873)
Income tax paid		(2,145,742)	(700,892)
Retirement benefits paid		(2,679,798)	(1,886,171)
Net (increase)/decrease in long term loans to executives		(37,993)	474,290
Net cash (outflow)/inflow from operating activities		(786,746,835)	9,617,881,627
Cash flows from investing activities			
Fixed capital expenditure		(516,675,917)	(49,606,151)
Proceeds from disposal of property, plant and equipment		10,984,366	649,000
Profit on bank deposits received		607,779	111,487
Net cash outflow from investing activities		(505,083,772)	(48,845,664)
Cash flows from financing activities			
Repayment of long term financing		(1,061,065,745)	(913,221,996)
Short term borrowings from holding company		-	1,430,000,000
Repayment of short term borrowings from holding company		-	(2,562,500,000)
Dividend paid		(2,568,450,252)	(1,467,530,779)
Net cash outflow from financing activities		(3,629,515,997)	(3,513,252,775)
Net (decrease)/increase in cash and cash equivalents		(4,921,346,604)	6,055,783,188
Cash and cash equivalents at the beginning of the year		265,827,463	(5,789,955,725)
Cash and cash equivalents at the end of the year	29	(4,655,519,141)	265,827,463

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

Chief Executive **Director**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

1. The company and its activities

Nishat Chunian Power Limited (the 'company') is a public limited company incorporated in Pakistan. The company is a subsidiary of Nishat (Chunian) Limited. The company's ordinary shares are listed on the Karachi, Lahore and Islamabad Stock Exchanges.

The principal activity of the company is to build, own, operate and maintain a fuel fired power station having gross capacity of 200 MW and net capacity of 195.722 MW at Jamber Kalan, Tehsil Pattoki, District Kasur, Punjab, Pakistan. The address of the registered office of the company is 31-Q, Gulberg II, Lahore. The company has a Power Purchase Agreement ('PPA') with its sole customer, National Transmission and Dispatch Company Limited ('NTDC') for twenty five years which commenced from July 21, 2010.

2. Basis of preparation

2.1 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by Securities and Exchange Commission of Pakistan differ with the requirements of IFRS or IFAS, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives prevail.

2.2 Initial application of standards, amendments or an interpretation to existing standards

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

2.2.1 Standards, amendments and interpretations to approved accounting standards that are effective in current year

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2013 but are considered currently not to be relevant or to have any significant effect on the company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these financial statements.

2.2.2 Exemption from applicability of certain interpretations to standards

SECP through SRO 24(I)/2012 dated January 16, 2012, has exempted the application of International Financial Reporting Interpretations Committee (IFRIC) 4 'Determining whether an Arrangement contains a Lease' to all companies. However, the SECP made it mandatory to disclose the impact of the application of IFRIC 4 on the results of the companies. This interpretation provides guidance on determining whether arrangements that do not take the legal form of a lease should, nonetheless, be accounted for as a lease in accordance with International Accounting Standard (IAS) 17, 'Leases'.

Consequently, the company is not required to account for a portion of its PPA with NTDC as a lease under IAS - 17. If the company were to follow IFRIC - 4 and IAS - 17, the effect on the financial statements would be as follows:

	2014 Rupees	2013 Rupees
De-recognition of property, plant and equipment	(14,062,304,227)	(14,745,480,908)
Recognition of lease debtor	15,084,440,069	16,029,526,247
Increase in un-appropriated profit at the beginning of the year	1,284,045,339	1,016,939,394
(Decrease)/increase in profit for the year	(261,909,497)	267,105,945
Increase in un-appropriated profit at the end of the year	1,022,135,842	1,284,045,339

2.2.3 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the company

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the company's accounting periods beginning on or after July 1, 2014 but are considered not to be relevant or to have any significant effect on the company's operations and are, therefore, not detailed in these financial statements.

3. Basis of measurement

3.1 These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain financial instruments at fair value.

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

a) Provision for taxation

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

b) Useful lives and residual values of property, plant and equipment

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

4. Significant accounting policies

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

4.1 Taxation

Current

The profits and gains of the company derived from electric power generation are exempt from tax in terms of clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the conditions and limitations provided therein.

Under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, the company is also exempt from levy of minimum tax on 'turnover' under section 113 of the Income Tax Ordinance, 2001. However, full provision is made in the profit and loss account on income from sources not covered under the above clauses at current rates of taxation after taking into account, tax credits and rebates available, if any.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to other comprehensive income or equity in which case it is included in other comprehensive income or equity.

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.

4.2 Property, plant and equipment

4.2.1 Operating fixed assets

Operating fixed assets except freehold land are stated at cost less accumulated depreciation and any identified impairment loss. Freehold land is stated at cost less any identified impairment loss.

Depreciation on operating fixed assets is charged to profit and loss account on the straight line method so as to write off the cost of an asset over its estimated useful life at the annual rates mentioned in note 12.1 after taking into account their residual values.

The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted if impact on depreciation is significant. The company's estimate of the residual value of its operating fixed assets as at June 30, 2014 has not required any adjustment as its impact is considered insignificant.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4.4).

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repair and maintenance costs are included in the profit and loss account during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

4.2.2 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

4.2.3 Major spare parts and standby equipment

Major spare parts and stand-by equipment qualify as property, plant and equipment when an entity expects to use them for more than one year. Transfers are made to relevant operating fixed assets category as and when such items are available for use.

4.3 Intangible assets

Computer software

Expenditure incurred to acquire computer software is capitalized as intangible asset and stated at cost less accumulated amortization and any identified impairment loss. Computer software is amortized using the straight line method over a period of five years.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 4.4).

4.4 Impairment of non-financial assets

Assets that have an indefinite useful life - for example, goodwill or intangible assets not ready to use - are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

4.5 Leases

The company is the lessee:

4.5.1 Operating leases

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

4.6 Stores and spares

Stores and spares are valued principally at weighted average cost except for items in transit which are stated at invoice value plus other charges paid thereon till the balance sheet date while items considered obsolete are carried at nil value.

4.7 Inventories

Inventories except for those in transit and furnace oil are valued principally at lower of weighted average cost and net realizable value. Materials in transit are stated at cost comprising invoice value plus other charges paid thereon. Furnace oil is valued at lower of cost based on First-In First-Out (FIFO) method and net realizable value.

Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessarily to be incurred in order to make the sale. Provision is made in the financial statements for obsolete and slow moving inventories based on management's estimate.

4.8 Financial assets

4.8.1 Classification

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

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets if expected to be settled within twelve months, otherwise, they are classified as non current.

b) Loans and receivables

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

c) Available-for-sale financial assets

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

d) Held to maturity

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

4.8.2 Recognition and measurement

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

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

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

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the company measures the investments at cost less impairment in value, if any.

The company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is removed from equity and recognized in the profit and loss account. Impairment losses recognized in the profit and loss account on equity instruments are not reversed through the profit and loss account. Impairment testing of trade debts and other receivables is described in note 4.12.

4.9 Financial liabilities

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

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

4.10 Offsetting of financial assets and financial liabilities

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

4.11 Derivative financial instruments

These are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The company has not designated any derivatives as hedging instruments and accordingly, the changes in fair value re-measurement are recognized in the profit and loss account. Trading derivatives are classified as a current asset or liability.

