Brief Profile

Nishat Chunian Power Limited ("NCPL") is a public limited company incorporated in February 2007. It is listed on both Karachi and Lahore Stock Exchanges. The Company is established with the objective of setting-up a new power generation project having gross capacity of 200 MW under a 25 year 'take or pay' agreement with National Transmission & Dispatch Company Limited ("NTDCL"). The project has been established under 2002 Power Policy of GOP and has been granted a generation license by the National Electric Power Regulatory Authority ("NEPRA") in September 2007. The Company started its commercial operations on July 21, 2010.

The plant is combined cycle with 11 reciprocating engines and a heat recovery steam turbine provided by WÄRTSILÄ. Net output of the project is 195.722 MWh. The primary fuel of the plant is Residual Furnace Oil (RFO). The Operations and Maintenance contract for the plant is with Wartsila Pakistan.

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Company Information

Board of Directors:	Mr. Muhammad Saleem	Director
	Mr. Shahzad Saleem (Nominee NCL)	Chairman
	Mr. Yahya Saleem	Chief Executive
	Mrs. Farhat Saleem	Director
	Mr. Wasif M. Khan	Director
	Mr. Mustaq Ahmad	Director
	Mr. Badar ul Hassan	Director
	Mr. Manzar Mushtaq	Director
Audit Committee:	Mr. Shahzad Saleem	Chairman
	Mr. Mustaq Ahmad	Member
	Mr. Badar ul Hassan	Member
Chief Financial Officer:	Ms. Sonia Karim	
Company Secretary:	Mr. Muhammad Hamed	
Bankers to the Company:	Allied Bank Limited Habib Bank Limited United Bank Limited National Bank of Pakistan Faysal Bank Limited Summit Bank Limited (Formerly Arif Habib Bank Limited) Bank Alfalah Limited Askari Bank Limited Habib Metropolitan Bank Limited	
Auditors:	A.F. Ferguson & Co. Chartered Accountants	
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	
Mill:	66-km, Multan Road, Pattoki Kasur.	

Notice of Annual General Meeting

Notice is hereby given that the 4th 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 October 31, 2011 at 10.00 A.M to transact the following business:-

1. To confirm the minutes of extra ordinary general meeting held on August 22, 2011.

2. To receive and adopt audited accounts of the Company for the year ended June 30, 2011 together with Directors' and Auditors' reports thereon.

3. To approve 10 % final dividend as recommended by the Board of Directors. This is in addition to interim dividend already paid at Rs.1 per share i.e.10%.

4. To appoint auditors for the year ending June 30, 2012 and to fix their remuneration. The present auditors M/s. A.F.Ferguson & Company, Chartered Accountants retire and being eligible offer themselves for re-appointment.

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

By Order of the Board

Muhammad Hamed
Company Secretary

Lahore: October 08, 2011

Notes:

1. The Members' Register will remain closed from 29-10-2011 to 04-11-2011 (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 28-10-2011 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 requested to immediately notify the change in address, if any.

4. 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.

Directors' Report

The Board of Directors is pleased to present the financial statements of the company for the year ended June 30, 2011. Turnover for the period was Rs. 20.353 billion with an after tax profit of Rs. 1.612 billion and earnings per share (EPS) of Rs. 4.389. Since the company assumed commercial operations on July 21, 2011, these are the financial results for 345 days the plant was operative.

We would like to highlight that the thermal efficiency and variable O&M in the tariff is levelized with constant payments over a 25 year period. As the initial maintenance costs are low and the plant efficiency for new equipment is high, the profit for the initial years will be on the higher side. We foresee a negative impact on the profit in later years due to plant aging and higher maintenance costs.

Another important aspect is that the long term loan for the plant is for a period of 10 years from Commercial Operations Date and the tariff structure is such that principal payment is being received as part of the revenue. Therefore the profit for the first ten years is overstated and we foresee a drop in the profit from the eleventh year onwards due to this reason.

Circular debt remained a major threat to the companies operating in power sector. National Transmission and Despatch Company Limited (NTDCL) remained unable to meet its obligations to make payments to company on time. As a result, the company was forced to serve several payment default notices to NTDCL under the Power Purchase Agreement. As of June 30, 2011 total receivables from NTDCL were Rs. 6.909 billion out of which Rs. 2.416 billion was overdue. The company continues to take up the matter of overdue receivables not only with NTDCL but also with the Ministry of Water & Power of the Government of Pakistan through Private Power & Infrastructure Board (PPIB).

Due to increased pressure on international oil prices and delayed payments from NTDCL, working capital requirements of the company increased substantially and the company is doing its best to arrange adequate working capital finance facilities. During the year, the company expanded its existing portfolio of banks by procuring working capital lines from several new lenders. In the present circumstances when the country is facing severe shortage of power, the company continues to perform at high dispatch levels. As of June 30, 2011, year to date availability of the plant was 93.16% with year to date capacity factor of 85.69%. 8000 running hours planned maintenance was carried out on all engines of the plant during the year.

Dividend

The Board of Directors of the Company in its meeting held on October 08, 2011 has recommended final dividend of Rupee 1 per share i.e.10%. This is in addition to interim dividend already paid at Rupee 1 per share i.e.10%.

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 Accounting Standards, as applicable in Pakistan have been followed in preparation of financial statements.
(e) The system of internal controls 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, 2011 amounts to Rupees 7.491 million (based on un-audited financial statements).
(i) The pattern of shareholding as at June 30, 2011 is annexed.
(j) Information about outstanding taxes and levies is given in Notes to the Accounts.