4.12 Trade debts and other receivables

Trade debts and other receivables are recognized initially at invoice value, which approximates fair value, and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade debts and other receivables is established when there is objective evidence that the company will not be able to collect all the amount due according to the original terms of the receivable. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade debt is impaired. The provision is recognized in the profit and loss account. When a trade debt is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the profit and loss account.

4.13 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

4.14 Employees' retirement benefits - Defined contribution plan

There is an approved defined contributory provident fund for all employees. Equal monthly contributions are made both by the company and employees to the fund at the rate of 8.33 percent of the basic salary. Retirement benefits are payable to staff on completion of prescribed qualifying period of service under the scheme.

4.15 Trade and other payables

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Exchange gains and losses arising on translation in respect of liabilities in foreign currency are added to the carrying amount of the respective liabilities.

4.16 Provisions

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

4.17 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

4.18 Borrowings

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

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

4.19 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs are directly attributable to the acquisition, construction or production of a qualifying asset in which case such costs are capitalized as part of the cost of the asset up to the date of commissioning of the related asset.

4.20 Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the company and the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable on the following basis:

Revenue on account of energy is recognized on transmission of electricity to NTDC, whereas on account of capacity is recognized when due. Income on bank deposits is accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

4.21 Foreign currency transactions and translation

a) Functional and presentation currency

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

b) Transactions and balances

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

4.22 Dividend

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

5. Issued, subscribed and paid up share capital

This represents 367,346,939 (2013: 367,346,939) ordinary shares of Rs 10 each fully paid in cash. 187,585,820 (2013: 187,585,820) ordinary shares of the company are held by Nishat (Chunian) Limited, the holding company.

6. In accordance with the terms of agreement with the lenders of long term finances, there are certain restrictions on the distribution of dividends by the company.

		2014 Rupees	2013 Rupees
7. Long term financing - secured			
Senior facility	- note 7.1	9,542,103,996	10,398,126,373
Term finance facility	- note 7.2	2,294,891,052	2,499,934,420
		11,836,995,048	12,898,060,793
Less: Current portion shown under current liabilities		1,232,844,273	1,061,065,742
		10,604,150,775	11,836,995,051

7.1 Senior facility

Long term financing under mark-up arrangement obtained from following banks:

Lender		
National Bank of Pakistan	1,642,513,501	1,789,863,401
Habib Bank Limited	2,199,666,664	2,396,998,777
Allied Bank Limited	2,199,666,664	2,396,998,777
United Bank Limited	2,199,666,663	2,396,998,776
Faysal Bank Limited	991,645,194	1,080,605,695
Summit Bank Limited	128,783,298	140,336,593
Sindh Bank Limited	180,162,012	196,324,354
	9,542,103,996	10,398,126,373
Less: Current portion shown under current liabilities	994,605,938	856,022,379
	8,547,498,058	9,542,103,994

	2014 Rupees	2013 Rupees
7.2 Term finance facility		

Long term financing under mark-up arrangement obtained from following banks:

Lender		
National Bank of Pakistan	395,026,877	430,321,643
Habib Bank Limited	529,023,404	576,290,459
Allied Bank Limited	529,023,404	576,290,458
United Bank Limited	529,023,404	576,290,459
Faysal Bank Limited	312,793,963	340,741,401
	2,294,891,052	2,499,934,420
Less: Current portion shown under current liabilities	238,238,335	205,043,363
	2,056,652,717	2,294,891,057

7.3 This represents long term financing obtained from a consortium of banks led by United Bank Limited (Agent Bank). The portion of long term financing from Faysal Bank Limited is on murabaha basis. The overall financing is secured against registered first joint parri passu charge on immovable property, mortgage of project receivables (excluding energy payment receivables), hypothecation of all present and future assets and all properties of the company (excluding working capital hypothecated property), lien over project bank accounts and pledge of shares held by the holding company in Nishat Chunian Power Limited. It carries mark-up at the rate of three months Karachi Inter-Bank Offered Rate (KIBOR) plus three percent per annum, payable on quarterly basis. The mark-up rate charged during the year on the outstanding balance ranges from 12.08% to 13.18% (2013: 12.31% to 14.99%) per annum. As of June 30, 2014, the finance is repayable in twenty five quarterly installments ending on July 01, 2020.

8. Short term borrowings - secured

Short term borrowings under mark-up arrangements obtained as under:

		2014 Rupees	2013 Rupees
Running finances	- note 8.1	625,832,731	4,210,860
Money market loans	- note 8.1	2,850,000,000	-
Murabaha facilities	- note 8.2	2,223,005,081	-
		5,698,837,812	4,210,860

8.1 Running finances

Short term running finance facilities and money market loans available from commercial banks under mark-up arrangements amount to Rs 6,150 million (2013: Rs 4,479.03 million) . Running finance facilities are available at mark-up rates ranging from one month to three months KIBOR plus 1% to 2% per annum, payable quarterly, on the balance outstanding. Running finance facilities are secured against first joint pari passu hypothecation charge on the present and future current assets of the company comprising of fuel stocks, inventories and energy price payment receivables from NTDC. The mark-up rate charged during the year on the outstanding balance ranges from 10.44% to 12.44% (2013: 11.31% to 13.90%) per annum.

Money market loans are available to the company as a sub-facility to the running finance facility. Such facilities amount to Rs 4,150 million (2013: Nil) and are available at mark-up rates ranging from one month to six months KIBOR plus 0.5% to 1.0% per annum. Money market loans are secured against first joint pari passu hypothecation charge on the present and future current assets of the company comprising of fuel stocks, inventories and energy price payment receivables from NTDC. The mark-up rate charged during the year on the outstanding balance ranges from 10.15% to 10.99% (2013: Nil) per annum.

8.2 Murabaha facilities

This represents murabaha facilities aggregating Rs 3,034.92 million (2013: Rs 1,800 million) under mark-up arrangements from commercial banks at mark-up rates ranging from one month to nine months KIBOR plus 0.5% to 1.5% per annum. Mark-up is payable at the maturity of the respective murabaha transaction. Murabaha facilities are secured against first joint pari passu hypothecation charge on the present and future current assets of the company comprising of fuel stocks, inventories and energy price payment receivables from NTDC. The mark-up rate charged during the year on the outstanding balance ranges from 10.15% to 11.47% (2013: 11.04% to 14.32%) per annum.

8.3 Letters of credit and guarantees

Of the aggregate facilities of Rs 2,135.08 million (2013: Rs 1,047.03 million) for opening letters of credit and guarantees, the amount utilized at June 30, 2014 was Rs 1,159.12 million (2013: Rs 249.44 million). The aggregate facilities for opening letters of credit and guarantees are secured by ranking charge on the present and future current assets comprising of fuel stocks, inventories and energy price payment receivables from NTDC, counter guarantee, cash margin and lien over import documents.