Board Meetings

During the year under review Four (4) Meetings were held. Attendance by each director is as follows:

Name of Director			Attendance
Mr. Muhammad Saleem			2
Mr. Shahzad Saleem	(Nominee NCL)	(Chairman)	4
Mr. Yahya Saleem	(Chief Executive)		1
Mrs. Farhat Saleem *****			0
Mr. Wasif M. Khan ****			0
Mr. Badar ul Hasan			4
Mr. Mushtaq Ahmad **			0
Mr. Manzar Mushtaq ***			1
Mr. Aftab Ahmad Khan	(Resigned)		1
Mr. Mehmood Akhtar	(Resigned)		1
Syed Hasan Irtiza Kazmi	(Resigned)		1
Syed Iqbal Ashraf *	(Retired in EOGM)		1
Mr. Fareed Vardag	(Resigned)		0

* appointed in place of Syed Hasan Irtiza Kazmi
** appointed in place of Mr. Aftab Ahmad Khan
*** appointed in place of Mr. Mehmood Akhtar
**** appointed in place of Mr. Fareed Vardag
***** elected in EOGM

On behalf of the Board

Shahzad Saleem
Chairman

Lahore: October 08, 2011

Financial Highlights

	2008	2009	2010	2011
		(Rupees)		
Capital	264,666,000	1,797,364,860	3,673,469,390	3,673,469,390
Accumulated profit/(loss)	(762,879)	(2,307,663)	(24,139,607)	1,220,946,168
Net Worth	263,903,121	1,795,057,197	3,649,329,783	4,894,415,558
Long Term Liabilities	1,048,318,127	7,114,484,369	15,378,142,653	13,811,282,788
Current Liabilities	36,116,993	320,985,606	3,675,555,511	6,087,131,591
Total Equity & Liabilities	1,348,338,241	9,230,527,172	22,703,027,947	24,792,829,937
Fixed Assets	1,334,697,736	9,217,914,140	18,063,633,338	16,756,207,774
Long Term Deposits & Advances	1,577,016	105,000	265,650	2,197,525
Current Assets	12,063,489	12,508,032	4,639,128,959	8,034,424,638
Total Assets	1,348,338,241	9,230,527,172	22,703,027,947	24,792,829,937
Sales	-	-	-	20,353,055,242
Gross Profit	-	-	-	4,602,613,755
Operating Profit plus Other Income	(762,879)	(1,544,784)	(6,453,809)	4,566,592,217
Financial and Other Charges	-	-	-	(2,940,579,074)
Taxation	-	-	(1,303,361)	(13,579,721)
Net Profit	(762,879)	(1,544,784)	(7,757,170)	1,612,433,422
Gross Margin	-	-	-	22.61%
Net Margin	-	-	-	7.92%
Current Ratio	0.33	0.04	1.26	1.32
Leverage (Total Liab./Net Worth)	4.11	4.14	5.22	4.07
Long Term Debt: Equity	79.89:20.11	79.85:20.15	80.82:19.18	73.83:26.17
EPS	(0.06)	(0.02)	(0.02)	4.39

Statement of Compliance

with the Code of Corporate Governance for the year ended June 30, 2011

This statement is being presented to comply with the Code of Corporate Governance contained in listing regulations of Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited 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 Code 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 five independent non-executive directors.

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

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 a stock exchange, has been declared as a defaulter by that stock exchange.

4. A casual vacancy occurred during the year under review and was filled up same day by the Directors.

5. The Company has prepared a 'Statement of Ethics and Business Practices' which has been signed by all the directors and employees of the Company.

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 and other executive directors, have been taken by the Board.

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

9. The Board arranged orientation courses for its directors during the year to apprise them of their duties and responsibilities.

10. The appointment of CFO, Company Secretary and head of Internal Audit including their remuneration and terms & conditions of their appointment have been duly approved by the Board.

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

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

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

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

15. The Board has formed an audit committee. It comprises three members, of whom two are non-executive directors.

16. The meetings of the audit committee were held at least once in every quarter prior to approval of interim and final

results of the Company as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has set-up an effective internal audit function with suitably qualified and experienced staff, conversant with the policies and procedures of the Company and involved in the internal audit function on a full time basis.

18. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.

19. 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.

20. We confirm that all other material principles contained in the Code have been complied with.

Shahzad Saleem
Chairman

Lahore: October 08, 2011

Statement of Compliance

with the Best Practices on Transfer Pricing

The Company has fully complied with the best practices of Transfer Pricing as contained in the related Listing Regulations of the Karachi and Lahore Stock Exchanges.

Shahzad Saleem
Chairman

Lahore: October 08, 2011

Review Report

to the members on Statement of Compliance with best practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Nishat Chunian Power Limited ('the company') to comply with the Listing Regulations No. 35 of The Karachi Stock Exchange (Guarantee) Limited and The Lahore Stock Exchange (Guarantee) Limited, where the company is listed.

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

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

Further, Sub-Regulation (xiii a) of Listing Regulation 35 notified by The Karachi Stock Exchange (Guarantee) Limited vide circular KSE/N-269 dated January 19, 2009 requires the company to place before the Board of Directors for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the audit committee.

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the company for the year ended June 30, 2011.

A.F. Ferguson & Co.
Chartered Accountants

Name of engagement partner:
Muhammad Masood

LAHORE: October 08, 2011

Auditors' Report to the Members

We have audited the annexed balance sheet of Nishat Chunian Power Limited ('the company') as at June 30, 2011 and the related profit and loss account, statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

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

(b) in our opinion:

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

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

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

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, statement of changes in equity and cash flow statement together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2011 and of the profit, total comprehensive income, changes in equity and its cash flows for the year then ended; and

(d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited subsequent to the year end in the Central Zakat Fund established under Section 7 of that Ordinance.

The financial statements of the company for the year ended June 30, 2010 were audited by another firm of accountants, M/s Riaz Ahmad & Company, Chartered Accountants, whose report dated October 05, 2010 expressed an unqualified opinion thereon

A.F. Ferguson & Co.
Chartered Accountants

Name of engagement partner:
Muhammad Masood

LAHORE: October 08, 2011

Balance Sheet as at

	Note	2011 Rupees	2010 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 385,000,000 (2010: 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 (2010: 367,346,939) ordinary shares of Rs 10 each	5	3,673,469,390	3,673,469,390
Un-appropriated profit/(accumulated loss)	6	1,220,946,168	(24,139,607)
		4,894,415,558	3,649,329,783
NON-CURRENT LIABILITIES			
Long term financing - secured	7	13,811,282,788	14,991,503,693
Subordinated loan - unsecured	8	-	386,638,960
		13,811,282,788	15,378,142,653
CURRENT LIABILITIES			
Current portion of long term financing - secured	7	1,034,722,060	410,277,258
Short term borrowings - secured	9	3,611,299,988	1,824,941,977
Trade and other payables	10	670,804,107	872,913,953
Accrued finance cost	11	762,295,525	566,118,962
Provision for taxation		8,009,911	1,303,361
		6,087,131,591	3,675,555,511
CONTINGENCIES AND COMMITMENTS	12		
		24,792,829,937	22,703,027,947

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

CHIEF EXECUTIVE

June 30, 2011

	Note	2011 Rupees	2010 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	13	16,756,207,774	18,063,633,338
Long term loans to executives	14	2,092,525	160,650
Long term security deposits		105,000	105,000
		16,758,405,299	18,063,898,988
CURRENT ASSETS			
Stores and spares	15	246,430,257	220,548,971
Inventories	16	665,370,607	305,640,255
Trade debts	17	6,909,141,190	1,732,450,622
Loans, advances, deposits, prepayments and other receivables	18	171,119,661	687,376,484
Derivative financial instrument	19	3,061,396	-
Investment	20	-	131,890,238
Bank balances	21	39,301,527	1,561,222,389
		8,034,424,638	4,639,128,959
		24,792,829,937	22,703,027,947

DIRECTOR

Profit and Loss Account

for the year ended June 30, 2011

	Note	2011 Rupees	2010 Rupees
Sales	22	20,353,055,242	-
Cost of sales	23	(15,750,441,487)	-
Gross profit		4,602,613,755	-
Administrative expenses	24	(44,945,767)	(5,795,808)
Other operating expenses	25	(35,676,391)	(3,614,503)
Other operating income	26	44,600,620	2,956,502
Profit/(loss) from operations		4,566,592,217	(6,453,809)
Finance cost	27	(2,940,579,074)	-
Profit/(loss) before taxation		1,626,013,143	(6,453,809)
Taxation	28	(13,579,721)	(1,303,361)
Profit/(loss) after taxation		1,612,433,422	(7,757,170)
Earnings/(loss) per share - basic and diluted	29	4.389	(0.023)

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

CHIEF EXECUTIVE

DIRECTOR

Statement of Comprehensive Income

for the year ended June 30, 2011

	Note	2011 Rupees	2010 Rupees
Profit/(loss) after taxation		1,612,433,422	(7,757,170)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		1,612,433,422	(7,757,170)

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

CHIEF EXECUTIVE

DIRECTOR

Cash Flow Statement

for the year ended June 30, 2011

	Note	2011 Rupees	2010 Rupees
Cash flows from operating activities			
Cash generated from/(used in) operations	30	508,732,730	(2,078,227,293)
Finance cost paid		(2,178,283,549)	-
Taxes paid		(5,110,697)	(1,398,061)
Retirement benefits paid		(1,199,599)	-
Net increase in long term loans to executives		(1,931,875)	(160,650)
Net cash outflow from operating activities		(1,677,792,990)	(2,079,786,004)
Cash flows from investing activities			
Purchase of property, plant and equipment		(405,316,072)	(8,451,972,267)
Proceeds from sale of trial production		570,620,874	1,494,773,577
Finance cost paid relating to qualifying assets		(679,944,508)	(1,563,489,650)
Investment made		(315,772,760)	(316,359,210)
Proceeds from redemption of investment		454,470,217	186,523,868
Profit on bank deposits received		16,153,361	843,618
Net cash (outflow) from investing activities		(359,788,888)	(8,649,680,064)
Cash flows from financing activities			
Proceeds from long term financing		-	8,212,344,921
Repayment of long term financing		(555,776,103)	-
Proceeds from subordinated loan		85,000,000	386,638,960
Repayment of subordinated loan		(471,638,960)	-
Proceeds from issuance of shares		-	1,876,104,530
Share issuance cost		-	(14,074,774)
Dividend paid		(328,281,932)	-
Net cash (outflow)/inflow from financing activities		(1,270,696,995)	10,461,013,637
Net decrease in cash and cash equivalents		(3,308,278,873)	(268,452,431)
Cash and cash equivalents at the beginning of the year		(263,719,588)	4,732,843
Cash and cash equivalents at the end of the year	31	(3,571,998,461)	(263,719,588)

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

CHIEF EXECUTIVE

DIRECTOR

Statement of Changes in Equity
for the year ended June 30, 2011

	SHARE CAPITAL	SHARE DEPOSIT MONEY	UN-APPROPRIATED PROFIT/ (ACCUMULATED LOSS)	TOTAL
	Rupees			
Balance as on July 01, 2009	1,797,364,860	-	(2,307,663)	1,795,057,197
Receipt of share deposit money	-	1,876,104,530	-	1,876,104,530
Issuance of ordinary shares against share deposit money	1,876,104,530	(1,876,104,530)	-	-
Share issuance cost	-	-	(14,074,774)	(14,074,774)
Total comprehensive (loss) for the year ended June 30, 2010	-	-	(7,757,170)	(7,757,170)
Balance as on June 30, 2010	3,673,469,390	-	(24,139,607)	3,649,329,783
Total comprehensive income for the year ended June 30, 2011	-	-	1,612,433,422	1,612,433,422
Interim dividend for the year ended June 30, 2011 at the rate of Rupee 1 per share	-	-	(367,347,647)	(367,347,647)
Balance as on June 30, 2011	3,673,469,390	-	1,220,946,168	4,894,415,558

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

CHIEF EXECUTIVE

DIRECTOR

Notes to the Financial Statements

for the year ended June 30, 2011

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 (NCL). The company's ordinary shares are listed on the Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited.

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 commenced commercial operations from July 21, 2010 and the twenty five years term of the Power Purchase Agreement with National Transmission and Despatch Company Limited starts from this date.