		2014 Rupees	2013 Rupees
9. Trade and other payables			
Creditors	- notes 9.1 and 9.2	1,589,300,554	1,711,828,789
Retention money		876,969	898,639
Security deposits		1,100,000	1,100,000
Accrued liabilities		6,384,100	85,072,805
Workers' profit participation fund	- note 9.3	145,062,967	135,661,573
Withholding tax payable		4,574,806	-
Dividend payable		551,020,409	-
Unclaimed dividend		6,036,381	3,058,070
Other liabilities		2,243,983	1,213,523
		2,306,600,169	1,938,833,399

9.1 Includes an amount of Nil (2013: Rs 1,507,000) due to Nishat (Chunian) Limited, the holding company.

9.2 Includes an amount of Rs 962 (2013: Rs 46,241,756) due to Adamjee Insurance Company Limited, a related party.

		2014 Rupees	2013 Rupees
9.3 Workers' Profit Participation Fund			
Opening balance		135,661,573	101,840,330
Provision for the year	- note 17.1	145,037,945	135,636,551
Interest for the year	- note 25	75,117	131,454
		280,774,635	237,608,335
Less: Payments		135,711,668	101,946,762
Closing balance		145,062,967	135,661,573

9.4 Workers' Welfare Fund has not been provided for in the financial statements on the advice of the company's legal consultant.

	2014 Rupees	2013 Rupees
10. Accrued finance cost		
Accrued mark-up/interest on:		
Long term financing - secured	389,082,920	405,500,045
Short term borrowings - secured	118,883,288	114,151,020
	507,966,208	519,651,065

11. Contingencies and commitments

11.1 Contingencies

(i) National Electric Power Regulatory Authority ('NEPRA') issued an order dated 8th February, 2013 through which it raised a demand of Rs 243.702 million payable by the company to NTDC for the period upto June 30, 2011 in respect of Calorific Value ('CV') adjustment on fuel consumed for power generation as per the terms of the PPA and various CV adjustment mechanisms prescribed by NEPRA. The first such CV adjustment mechanism was announced by NEPRA in March 2009 and as per this mechanism, the company has already made a provision of Rs 81.211 million in its financial statements for the above CV adjustment. In July 2011, NEPRA revised its CV adjustment mechanism and directed all Independent Power Producers ('IPPs') to maintain consignment-wise CV record of the fuel received and consumed for power generation. Consequently, the company started maintaining such CV record after such direction was received from NEPRA.

NEPRA directed the company to submit consignment-wise record of CV for the period upto June 30, 2011. The company disputed such direction as it was not required to maintain consignment-wise record prior to July 2011. However, NEPRA computed retrospectively and determined Rs 243.702 million payable by the company to NTDC for the period upto June 30, 2011 in respect of CV adjustment on the basis of the mechanism directed by it in July 2011. The company filed a Motion for Leave for Review before NEPRA requesting it to reconsider its decision, which was decided against the company. Consequently, the company filed a writ petition before the Islamabad High Court against NEPRA's decision on the grounds that change in CV adjustment mechanism in July 2011 cannot be applied retrospectively and credible information is also not available from any source upon which CV adjustment computations can be made. The case is pending adjudication before Islamabad High Court.

Based on the advice of the company's legal counsel, management feels that there are meritorious grounds to support the company's stance and the aforesaid NEPRA's decision is likely to be revoked. Under these circumstances, no provision of the balance amount of Rs 162.491 million has been made in these financial statements.

(ii) During the current year, a sales tax demand of Rs 1,161.548 million was raised against the company through order dated November 28, 2013 by the Assistant Commissioner Inland Revenue ('ACIR') by disallowing input sales tax for the tax periods from July 2010 to June 2012. Such amount was disallowed on the grounds that the revenue derived by the company on account of 'capacity purchase price' was against a non-taxable supply and thus, the entire amount of input sales tax claimed by the company was required to be apportioned with only the input sales tax attributable to other revenue stream i.e. 'energy purchase price' admissible to the company. Against the aforesaid order, the company preferred an appeal before the Commissioner Inland Revenue (Appeals) ('CIR(A)') who vacated the ACIR's order on the issue regarding apportionment of input sales tax. However, the CIR(A) did not adjudicate upon the company's other grounds of appeal. Consequently, the company preferred an appeal before the Appellate Tribunal Inland Revenue ('ATIR') on the issues not adjudicated upon by the CIR(A) and the Department also preferred a second appeal before the ATIR against the CIR(A)'s order, which are both pending adjudication.

Based on the advice of the company's legal counsel, management believes that there are meritorious grounds to defend the company's stance in respect of the abovementioned input sales tax claimed by the company. Consequently, no provision has been made in these financial statements.

(iii) The banks have issued the following on behalf of the company:

(a) Irrevocable standby letter of credit in favour of Wartsila Pakistan (Private) Limited for Rs 45,000,000 (2013: Rs 45,000,000) as required under the terms of the Operation and Maintenance Agreement.

(b) Letter of guarantee of Rs 5,031,988 (2013: Rs 2,031,988) in favour of Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess.

(c) Standby letter of credit in favour of Industrial and Commercial Bank of China Limited, Karachi Branch for Rs 781,357,500 (2013: Nil) in order to secure payment against liability of the company towards Hascol Petroleum Limited in respect of import of furnace oil.

(d) Letter of guarantee of Rs 65,076,000 (2013: Nil) in favour of Punjab Power Development Board, Energy Department, Government of the Punjab, Lahore, in respect of issuance of Letter of Interest to the company to set up a 660 MW Imported Coal Fired Power Plant in Jhang, Punjab.

11.2 Commitments

(i) Letters of credit and contracts other than for capital expenditure aggregate to Rs 262,653,932 (2013: Rs 202,410,806).

(ii) The company has an agreement with Wartsila Pakistan (Private) Limited for the operations and maintenance ('O&M') of the power station until the earlier of the completion of 35,000 hours of first engine or five years period starting from the Commercial Operations Date of the power station i.e. July 21, 2010. Under the terms of the O&M agreement, the company is required to pay a monthly fixed O&M fee and a variable O&M fee depending on the net electrical output, both of which are adjustable according to the Wholesale Price Index.

		2014	2013
		Rupees	Rupees
12. Fixed assets			
Property, plant and equipment:			
Operating fixed assets	- note 12.1	14,111,679,041	14,768,739,670
Capital work-in-progress	- note 12.2	4,267,321	2,500,000
		14,115,946,362	14,771,239,670
Intangible asset:			
Computer software	- note 12.3	477,000	954,000
		14,116,423,362	14,772,193,670

12.1 Operating fixed assets

(Rupees)