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 Amendments to published standards effective in current year

New and amended standards, and interpretations mandatory for the first time for the financial year beginning July 01, 2010 but not currently relevant to the company (although they may affect the accounting for future transactions and events):

- Amendment to IFRS 2- ‘Share-based payments – Group cash-settled payment transactions’. These amendments provide a clear basis to determine the classification of share-based payment awards in consolidated and separate financial statements. The amendment incorporates IFRIC 8, ‘Scope of IFRS 2’, and IFRIC 11, ‘IFRS 2 – Group and treasury share transactions’, into the standard; expands on the guidance given in IFRIC 11 to address plans that were not considered in the interpretation; and clarifies the definitions section of IFRS 2. The amended definitions remove inconsistencies between Appendix A, defined terms and the main body of the standard. The original wording was inconsistent regarding the treatment of equity instruments of other entities in the group.

- IFRS 5 (Amendment)- ‘Measurement of non-current assets (or disposal groups) classified as held-for-sale’. The amendment is part of the IASB’s annual improvements project published in April 2009. The amendment provides clarification that IFRS 5 specifies the disclosures required in respect of non-current assets (or disposal groups) classified as held for sale or discontinued operations. It also clarifies that the general requirement of IAS 1 still apply, particularly paragraph 15 (to achieve a fair presentation) and paragraph 125 (sources of estimation uncertainty) of IAS 1.

- IAS 1 (Amendment)- 'Presentation of Financial Statements'. The amendment is part of the International Accounting Standard Board's (IASB) annual improvements project published in April 2009. The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current. By amending the definition of current liability, the amendment permits a liability to be classified as non-current (provided that the entity has an unconditional right to defer settlement by transfer of cash or other assets for at least 12 months after the accounting period) notwithstanding the fact that the entity could be required by the counterparty to settle in shares at any time.

- ‘Classification of rights issues’ (Amendment to IAS 32), issued in October 2009. For rights issues offered for a fixed amount of foreign currency, current practice appears to require such issues to be accounted for as derivative liabilities. The amendment states that if such rights are issued pro rata to all the entity’s existing shareholders in the same class for a fixed amount of currency, they should be classified as equity regardless of the currency in which the exercise price is denominated.

- IAS 36 (Amendment)- ‘Impairment of assets’. The amendment clarifies that the largest cash-generating unit (or group of units) to which goodwill should be allocated for the purposes of impairment testing is an operating segment, as defined by paragraph 5 of IFRS 8, ‘Operating Segments’ (that is, before the aggregation of segments with similar economic characteristics).

- IAS 38 (Amendment)- ‘Intangible Assets’. The amendment is part of the IASB’s annual improvements project published in April 2009 and the company will apply IAS 38 (Amendment) from the date IFRS 3 (Revised) is adopted. The amendment clarifies guidance in measuring the fair value of an intangible asset acquired in a business combination and it permits the grouping of intangible assets as a single asset if each asset has similar useful economic lives.

- IFRIC 19- ‘Extinguishing financial liabilities with equity instruments’. This clarifies the requirements of IFRSs when an entity renegotiates the terms of a financial liability with its creditor and the creditor agrees to accept the entity’s shares or other equity instruments to settle the financial liability fully or partially.

2.2.2 Standards, amendments and interpretations to existing standards that are not yet effective

The following amendments and interpretations to existing standards have been published and are mandatory for the company’s accounting periods beginning on or after their respective effective dates:

- IFRIC 4- 'Determining Whether an Arrangement Contains a Lease' is applicable for periods beginning on or after January 01, 2006, however, Independent Power Producers (IPPs), whose letter of intent has been signed on or before June 30, 2010, have been exempted from its application by the Securities and Exchange Commission of Pakistan (SECP). 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 Power Purchase Agreement (PPA) with National Transmission and Despatch Company Limited (NTDCL) 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:

	2011 Rupees	2010 Rupees
De-recognition of property, plant and equipment	(16,741,091,245)	(17,984,649,259)
Recognition of lease debtor	17,473,512,141	-
Recognition of inventory - work-in-process	-	(17,984,649,259)
Increase/(decrease) in accumulated loss at the beginning of the year	-	-
Increase in profit for the year	732,420,894	-
Increase in un-appropriated profit at the end of the year	732,420,894	-

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

The following amendments and interpretations to existing standards have been published and are mandatory for the company's accounting periods beginning on or after January 01, 2011 or later periods, but the company has not early adopted them:

- IFRS 7- 'Disclosures on transfers of financial assets' (Amendment), issued on October 08, 2010. The new disclosure requirements apply to transferred financial assets. An entity transfers a financial asset when it transfers the contractual rights to receive cash flows of the asset to another party. These amendments arise from the IASB's comprehensive review of off balance sheet activities. The amendments will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity’s financial position, particularly those involving securitization of financial assets. The company will apply these amendments for the financial reporting period commencing on July 01, 2011. It is not expected to have any material impact on the company's financial statements.

- IFRS 9 - ‘Financial Instruments’, issued in December 2009. This addresses the classification and measurement of financial assets and is likely to affect the company’s accounting for its financial assets. The standard is not applicable until January 01, 2013 but is available for early adoption. IFRS 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. The company has not yet decided when to adopt IFRS 9.

- IFRS 12 - 'Disclosures of interests in other entities'. This is applicable on accounting periods beginning on or after January 01, 2013. This standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The company will apply this standard from July 01, 2013. It is not expected to have any material impact on the company's financial statements.

- IFRS 13 - 'Fair value measurement'. This is applicable on accounting periods beginning on or after January 01, 2013. This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The company will apply this standard from July 01, 2013. It is not expected to have any material impact on the company's financial statements.

- IAS 1 (Amendments)- effective January 01, 2011, clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements. The company will apply this amendment from July 01, 2011. It is not expected to have any material impact on the company's financial statements.

- IAS 1 - 'Financial statement presentation' (Amendment). This is applicable on accounting periods beginning on or after July 01, 2012. The main change resulting from these amendments is a requirement for entities to group items presented in Other Comprehensive Income (OCI) on the basis of whether they are potentially recycled to profit or loss (reclassification adjustments). The amendment does not address which items are presented in OCI. The company will apply this amendment from July 01, 2012 and it is not expected to have any material impact on the company's financial statements.

- IAS 12- 'Amendment to Deferred Taxation', issued on December 23, 2010. This amendment requires the entity holding investment properties measured at fair value in territories where there is no capital gains tax or where the capital gains rate is different from the income tax rate. This amendment is likely to reduce the deferred tax assets and liabilities recognised by the entity on such investments. The amendment is effective for annual periods beginning on or after January 01, 2012. Earlier adoption is permitted. The amendments should be applied retrospectively to the earliest comparative period presented. It is not expected to have any material impact on the company's financial statements.

- IAS 19 - 'Employee benefits' (Amendment). This is applicable on accounting periods beginning on or after January 01, 2013. The amendment will eliminate the corridor approach and calculate finance costs on a net funding basis. The company will apply this amendment from July 01, 2013 and has yet to assess its full impact. It is not expected to have any material impact on the company's financial statements.

- IAS 24 (Revised)- 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised IAS 24 is required to be applied from July 01, 2011. The revised standard clarifies and simplifies the definition of a related party and removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities. It is not expected to have any material impact on the company's financial statements.

- 'Prepayments of a minimum funding requirement' (Amendments to IFRIC 14), issued in November 2009. The amendments correct an unintended consequence of IFRIC 14, 'IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction'. Without the amendments, entities are not permitted to recognise as an asset some voluntary prepayments for minimum funding contributions. This was not intended when IFRIC 14 was issued, and the amendments correct the problem. The amendments are effective for annual periods beginning January 1, 2011. Earlier application is permitted. The amendments should be applied retrospectively to the earliest comparative period presented. It is not expected to have any material impact on the company's 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 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 of 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. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the profit and loss account, except in the case of items credited or charged to equity in which case it is included in 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 of 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 13.1 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, 2011 has not required any adjustment as its impact is considered insignificant.

Depreciation on additions to operating fixed assets is charged from the month in which the asset is available for use, while no depreciation is charged for the month in which the asset is disposed off.

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.

Previously, depreciation on operating fixed assets was charged on reducing balance method. However, during the year, the company's management carried out a comprehensive review of the pattern of consumption of economic benefits of the operating fixed assets. Now the company charges depreciation on operating fixed assets on straight line method. Such a change has been accounted for as a change in an accounting estimate in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

Had there been no change in the accounting estimate, the profit after tax for the year ended June 30, 2011 would have been higher by Rs 656,125 and carrying value of operating fixed assets as at that date would have been higher by the same amount.

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.

4.3 Intangible assets

Computer software

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

Amortisation on additions to computer software is charged from the month in which the asset is available for use while no amortisation is charged for the month in which the asset is disposed off.

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 land, are not subject to depreciation/amortization and are tested annually for impairment. Assets that are subject to depreciation/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 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, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon.

4.7 Inventories

Inventories except for those in transit 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.

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

4.8 Financial instruments

4.8.1 Financial assets

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

a) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Derivatives are also categorised as held for trading unless they are designated as hedges. 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 trade debts, loans, advances, deposits, 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 amortised cost.

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

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

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

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the company 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 recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account. Impairment testing of trade debts and other receivables is described in note 4.8.

4.8.2 Financial liabilities

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

A financial liability is derecognised when the obligation under the liability is discharged 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 recognised in the profit and loss account.

4.8.3 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.

4.9 Derivative financial instruments

Derivatives are initially recognised 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 the derivative as a hedging instrument and accordingly, the changes in fair value re-measurement are recognised in the profit and loss account. Trading derivatives are classified as a current asset or liability.

4.10 Trade debts and other receivables

Trade debts and other receivables are recognised initially at invoice value, which approximates fair value, and subsequently measured at amortised 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 reorganisation, and default or delinquency in payments are considered indicators that the trade debt is impaired. The provision is recognised 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.

4.11 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.

4.12 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.

4.13 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.

4.14 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.

4.15 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.

4.16 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.

4.17 Borrowing costs

Borrowing costs are recognised 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 capitalised as part of the cost of the asset upto the date of commissioning of the related asset.

4.18 Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the company and the revenue can be measured reliably.

Revenue on account of energy is recognised on transmission of electricity to National Transmission and Despatch Company Limited (NTDCL), whereas on account of capacity is recognised 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.

4.19 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.

4.20 Dividend

Dividend distribution to the company's members is recognised as a liability in the period in which the dividend is approved.

	2011	2010
	(Number of shares)	
5. Issued, subscribed and paid up share capital		
This represents 367,346,939 (2010: 367,346,939) ordinary shares of Rs 10 each fully paid in cash. Ordinary shares of the company held by related parties as at year end are as follows:		
Nishat (Chunian) Limited - holding company	194,276,822	212,346,934
National Bank of Pakistan	19,158,213	30,000,000
Allied Bank Limited - note 5.1	-	44,260,774
	213,435,035	286,607,708

5.1 Allied Bank Limited ceased to be a related party from May 11, 2011.

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.

	2011 Rupees	2010 Rupees
7. Long term financing - secured		
Senior facility - note 7.1	11,969,644,180	12,354,502,346
Term finance facility - note 7.2	2,876,360,668	3,047,278,605
	14,846,004,848	15,401,780,951
Less: Current portion shown under current liabilities	1,034,722,060	410,277,258
	13,811,282,788	14,991,503,693

	2011 Rupees	2010 Rupees
7.1 Senior facility		
Long term financing under mark-up arrangement obtained from following banks:		
Lender		
National Bank of Pakistan - related party	2,060,373,947	2,126,621,256
Habib Bank Limited	2,759,268,572	2,847,987,474
Allied Bank Limited	2,759,268,572	2,847,987,474
United Bank Limited	2,759,268,571	2,847,987,473
Faysal Bank Limited	1,243,922,759	1,283,918,671
Summit Bank Limited (Formerly Arif Habib Bank Limited)	387,541,759	399,999,998
	11,969,644,180	12,354,502,346
Less: Current portion shown under current liabilities	834,769,425	329,102,936
	11,134,874,755	12,025,399,410

	2011 Rupees	2010 Rupees
7.2 Term finance facility		
Long term financing under mark-up arrangement obtained from following banks:		
Lender		
National Bank of Pakistan - related party	495,117,086	524,537,732
Habib Bank Limited	663,065,077	702,465,461
Allied Bank Limited	663,065,077	702,465,461
United Bank Limited	663,065,077	702,465,461
Faysal Bank Limited	392,048,351	415,344,490
	2,876,360,668	3,047,278,605
Less: Current portion shown under current liabilities	199,952,635	81,174,322
	2,676,408,033	2,966,104,283

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 original project financing facility was Rs 12,354,502,346. During the previous year, the company obtained a term finance facility of Rs 3,047,278,605 to cover the additional cost of the power project from the lenders of the original project finance facility, excluding one bank, on the same terms and conditions.