	Freehold land	Buildings on freehold land	Plant and machinery	Electric installations	Computer equipment	Office equipment	Furniture and fixtures	Vehicles	Total
COST									
Balance as at July 01, 2012	71,016,715	170,534,585	17,760,807,826	2,535,539	3,625,329	9,651,751	944,577	17,939,880	18,037,056,202
Additions during the year	-	1,126,206	40,245,800	78,500	1,319,125	26,000	64,500	4,246,020	47,106,151
Disposal during the year	-	-	(45,187,669)	-	(74,921)	-	-	(667,420)	(45,930,010)
Balance as at June 30, 2013	71,016,715	171,660,791	17,755,865,957	2,614,039	4,869,533	9,677,751	1,009,077	21,518,480	18,038,232,343
Balance as at July 01, 2013	71,016,715	171,660,791	17,755,865,957	2,614,039	4,869,533	9,677,751	1,009,077	21,518,480	18,038,232,343
Additions during the year	-	7,781,000	470,390,950	-	1,244,383	-	-	35,492,264	514,908,597
Disposal during the year	-	-	(451,876,687)	-	-	-	-	-	(451,876,687)
Balance as at June 30, 2014	71,016,715	179,441,791	17,774,380,220	2,614,039	6,113,916	9,677,751	1,009,077	57,010,744	18,101,264,253
DEPRECIATION									
Balance as at July 01, 2012	-	13,603,015	2,189,150,515	508,150	1,534,402	838,993	138,156	6,786,366	2,212,559,597
Charge for the year - note 12.1.1	-	6,842,205	1,088,654,492	261,404	1,049,365	2,203,829	100,529	3,624,865	1,102,736,689
Disposal during the year	-	-	(45,187,669)	-	(3,746)	-	-	(612,198)	(45,803,613)
Balance as at June 30, 2013	-	20,445,220	3,232,617,338	769,554	2,580,021	3,042,822	238,685	9,799,033	3,269,492,673
Balance as at July 01, 2013	-	20,445,220	3,232,617,338	769,554	2,580,021	3,042,822	238,685	9,799,033	3,269,492,673
Charge for the year - note 12.1.1	-	6,888,825	1,143,475,440	261,404	1,121,064	2,204,045	99,835	6,934,246	1,160,984,859
Disposal during the year	-	-	(440,892,320)	-	-	-	-	-	(440,892,320)
Balance as at June 30, 2014	-	27,334,045	3,935,200,458	1,030,958	3,701,085	5,246,867	338,520	16,733,279	3,989,585,212
Book value as at June 30, 2013	71,016,715	151,215,571	14,523,248,619	1,844,485	2,289,512	6,634,929	770,392	11,719,447	14,768,739,670
Book value as at June 30, 2014	71,016,715	152,107,746	13,839,179,762	1,583,081	2,412,831	4,430,884	670,557	40,277,465	14,111,679,041
Annual depreciation rate %	-	4 to 4.45	4 to 32.83	10	30	10	10	20	

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

		2014 Rupees	2013 Rupees
Cost of sales	- note 21	1,154,814,034	1,099,919,300
Administrative expenses	- note 22	6,170,825	2,817,389
		1,160,984,859	1,102,736,689

12.1.2 Disposal of operating fixed assets

Particulars	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal
	2014 (Rupees)				
Plant and machinery					
Wartsila Pakistan (Private) Limited	225,938,342	214,953,976	10,984,366	10,984,366	Premature failure parts claim
Assets written off	225,938,345	225,938,345	-	-	Write off
	451,876,687	440,892,321	10,984,366	10,984,366	

Particulars	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal
	2013 (Rupees)				
Plant and machinery					
Assets written off	45,187,669	45,187,669	-	-	Write off
Vehicle					
Damaged in accident	667,420	612,198	55,222	609,000	Insurance claim
Office equipments sold to:					
Outside party - Mr Usman Pervaiz	74,921	3,746	71,175	40,000	Bid
	45,930,010	45,803,613	126,397	649,000	

12.2 Capital work-in-progress

	2014 Rupees	2013 Rupees
Civil works	2,189,321	-
Advance to supplier against purchase of vehicles	2,078,000	2,500,000
	4,267,321	2,500,000

The reconciliation of the carrying amount is as follows:

	2014 Rupees	2013 Rupees
Opening balance	2,500,000	-
Additions during the year	4,267,321	2,500,000
	6,767,321	2,500,000
Transfers during the year	(2,500,000)	-
Closing balance	4,267,321	2,500,000

12.3 Intangible asset

COMPUTER SOFTWARE

		Rupees
Cost		
Balance as at July 01, 2012		2,385,000
Additions during the year		-
Balance as at June 30, 2013		2,385,000
Balance as at July 01, 2013		2,385,000
Additions during the year		-
Balance as at June 30, 2014		2,385,000
Amortization		
Balance as at July 01, 2012		954,000
Charge for the year	- note 22	477,000
Balance as at June 30, 2013		1,431,000
Balance as at July 01, 2013		1,431,000
Charge for the year	- note 22	477,000
Balance as at June 30, 2014		1,908,000
Book value as at June 30, 2013		**954,000**
Book value as at June 30, 2014		**477,000**
Annual amortization rate %		**20%**

13. Long term loans to executives

		2014 Rupees	2013 Rupees
Considered good:			
Loans to executives	- note 13.3	781,586	659,546
Less: Current portion shown under current assets	- note 17	362,087	278,040
		419,499	381,506

13.1 This represents car loans to executives and are recoverable within a period of four years commencing from the date of disbursement through monthly deductions from salaries. This carries interest at the rates ranging from 10.44% to 10.57% per annum (2013: 10.57% per annum). The loan is secured to the extent of balance standing to the credit of relevant executive in his/her provident fund trust account.

13.2 Maximum aggregate balance due from the executives at the end of any month during the year is Rs 1,186,027 (2013: Rs 1,557,723).

	2014 Rupees	2013 Rupees
13.3 Reconciliation of carrying amount of loans to executives		
Opening balance	659,546	1,455,796
Disbursements	593,887	700,000
Markup for the year	93,148	107,813
	1,346,581	2,263,609
Less: Repayments	564,995	1,604,063
Closing balance	781,586	659,546

14. Stores and spares

Most of the items of stores and spares are of interchangeable nature and can be used as machine spares or consumed as stores. Accordingly, it is not practicable to distinguish stores from spares until their actual usage. Moreover, stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

	2014 Rupees	2013 Rupees
15. Inventories		
Furnace oil	409,258,394	399,786,720
Diesel	7,453,959	10,014,980
Lubricating oil	14,358,215	9,977,747
	431,070,568	419,779,447

16. Trade debts

16.1 These represent trade receivables from NTDC and are considered good. These are secured by a guarantee from the Government of Pakistan under the Implementation Agreement and are in the normal course of business and interest free, however, a delayed payment mark-up at the rate of three months KIBOR plus 4.5% is charged in case the amounts are not paid within due dates. The rate of delayed payment mark-up charged during the year on outstanding amounts ranged from 13.49% to 14.68% (2013 :13.72% to 16.47%) per annum.

16.2 Included in trade debts is an amount of Rs 957.876 million relating to capacity purchase price not acknowledged by 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 PPA. Hence, the company had taken up this issue at appropriate forums. On June 28, 2013, the company entered into a Memorandum of Understanding ('MoU') for cooperation on extension of credit terms with NTDC whereby it was agreed that the constitutional petition filed by the company before the Supreme Court of Pakistan on the abovementioned issue would be withdrawn unconditionally and it would be resolved through the dispute resolution mechanism under the PPA. Accordingly, as per terms of the MoU, the company applied for withdrawal of the aforesaid petition which is pending adjudication before Supreme Court of Pakistan. During the current year, the company in consultation with NTDC, appointed an Expert for dispute resolution under the PPA. The proceedings before the Expert are under process. Based on the advice of the company's legal counsel, management feels that there are meritorious grounds to support the company's stance and such amounts are likely to be recovered. Consequently, no provision for the above mentioned amount has been made in these financial statements.

		2014 Rupees	2013 Rupees
17.	**Loans, advances, deposits, prepayments and other receivables**		
- Sales tax		93,465,053	64,816,666
Claim recoverable from NTDC for pass through items:			
- Workers' Profit Participation Fund	- note 17.1	382,514,826	237,476,881
Rebate receivable on early retirement of short term finances		-	56,355,393
Interest receivable		402,011	161,854
Security deposit		5,031,988	2,031,988
Prepayments		373,645	66,798
Insurance claim receivable		-	91,790,908
Other receivables		26,350	-
		676,051,026	664,427,747

		2014 Rupees	2013 Rupees
17.1	**Workers' Profit Participation Fund**		
Opening balance		237,476,881	183,140,987
Accrued for the year	- note 9.3	145,037,945	135,636,551
		382,514,826	318,777,538
Less: Amount received during the year		-	81,300,657
Closing balance		382,514,826	237,476,881

Under section 9.3(a) of the Power Purchase Agreement (PPA) with NTDC, payments to Workers' Profit Participation Fund are recoverable from NTDC as a pass through item.