7.4 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 effective mark-up rate charged during the year on the outstanding balance ranges from 15.29% to 16.52% (2010: 15.34% to 15.62%) per annum. As of June 30, 2011, the finance is repayable in thirty seven quarterly instalments ending on July 01, 2020.

8. This represents subordinated loan from the holding company, Nishat (Chunian) Limited. It is unsecured and carries mark-up at the rate of three months KIBOR plus 2% per annum, payable quarterly. The effective mark-up rate charged on the outstanding balance during the year ranges from 14.29% to 15.52% (2010: 14.33% to 14.34%) per annum. During the year, it has been repaid to the holding company with the approval of the lenders mentioned in the Subordinated Loan Agreement.

	2011 Rupees	2010 Rupees
9. Short term borrowings - secured		
Short term borrowings under mark-up arrangements obtained as under:		
Short term running finances - note 9.1	2,611,299,988	1,328,684,977
Short term finance - note 9.2	1,000,000,000	496,257,000
	3,611,299,988	1,824,941,977

9.1 Short term running finance facilities available from commercial banks under mark-up arrangements amount to Rs 4,026.06 million (2010: Rs 2,215.33 million) at mark-up rate of three months KIBOR plus 2% per annum, payable quarterly, on the balance outstanding. The aggregate running finances are secured against first parri passu assignment of the present or future energy payment price of the tariff, first parri passu hypothecation charge on the fuel stock and inventory, ranking charge over all present and future project assets (including moveable/immoveable assets) of the company. The effective mark-up rate charged during the year on the outstanding balance ranges from 14.29% to 15.52% (2010: 14.34% to 14.28%) per annum. Included in the above are running finances from the following related parties:

	2011 Rupees	2010 Rupees
National Bank of Pakistan	550,716,697	179,975,898
Allied Bank Limited - note 9.1.1	-	83,996,609
	550,716,697	179,975,898

9.1.1 Allied Bank Limited ceased to be a related party from May 11, 2011.

9.2 This represents murabaha finance facility of Rs 1,000 million under mark-up arrangements from a commercial bank at mark-up rates ranging from three to nine months KIBOR plus 2% per annum, to finance the procurement of multiple oils from the fuel suppliers. Mark-up is payable at the maturity of the respective murabaha transaction. The aggregate facility is secured against first pari passu charge on current assets comprising of fuel stocks, inventories and assignment of energy payment receivables from NTDCL. The effective mark-up rate charged during the year on the outstanding balance ranges from 14.29% to 16.14% (2010: 14.30%) per annum.

Of the aggregate facilities of Rs 902.200 million (2010: Rs 623.015 million) for opening letters of credit and guarantees, the amount utilised at June 30, 2011 was Rs 336.726 million (2010: USD 7.292 million equivalent to Rs 623.015 million). The aggregate facilities for opening letters of credit and guarantees are secured by lien on import documents and a first pari passu charge on current assets comprising of fuel stocks and inventories of the company.

	2011 Rupees	2010 Rupees
10. Trade and other payables		
Creditors	373,085,952	76,292,193
Payable to contractors	-	789,674,902
Retention money	813,639	3,115,782
Accrued liabilities - note 10.1	89,729,388	2,795,000
Workers' profit participation fund - note 10.2	81,300,657	-
Withholding tax payable	29,464,804	3,219
Sales tax payable	56,029,246	-
Unclaimed dividend	39,065,715	-
Other liabilities	1,314,706	1,032,857
	670,804,107	872,913,953

10.1 Included is an amount of Nil (2010: Rs 2,485,000) payable to the holding company, which relates to normal business of the company and is interest free.

	2011 Rupees	2010 Rupees
10.2 Workers' Profit Participation Fund		
Opening balance	-	-
Provision for the year - note 18.1	81,300,657	-
Closing balance	81,300,657	-

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

	2011 Rupees	2010 Rupees
11. Accrued finance cost		
Accrued mark-up / interest on:		
Long term financing - secured - note 11.1	614,937,173	534,813,597
Subordinated loan - unsecured - note 11.2	-	5,571,439
Short term borrowings - secured - note 11.3	147,358,352	25,733,926
	762,295,525	566,118,962

	2011 Rupees	2010 Rupees
11.1 Included are amounts of accrued mark-up of the following related parties:		
National Bank of Pakistan	105,875,205	92,081,972
Allied Bank Limited - note 11.1.1	-	123,316,893
	105,875,205	215,398,865

11.1.1 Allied Bank Limited ceased to be a related party from May 11, 2011.

11.2 This amount is payable to holding company, Nishat (Chunian) Limited.

	2011 Rupees	2010 Rupees
11.3 Included are amounts of accrued mark-up of the following related parties:		
National Bank of Pakistan	21,309,266	3,361,149
Allied Bank Limited - note 11.3.1	-	1,576,105
	21,309,266	4,937,254

11.3.1 Allied Bank Limited ceased to be a related party from May 11, 2011.

12. Contingencies and commitments

12.1 Contingencies

The following have been issued by the bank on behalf of the company:

(a) Irrevocable standby letter of credit of Rs 45,000,000 (2010: Nil) in favour of Wartsila Pakistan (Private) Limited as required under the terms of the Operations and Maintenance Agreement.