18. This represented the derivative cross currency swap the company entered into with a commercial bank. Under the terms of the cross currency swap arrangement, the company paid London Inter-Bank Offered Rate (LIBOR) plus bank spread to the arranging bank on the notional USD amount for the purposes of the cross currency swap and received fixed interest at the rate of 11.65% from the arranging bank on the Rupee amount. The derivative cross currency swap expired during the year on February 6, 2014 and the resulting loss has been recognized in the profit and loss account.

		2014 Rupees	2013 Rupees
19.	**Bank balances**		
Cash at bank:			
- On saving accounts	- note 19.1	1,042,674,715	1,285,174
- On current accounts	- note 19.2	643,956	268,753,149
		1,043,318,671	270,038,323

19.1 Profit on balances in saving accounts ranged from 6.00% to 7.29% (2013: 6.00% to 9.41%) per annum.

19.2 Includes an amount of Rs 121,609 (2013: Rs 93,267) with MCB Bank Limited, a related party.

20. Sales

	2014 Rupees	2013 Rupees
Energy purchase price	26,690,696,860	23,706,952,677
Less: Sales tax	3,797,801,684	3,231,404,122
	22,892,895,176	20,475,548,555
Capacity purchase price	4,736,746,823	4,689,989,709
	27,629,641,999	25,165,538,264

21. Cost of sales

		2014 Rupees	2013 Rupees
Raw materials consumed		20,771,776,320	18,253,722,477
Salaries and other benefits	- note 21.1	25,191,006	18,148,220
Operations and maintenance		377,909,140	325,609,443
Stores and spares consumed		151,067,895	181,295,363
Electricity consumed in-house		385,725	325,669
Insurance		194,576,762	160,038,187
Travelling and conveyance		6,825,815	1,648,142
Postage and telephone		2,164,073	2,040,549
Repairs and maintenance		2,354,536	42,159,708
Entertainment		632,529	547,577
Depreciation on operating fixed assets	- note 12.1.1	1,154,814,034	1,099,919,300
Fee and subscription		5,674,062	7,342,725
Miscellaneous		1,221,930	5,032,197
		22,694,593,827	20,097,829,557

21.1 Salaries and other benefits include Rs 1,065,904 (2013: Rs 735,866) in respect of provident fund contribution by the company.

		2014	2013
		Rupees	Rupees

22. Administrative expenses

Salaries and other benefits	- note 22.1	52,054,741	35,597,579
Insurance		652,143	252,681
Vehicle running expenses		1,378,055	1,537,802
Repairs and maintenance		40,482	99,805
Legal and professional charges	- note 22.3	15,387,923	10,012,599
Advertisement		152,705	86,940
Fee and subscription		6,449,844	3,641,318
Depreciation on operating fixed assets	- note 12.1.1	6,170,825	2,817,389
Amortization on intangible asset	- note 12.3	477,000	477,000
Miscellaneous		985,179	868,073
		116,220,861	75,795,295

22.1 Salaries and other benefits include Rs 1,613,894 (2013: Rs 1,150,305) in respect of provident fund contribution by the company.

22.2 The amount represents common facilities cost charged to the company by Nishat (Chunian) Limited, the holding company.

	2014	2013
	Rupees	Rupees

22.3 Legal and professional charges include the following in respect of auditors' services for:

Statutory audit	1,200,000	1,100,000
Half yearly review	715,000	650,000
Tax services	472,200	129,700
Other assurance services	107,500	92,200
Reimbursement of expenses	184,411	170,679
	2,679,111	2,142,579

23. Other expenses

Donations	- note 23.1	50,856,000	3,694,978
Loss on derivative financial instruments		7,215,356	-
Interest on delayed payments	- note 23.2	24,600,429	7,358,674
		82,671,785	11,053,652

23.1 Following is the interest of the directors in the donees:

Name and address of donee	Directors of the company	Interest in donee	2014 Rupees	2013 Rupees
Mian Muhammad Yahya Trust, 31-Q, Gulberg II, Lahore	Mr Shahzad Saleem and Mrs Farhat Saleem	Trustees	3,696,000	3,694,978
Saleem Memorial Trust Hospital, 31-Q, Gulberg II, Lahore	Mr Shahzad Saleem and Mrs Farhat Saleem	Trustees	42,160,000	-
			45,856,000	3,694,978

23.2 This represents delayed payment charges by Wartsila Pakistan (Private) Limited as per the terms of the Operations and Maintenance Agreement (2013: Rs 5,587,003).

24. Other income

	2014 Rupees	2013 Rupees
Income from financial assets:		
Profit on bank deposits	847,936	246,693
Gain on derivative financial instruments:		
- Realized	-	27,433,806
- Un-realized	-	28,469,093
	-	55,902,899
Mark-up on short term investments	899,284	-
Mark-up on loans to executives	93,148	107,812
Income from non-financial assets:		
Compensation for loss of revenue	36,489,360	52,634,436
Gain on disposal of operating fixed assets	-	522,603
Scrap sales	47,188,573	44,865,500
Liabilities no longer payable written back	-	75,745
Miscellaneous	760,379	1,630,893
	86,278,680	155,986,581

25. Finance cost

		2014 Rupees	2013 Rupees
Interest/mark-up on:			
- Long term financing - secured		1,553,892,735	1,769,082,023
- Short term borrowings - secured		363,507,306	636,174,430
- Short term loan from holding company - unsecured		-	15,946,610
- Workers' Profit Participation Fund	- note 9.3	75,117	131,454
Bank charges and commission		4,200,140	2,780,800
		1,921,675,298	2,424,115,317

26. Taxation

Current - prior years	-	(24,760,917)

26.1 Relationship between tax income and accounting profit

Profit before taxation	2,900,758,908	2,712,731,024
Tax at the applicable rate of 34% (2013: 35%)	986,258,029	949,455,858
Tax effect of amounts that are:		
Exempt as referred to in note 4.1	(985,969,731)	(949,455,858)
Allowable as tax credit	(288,298)	-
Effect of change in prior years' tax	-	(24,760,917)
	-	(24,760,917)

26.2 For the purposes of current taxation, tax losses as at June 30, 2014 are estimated at Nil (2013: Rs 2,780.557 million), while the tax credit available for carry forward is estimated at Rs 49.237 million (2013: Rs 2.486 million). As explained in note 4.1, management believes that the tax credit available for carry forward may not be utilized in the foreseeable future. Consequently, based on the prudence principle, deferred tax asset has not been recognized in these financial statements.

27. Earnings per share

27.1 Basic earnings per share

		2014	2013
Net profit for the year	**Rupees**	2,900,758,908	2,737,491,941
Weighted average number of ordinary shares	**Number**	367,346,939	367,346,939
Earnings per share	**Rupees**	7.897	7.452

27.2 Diluted earnings per share

A diluted earnings per share has not been presented as the company does not have any convertible instruments in issue as at June 30, 2014 and June 30, 2013 which would have any effect on the earnings per share if the option to convert is exercised.

	2014	2013
	Rupees	Rupees

28. Cash generated from operations

		2014 Rupees	2013 Rupees
Profit before taxation		2,900,758,908	2,712,731,024
Adjustment for non cash charges and other items:			
Depreciation on operating fixed assets		1,160,984,859	1,102,736,689
Amortization on intangible assets		477,000	477,000
Profit on bank deposits		(847,936)	(246,693)
Finance cost		1,921,675,298	2,424,115,317
Provision for employee retirement benefits		2,679,798	1,886,171
Profit on disposal of operating fixed assets		-	(522,603)
Profit before working capital changes		5,985,727,927	6,241,176,905
Effect on cash flow due to working capital changes:			
Decrease / (increase) in current assets :			
Stores and spares		(241,264,135)	(257,083,563)
Inventories		(11,291,121)	(51,197,924)
Trade debts		(4,386,443,685)	5,897,963,698
Loans, advances, deposits, prepayments and other receivables		(11,383,122)	(440,035,524)
Derivative financial instruments		2,362,939	(37,453,306)
		(4,648,019,124)	5,112,193,381
Increase / (decrease) in current liabilities :			
Trade and other payables		(186,231,950)	912,985,987
		(4,834,251,074)	6,025,179,368
		1,151,476,853	12,266,356,273

29. Cash and cash equivalents

		2014 Rupees	2013 Rupees
Bank balances	- note 19	1,043,318,671	270,038,323
Short term borrowings - secured	- note 8	(5,698,837,812)	(4,210,860)
		(4,655,519,141)	265,827,463

30. Remuneration of Chief Executive, Directors and Executives

30.1 The aggregate amount charged in the financial statements for the year for remuneration,including certain benefits, to the Chief Executive, Directors and Executives of the company is as follows:

	Chief Executive		Executive Director		Non-executive Director		Executives	
	2014	2013	2014	2013	2014	2013	2014	2013
	(Rupees)							
Short term employee benefits								
Managerial remuneration	5,928,576	1,906,762	-	3,289,055	3,369,200	1,146,057	20,070,667	12,588,629
Housing rent	2,371,430	762,562	-	1,315,375	1,347,680	458,337	8,028,267	5,034,545
Medical expenses	592,858	190,676	-	328,906	336,920	114,606	2,007,067	1,258,863
Bonus	-	-	-	-	-	-	3,045,274	804,050
Leave encashment	-	-	-	-	-	-	880,667	790,172
	8,892,864	2,860,000	-	4,933,336	5,053,800	1,719,000	34,031,942	20,476,259
Post employment benefits								
Contribution to provident fund	-	-	-	-	-	-	1,671,887	1,006,648
	8,892,864	2,860,000	-	4,933,336	5,053,800	1,719,000	35,703,829	21,482,907
Number of persons	1	1	-	1	1	1	18	10

30.2 The executive director and certain executives are provided with company maintained vehicle:

31. Transactions with related parties

The related parties comprise the holding company, subsidiaries and associates of holding company, associated undertakings, directors, key management personnel and post employment benefit plan. The company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables and remuneration of directors and key management personnel is disclosed in note 30. Significant related party transactions have been disclosed in respective notes in these financial statements other than the following:

Relationship with the company	Nature of transactions	2014 Rupees	2013 Rupees
i. Holding company	Short term loan - proceeds	-	1,430,000,000
	Short term loan repaid	-	2,562,500,000
	Mark-up paid on short term loan	-	21,868,005
ii. Post employment benefit plan	Expense charged in respect of retirement benefit plan	2,679,798	1,886,171

32. Capacity and production

	2014 MWH	2013 MWH
Installed capacity [based on 8,760 hours (2013: 8,760 hours)]	1,714,525	1,714,525
Actual energy delivered	1,471,445	1,283,004

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

33. Number of employees

	2014	2013
Total number of employees as at June 30	91	83
Average number of employees during the year	87	77

34. Disclosures relating to Provident Fund

		2014 Rupees	2013 Rupees
(i)	Size of the Fund - total assets	21,125,486	15,206,312
(ii)	Cost of investments made	19,101,539	12,044,697
(iii)	Percentage of investments made	91.87%	84.99%
(iv)	Fair value of investments	19,408,778	12,924,052

Break up of fair value of investments	2014	2013
Balances with banks - savings accounts	38,289	329,852
Government securities - Treasury Bills	19,370,489	11,770,987
Mutual funds - listed	-	823,213
	19,408,778	12,924,052

Break up of investments	2014 % age of size of the Fund	2013 % age of size of the Fund
Balances with banks - savings accounts	0.18%	2.17%
Government securities - Treasury Bills	91.69%	77.41%
Mutual funds - listed	0.00%	5.41%

The figures for 2014 are based on the un-audited financial statements of the Provident Fund. Investments out of Provident Fund have been made in accordance with the provisions of section 227 of the Companies Ordinance, 1984 and the rules formulated for this purpose.

35. Financial risk management

35.1 Financial risk factors

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

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity. All treasury related transactions are carried out within the parameters of these policies.

(a) Market risk

(i) Currency risk

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

The company is not exposed to any significant currency risk.

(ii) Other price risk

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

(iii) Interest rate risk

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

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

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

	2014 Rupees	2013 Rupees
Fixed rate instruments		
Financial assets		
Bank balances - savings accounts	1,042,674,715	1,285,174
Financial liabilities	-	-
Net exposure	1,042,674,715	1,285,174

Floating rate instruments	2014 Rupees	2013 Rupees
Financial assets		
Trade debts - overdue	3,594,697,911	500,609,344
Derivative financial instruments	-	2,362,939
	3,594,697,911	502,972,283
Financial liabilities		
Long term financing	(11,836,995,048)	(12,898,060,793)
Short term borrowings	(5,698,837,812)	(4,210,860)
	(17,535,832,860)	(12,902,271,653)
Net exposure	(13,941,134,949)	(12,399,299,370)

Fair value sensitivity analysis for fixed rate instruments

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

Cash flow sensitivity analysis for variable rate instruments

If interest rates on variable rate financial instruments, at the year end date, fluctuates by 1% higher/lower with all other variables held constant, post tax profit for the year would have been Rs 117.282 million (2013: Rs 131.188 million) lower/higher, mainly as a result of higher/lower interest expense on floating rate instruments.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk arises from deposits with banks, trade and other receivables.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2014 Rupees	2013 Rupees
Long term loans to executives	419,499	381,506
Long term security deposits	105,000	105,000
Trade debts	10,199,010,015	5,812,566,330
Advances, deposits and other receivables	675,677,381	664,360,949
Derivative financial instrument	-	2,362,939
Bank balances	1,043,318,671	270,038,323
	11,918,530,566	6,749,815,047

As of June 30, age analysis of trade debts was as follows:

	2014	2013
Neither past due nor impaired	5,269,122,883	4,579,750,410
Past due but not impaired:		
- 0 to 30 days	2,124,775,657	500,609,344
- 31 to 90 days	882,338,428	-
- 91 to 180 days	833,355,898	-
- 181 to 365 days	620,909,560	443,596,990
- above 365 days	468,507,589	288,609,586
	4,929,887,132	1,232,815,920
	10,199,010,015	5,812,566,330