(b) Letter of guarantee of Rs 1,131,988 (2010: Nil) in favour of Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess.

	2011 Rupees	2010 Rupees
12.2 Commitments in respect of		
(i) Letters of credit other than for capital expenditure	290,593,989	-
(ii) Other contractors	1,024,098	11,776,902

(iii) The company has entered into a contract for purchase of fuel oil from Shell Pakistan Limited ('SPL') for a period of ten years starting from the Commercial Operations Date of the power station i.e. July 21, 2010. Under the terms of the Fuel Supply Agreement, the company is not required to buy any minimum quantity of oil from SPL.

(iv) The company has also entered into an agreement with Wartsila Pakistan (Private) Limited for the operations and maintenance ('O&M') of the power station for a 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.

	2011 Rupees	2010 Rupees
13. Fixed assets		
Property, plant and equipment:		
Operating fixed assets - note 13.1	16,754,299,774	76,599,079
Capital work-in-progress - note 13.2	-	17,984,649,259
	16,754,299,774	18,061,248,338
Intangible asset:		
Computer software - note 13.3	1,908,000	-
Intangible asset under development - computer software	-	2,385,000
	1,908,000	2,385,000
	16,756,207,774	18,063,633,338

13.1 Operating fixed assets

	Freehold land	Buildings on Freehold land	Plant and Machinery	Electric Installations	Computer Equipment	Office Equipment	Furniture and Fixtures	Vehicles	(Rupees) Total
COST									
Balance as at July 01, 2009	71,016,715	-	-	-	219,324	233,862	24,800	5,068,695	76,563,396
Additions during the year	-	-	-	-	719,496	167,035	382,700	563,956	1,833,187
Balance as at June 30, 2010	71,016,715	-	-	-	938,820	400,897	407,500	5,632,651	78,396,583
Balance as at July 01, 2010	71,016,715	-	-	-	938,820	400,897	407,500	5,632,651	78,396,583
Additions during the year	-	169,176,376	17,751,513,234	2,535,539	1,301,531	2,969,629	190,252	5,780,187	17,933,466,748
Balance as at June 30, 2011	71,016,715	169,176,376	17,751,513,234	2,535,539	2,240,351	3,370,526	597,752	11,412,838	18,011,863,331
DEPRECIATION									
Balance as at July 01, 2009	-	-	-	-	53,752	23,907	2,480	619,238	699,377
Charge for the year	-	-	-	-	191,178	35,273	5,684	865,992	1,098,127
Balance as at June 30, 2010	-	-	-	-	244,930	59,180	8,164	1,485,230	1,797,504
Balance as at July 01, 2010	-	-	-	-	244,930	59,180	8,164	1,485,230	1,797,504
Charge for the year	-	6,794,975	1,245,520,105	254,596	554,761	283,484	56,669	2,301,463	1,255,766,053
Balance as at June 30, 2011	-	6,794,975	1,245,520,105	254,596	799,691	342,664	64,833	3,786,693	1,257,563,557
Book value as at June 30, 2010	71,016,715	-	-	-	693,890	341,717	399,336	4,147,421	76,599,079
Book value as at June 30, 2011	71,016,715	162,381,401	16,505,993,129	2,280,943	1,440,660	3,027,862	532,919	7,626,145	16,754,299,774
Annual depreciation rate %	-	4	4 to 32	10	33	10	10	20	

	2011 Rupees	2010 Rupees
13.1.1 The depreciation charge for the year has been allocated as follows:		
Unallocated expenditure - note 13.2.1	296,745	947,311
Cost of sales - note 23	1,254,304,493	-
Administrative expenses - note 24	1,164,815	150,816
	1,255,766,053	1,098,127

	2011 Rupees	2010 Rupees
13.2 Capital work-in-progress		
Buildings	147,976,279	154,700,000
Plant and machinery	15,430,454,882	15,411,234,758
Electric installations	2,535,539	2,535,539
Advance for purchase of assets	5,140,364	5,565,079
Unallocated expenditure - note 13.2.1	2,341,755,136	2,410,613,883
	17,927,862,200	17,984,649,259
Transferred to operating fixed assets	(17,927,862,200)	-
Closing balance	-	17,984,649,259

	2011 Rupees	2010 Rupees
13.2.1 Unallocated expenditure		
Unallocated expenditure incurred upto commercial operations date:		
Raw material consumed	1,958,044,545	1,409,700,618
Stores and spares consumed	421,567	364,048
Salaries, wages and other benefits - note 13.2.2	50,658,739	47,802,226
Electricity consumed in house	9,610,499	8,034,830
Insurance	159,618,622	156,586,086
Travelling and conveyance	7,337,047	7,253,686
Entertainment	771,848	734,246
Vehicle running and maintenance	2,853,951	2,759,713
Printing and stationery	1,254,673	1,263,362
Postage and telephone	1,492,480	1,349,661
Fuel and power	589,922	571,022
Advertisement	172,391	153,998
Legal and professional charges	16,712,608	16,712,608
Consultancy charges	14,408,804	16,153,464
Fee and subscription	33,561,611	33,545,411
Mark up on:		
- Long term financing - secured - note 13.2.3	2,626,125,853	2,529,824,081
- Subordinated loan - unsecured - note 13.2.4	9,439,281	7,149,256
- Short term borrowings - secured - note 13.2.5	44,991,077	29,757,330
Bank charges and financing fee - note 13.2.6	211,878,441	218,747,858
Bank guarantee commission	9,972,744	9,674,009
Payment under O&M Agreement	26,500,000	26,500,000
Depreciation	1,867,193	1,570,448
Miscellaneous	9,947,235	914,570
	5,198,231,131	4,527,122,531
Sale of trial production - note 13.2.7	(2,070,629,618)	(1,494,773,577)
Scrap sales	(3,793,103)	(3,793,103)
Delay liquidated damages recovered - note 13.2.8	(782,053,274)	(617,941,968)
	2,341,755,136	2,410,613,883

13.2.2 Salaries, wages and other benefits include Rs 951,968 (2010: Rs 868,472) in respect of provident fund contribution by the Company.