(ii) **Credit quality of financial assets**

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

	Rating		Rating		
	Short term	**Long term**	**Agency**	**2014**	**2013**
				Rupees	**Rupees**
NTDC	Not Available			5,269,122,883	4,579,750,410
Al Baraka Bank (Pakistan) Limited	A1	A	PACRA	7,526	8,493
Askari Bank Limited	A1+	AA	PACRA	25,381	176,305,560
Bank Alfalah Limited	A1+	AA	PACRA	785,499	696,421
Barclays Bank Limited	A-1	A	Standard & Poor's	21,994	54,094
Burj Bank Limited	A-1	A	JCR-VIS	19,023	13,800
Dubai Islamic Bank Limited	A-1	A+	JCR-VIS	622	-
Faysal Bank Limited	A1+	AA	PACRA	-	1,978
Habib Bank Limited	A-1+	AAA	JCR-VIS	195,229	2,271
MCB Bank Limited	A1+	AAA	PACRA	121,609	93,267
Meezan Bank Limited	A-1+	AA	JCR-VIS	63,489	1,309
National Bank of Pakistan	A-1+	AAA	JCR-VIS	59,597	92,844,050
United Bank Limited	A-1+	AA+	JCR-VIS	1,042,018,702	17,080
				6,312,441,554	4,849,788,733

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

(c) Liquidity risk

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

The company's approach to managing liquidity is to ensure that, as far as possible, it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable loss or risking damage to the company's reputation.

The following are the contractual maturities of financial liabilities as at June 30, 2014.

	Carrying amount	Less than one year	One to five years	More than five years
	(Rupees)			
Long term financing	11,836,995,048	1,232,844,273	7,277,379,127	3,326,771,648
Short term borrowings	5,698,837,812	5,698,837,812	-	-
Trade and other payables	2,156,962,396	2,156,962,396	-	-
Accrued finance cost	507,966,208	507,966,208	-	-
	20,200,761,464	9,596,610,689	7,277,379,127	3,326,771,648

The following are the contractual maturities of financial liabilities as at June 30, 2013.

	Carrying amount	Less than one year	One to five years	More than five years
	(Rupees)			
Long term financing	12,898,060,793	1,061,065,742	6,263,384,478	5,573,610,573
Short term borrowings	4,210,860	4,210,860	-	-
Trade and other payables	1,803,171,826	1,803,171,826	-	-
Accrued finance cost	519,651,065	519,651,065	-	-
	15,225,094,544	3,388,099,493	6,263,384,478	5,573,610,573

35.2 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the company's assets and liabilities that are measured at fair value at June 30, 2014.

	Level 1	Level 2	Level 3	Total
	Rupees			
Assets	-	-	-	-
Liabilities	-	-	-	-

The following table presents the company's assets and liabilities that are measured at fair value at June 30, 2013.

	Level 1	Level 2	Level 3	Total
		Rupees		
Assets				
At fair value through profit or loss				
Derivative financial instruments	-	2,362,939	-	2,362,939
Liabilities	-	-	-	-

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value a financial instrument are observable, those financial instruments are classified under level 2 in above referred table.

If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3. The company has no such type of financial instruments as on June 30, 2014.

35.3 Financial instruments by categories

As at June 30, 2014	At fair value through profit or loss	Loans and receivables	Total
		Rupees	
Assets as per balance sheet			
Long term loans to executives	-	419,499	419,499
Long term security deposits	-	105,000	105,000
Trade debts	-	10,199,010,015	10,199,010,015
Loans, advances, deposits and other receivables	-	675,677,381	675,677,381
Bank balances	-	1,043,318,671	1,043,318,671
	-	11,918,530,566	11,918,530,566

As at June 30, 2013	At fair value through profit or loss	Loans and receivables	Total
		Rupees	
Assets as per balance sheet			
Long term loans to executives	-	381,506	381,506
Long term security deposits	-	105,000	105,000
Trade debts	-	5,812,566,330	5,812,566,330
Loans, advances, deposits and other receivables	-	664,360,949	664,360,949
Derivative financial instruments	2,362,939	-	2,362,939
Bank balances	-	270,038,323	270,038,323
	2,362,939	6,747,452,108	6,749,815,047

As at June 30, 2014	At fair value through profit or loss	Financial liabilities at amortized cost	Total
		Rupees	Rupees
Liabilities as per balance sheet			
Long term financing	-	11,836,995,048	11,836,995,048
Short term borrowings	-	5,698,837,812	5,698,837,812
Trade and other payables	-	2,156,962,396	2,156,962,396
Accrued finance cost	-	507,966,208	507,966,208
	-	20,200,761,464	20,200,761,464

As at June 30, 2013			
Liabilities as per balance sheet			
Long term financing	-	12,898,060,793	12,898,060,793
Short term borrowings	-	4,210,860	4,210,860
Trade and other payables	-	1,803,171,826	1,803,171,826
Accrued finance cost	-	519,651,065	519,651,065
	-	15,225,094,544	15,225,094,544

35.4 Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

35.5 Capital management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders through repurchase of shares, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total long term borrowings, as disclosed in note 7, less cash and cash equivalents as disclosed in note 29. Total capital is calculated as 'equity' as shown in the balance sheet plus borrowings.

The company's strategy, which was unchanged from last year, was to maintain a gearing ratio of 80% debt and 20% equity. The gearing ratio as at June 30, 2014 and June 30, 2013 is as follows:

		2014 Rupees	2013 Rupees
Borrowings - note 7		11,836,995,048	12,898,060,793
Less: Cash and cash equivalents - note 29		(4,655,519,141)	265,827,463
Net debt		16,492,514,189	12,632,233,330
Total equity		7,048,061,418	7,269,751,482
Total capital		23,540,575,607	19,901,984,812
Gearing ratio	**Percentage**	70.06	63.47

36. Date of authorization for issue

These financial statements were authorized for issue on September 26, 2014 by the Board of Directors of the company.

37. Events after the balance sheet date

The Board of Directors has proposed a final cash dividend for the year ended June 30, 2014 of Rs. 2 (2013: Rs 2) per share, amounting to Rs. 734,693,878 (2013: Rs.734,693,878) at their meeting held on September 26,2014 for approval of the members at the Annual General Meeting to be held on October 31,2014. These financial statements do not include the effect of the above dividend which will be accounted for in the period in which they are approved.

Chief Executive **Director**

NISHAT CHUNIAN POWER LIMITED
CATEGORIES OF SHAREHOLDERS
AS ON JUNE 30, 2014

	CATEGORIES OF SHAREHOLDERS	NO. OF SHAREHOLDERS	TOTAL SHARES HELD	PERCENTAGE
A)	Associated Companies, Undertakings and related parties			
	Nishat (Chunian) Limited	1	187,585,820	51.07
B)	Mutual Funds	18	7,062,233	1.92
C)	Directors/Chief Executive Officer and their spouse and minor Children			
	Mr. Shahzad Saleem - Chairman/Director (Nominee NCL)	-	-	-
	Mrs. Farhat Saleem - Director	1	137,511	0.04
	Mr. Yahya Saleem -Director	1	1	0.00
	Mr. Wasif M. Khan - Director	1	1	0.00
	Mr. Aftab Ahmad Khan	1	1	0.00
	Mr. Kamran Rasool	1	1	0.00
	Mr. Shahid Malik	1	1	0.00
	Mr. Sahibzada Rafat Raoof Ali (Nominee NBP) (Retried on 22-08-2014)	-	-	-
	Spouse:	-	-	-
	TOTAL: -	6	137,516	0.04
D)	Executives			
	N/A	-	-	-
E)	Public Sectors Companies & Corporations	-	-	
F)	Banks, Development Financial Institutions & Non-Banking Financial Companies, Insurance Companies, Takaful Modarabas and Pension Fund	42	121,802,833	33.16
G)	*Shareholding 5% or more	*3	*250,884,320	*68.30
H)	Joint Stock Companies	40	6,347,531	1.73
I)	Investment Companies	0	0	-
J)	Others	5	459,500	0.13
K)	General Public	2,102	43,951,506	11.96
	TOTAL: -	2,214	367,346,939	100.00

* Shareholders having 5% or above shares exist in other categories therefore not included in total.

Shareholding Detail of 5% or more

Name of Shareholder	Shares held	%
Nishat (Chunian) Limited	187,585,820	51.07
Allied Bank Limited	36,500,000	9.94
United Bank Limited - Trading portfolio	26,798,500	7.30
TOTAL :-	250,884,320	68.30

INFORMATION UNDER CLAUSE XIX(i) OF THE CODE OF CORPORATE GOVERNANCE

All trade in the Company's shares, carried out by its Directors, CEO, CFO, Company Secretary and their spouses and minor childern during the year July 01, 2013 to June 30, 2014

Sale	Purchase
-	-

NISHAT CHUNIAN POWER LIMITED
PATTERN OF SHAREHOLDINGS
AS ON JUNE 30TH, 2014

Number of ShareHolders	From		To	Total Number of Share Held	Percentage of Total Capital
149	1	-	100	3,688	0.00
587	101	-	500	285,860	0.08
286	501	-	1000	280,979	0.08
544	1001	-	5000	1,699,121	0.46
196	5001	-	10000	1,666,727	0.45
79	10001	-	15000	1,072,860	0.29
63	15001	-	20000	1,185,000	0.32
48	20001	-	25000	1,164,600	0.32
26	25001	-	30000	750,850	0.20
10	30001	-	35000	336,500	0.09
16	35001	-	40000	620,660	0.17
11	40001	-	45000	473,502	0.13
36	45001	-	50000	1,789,500	0.49
7	50001	-	55000	370,586	0.10
6	55001	-	60000	351,000	0.10
3	60001	-	65000	191,000	0.05
3	65001	-	70000	197,500	0.05
8	70001	-	75000	596,000	0.16
5	75001	-	80000	394,500	0.11
2	80001	-	85000	167,500	0.05
2	85001	-	90000	178,000	0.05
1	90001	-	95000	95,000	0.03
16	95001	-	100000	1,600,000	0.44
3	100001	-	105000	303,502	0.08
1	105001	-	110000	110,000	0.03
2	110001	-	115000	225,000	0.06
1	115001	-	120000	120,000	0.03
1	125001	-	130000	129,011	0.04
4	130001	-	135000	532,631	0.14
2	135001	-	140000	275,500	0.07
1	140001	-	145000	144,000	0.04
5	145001	-	150000	750,000	0.20
1	150001	-	155000	152,000	0.04
3	155001	-	160000	480,000	0.13
4	160001	-	165000	650,554	0.18
1	165001	-	170000	170,000	0.05
3	170001	-	175000	521,500	0.14
3	180001	-	185000	549,401	0.15
1	185001	-	190000	186,000	0.05
9	195001	-	200000	1,799,000	0.49
2	200001	-	205000	410,000	0.11
1	215001	-	220000	216,145	0.06
1	235001	-	240000	237,720	0.06
2	245001	-	250000	497,783	0.14

NISHAT CHUNIAN POWER LIMITED
PATTERN OF SHAREHOLDINGS
AS ON JUNE 30TH, 2014

Number of ShareHolders	From		To	Total Number of Share Held	Percentage of Total Capital
1	255001	-	260000	260,000	0.07
1	260001	-	265000	262,000	0.07
1	270001	-	275000	275,000	0.07
1	275001	-	280000	280,000	0.08
1	280001	-	285000	280,300	0.08
1	290001	-	295000	294,000	0.08
9	295001	-	300000	2,700,000	0.73
1	310001	-	315000	312,000	0.08
2	335001	-	340000	675,500	0.18
1	370001	-	375000	372,500	0.10
1	390001	-	395000	392,500	0.11
1	410001	-	415000	413,000	0.11
1	420001	-	425000	425,000	0.12
1	425001	-	430000	430,000	0.12
3	495001	-	500000	1,500,000	0.41
1	500001	-	505000	505,000	0.14
1	545001	-	550000	550,000	0.15
1	595001	-	600000	600,000	0.16
2	695001	-	700000	1,396,500	0.38
1	700001	-	705000	703,000	0.19
1	755001	-	760000	760,000	0.21
1	795001	-	800000	796,000	0.22
1	815001	-	820000	817,000	0.22
1	865001	-	870000	866,000	0.24
1	890001	-	895000	895,000	0.24
1	905001	-	910000	905,500	0.25
1	995001	-	1000000	1,000,000	0.27
1	1000001	-	1005000	1,000,339	0.27
1	1340001	-	1345000	1,343,000	0.37
1	1360001	-	1365000	1,364,196	0.37
1	1965001	-	1970000	1,968,000	0.54
1	2090001	-	2095000	2,092,500	0.57
1	2395001	-	2400000	2,400,000	0.65
2	3095001	-	3100000	6,196,000	1.69
1	3155001	-	3160000	3,156,325	0.86
1	3645001	-	3650000	3,645,500	0.99
1	4000001	-	4005000	4,000,066	1.09
1	6360001	-	6365000	6,362,411	1.73
1	6495001	-	6500000	6,500,000	1.77
1	7400001	-	7405000	7,401,000	2.01
1	9415001	-	9420000	9,417,500	2.56
1	10045001	-	10050000	10,050,000	2.74
1	13465001	-	13470000	13,469,302	3.67
1	26795001	-	26800000	26,798,500	7.30
1	29995001	-	30000000	30,000,000	8.17
1	187585001	-	187590000	187,585,820	51.07
2,214				367,346,939	100.00

PROXY FORM

The Company Secretary,
Nishat Chunian Power Limited
31-Q, Gulberg-II,
Lahore.

I / We ______________________________

of ______________________________ being a member(s) of

Nishat Chunian Power Limited, and a holder of ______________________________ Ordinary shares

as per Share Register Folio No. ______________________________

(in case of Central Depository System Account Holder A/c No. ______________________________

Participant I.D. No. ______________________________) hereby appoint ______________________________

of ______________________________ another member of the Company as per

Share Register Folio No. ______________________________ (or failing him / her ______________________________

of ______________________________ another member of the Company) as my / our Proxy to attend and vote for me / us and on my / our behalf at Annual General Meeting of the Company, to be held on October 31, 2014 (Friday) at 10.30 A.M at the Registered Office of the Company (31-Q, Gulberg II, Lahore) and at any adjournment thereof.

As witness my hand this ______________________________ day of ______________________________ 2014

signed by the said ______________________________ in presence

of ______________________________

Witness

Signature

Signature

Affix Rs. 5/- Revenue Stamp

Notes:

1. Proxies, in order to be effective, must be received at the Company's Registered Office / Head Office not less than 48 hours before the meeting duly stamped, signed and witnessed.

2. Signature must agree with the specimen signature registered with the Company.