13.2.3 Mark up on long term financing includes Rs 454,262,689 (2010: Rs 437,685,814) and Rs 608,363,387 (2010: Rs 586,163,493) which relates to National Bank of Pakistan - related party and Allied Bank Limited - related party respectively.

13.2.4 It relates to Nishat (Chunian) Limited - holding company.

13.2.5 Mark up on short term borrowings includes Rs 5,718,860 (2010: Rs 3,894,175) and Rs 2,007,485 (2010: Rs 1,831,252) which relates to National Bank of Pakistan - related party and Allied Bank Limited - related party respectively.

13.2.6 Bank charges and financing fee includes Rs 31,827,005 (2010: Rs 31,827,005) and Rs 50,013,744 (2010: Rs 50,013,744) which relates to National Bank of Pakistan - related party and Allied Bank Limited - related party respectively.

13.2.7 It is exclusive of sales tax amounting to Rs 336,465,287 (2010: Rs 239,163,772)

13.2.8 This represents net liquidated damages recovered by the company from Wartsila Pakistan (Private) Limited for delay in achieving commercial operations.

	Rupees
13.3 Intangible asset- Computer Software	
COST	
Balance as at July 01, 2010	
Additions during the year	2,385,000
Balance as at June 30, 2011	2,385,000
AMORTISATION	
Balance as at July 01, 2010	-
Charge for the year - note 24	477,000
Balance as at June 30, 2011	477,000
Book value as at June 30, 2011	1,908,000
Annual amortisation rate %	20%

	2011 Rupees	2010 Rupees
14. Long term loans to executives		
Considered good:		
Loans to executives - note 14.3	2,672,012	690,837
Less: Current portion shown under current assets - note 18	579,487	530,187
	2,092,525	160,650

14.1 These represent car and house construction loans to executives, payable in 30 to 48 monthly instalments. These carry interest at the rate of 13.5% (2010: 13.5%) per annum. These loans are secured to the extent of balance standing to the credit of relevant executives in their provident fund trust account.

14.2 Maximum aggregate balance due from the executives at the end of any month during the year is Rs 2,900,952 (2010: Rs 881,207).

	2011 Rupees	2010 Rupees
14.3 Reconciliation of carrying amount of loans		
Opening balance	690,837	-
Disbursements	2,604,914	1,114,077
Less: Repayments	623,739	423,240
Closing balance	2,672,012	690,837
15. Stores and spares		
Stores	3,444,479	-
Spares	242,985,778	220,548,971
	246,430,257	220,548,971

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

	2011 Rupees	2010 Rupees
16. Inventories		
Furnace oil	652,666,746	300,294,853
Diesel	5,213,678	4,344,982
Lubricating oil	7,490,183	1,000,420
	665,370,607	305,640,255

17. These represent trade receivables from NTDCL 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 effective rate of delayed payment mark-up charged during the year on outstanding amounts ranges from 16.75% to 18.22% (2010 :16.68% to 17.32%) per annum.

	2011 Rupees	2010 Rupees
18. Loans, advances, deposits, prepayments and other receivables		
Current portion of loans to executives - note 14	579,487	530,187
Advances - considered good:		
- To employees	12,589	849
- To suppliers	74,536,703	536,081,915
Balances with statutory authorities:		
- Sales tax recoverable	-	40,173,324
- Advance income tax	-	1,762,473
Claim recoverable from NTDCL for pass through items:		
- Workers' Profit Participation Fund - note 18.1	81,300,657	-
Letters of credit - margins, deposits, opening charges etc	51,421	-
Interest receivable	685,620	2,190,102
Security deposit	1,131,988	-
Prepayments	7,520,451	-
Other receivables - considered good - note 18.2	5,300,745	106,637,634
	171,119,661	687,376,484
18.1 Workers' Profit Participation Fund		
Opening balance	-	-
Provision for the year	81,300,657	-
Closing balance	81,300,657	-

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

18.2 Included is an amount of Rs 463,835 (2010: Nil) receivable from the holding company, which relates to normal business of the company and is interest free.

18.3 Included is an amount of Rs 50,720 (2010: Nil) receivable from executives.

19. During the year, the company has entered into derivative cross currency swap with a commercial bank. Under the terms of the cross currency swap arrangement, the company pays 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 receives KIBOR from the arranging bank. There has been no transfer of liability under the arrangement, only the nature of the interest payment has changed. The derivative cross currency swap outstanding as at June 30, 2011 has been marked to market and the resulting gain of Rs 3.061 million has been recognised in the profit and loss account.

20. Investment

Financial asset at fair value through profit or loss

Investment in the units of UBL Liquidity Plus Fund has been redeemed during the year and the resulting gain has been recognised as part of other operating income.

	2011 Rupees	2010 Rupees
21. Bank balances		
Cash at bank:		
- On saving accounts - note 21.1	115,593	1,560,676,051
- On current accounts - note 21.2	39,185,934	546,338
	39,301,527	1,561,222,389

21.1 The effective interest rate on saving accounts ranged from 5% to 5.5% (2010: 5% to 5.5%) per annum.

21.2 Cash at banks on current accounts includes an amount of Rs 102,333 (2010: Rs 509,508) with MCB Bank Limited - a related party.

	2011 Rupees	2010 Rupees
22. Sales		
Energy purchase price - note 22.1	15,832,251,820	-
Capacity purchase price	4,520,803,422	-
	20,353,055,242	-

22.1 Energy purchase price is exclusive of sales tax amounting to Rs 2,615,249,185.

	2011 Rupees	2010 Rupees
23. Cost of sales		
Raw materials consumed	14,026,289,486	-
Salaries and other benefits - note 23.1	11,695,032	-
Operations and maintenance	262,633,466	-
Stores and spares consumed	50,659,682	-
Electricity consumed in-house	3,485,067	-
Insurance	130,101,424	-
Travelling and conveyance	2,279,491	-
Postage and telephone	1,619,790	-
Repairs and maintenance	1,245,475	-
Entertainment	311,012	-
Depreciation on operating fixed assets - note 13.1.1	1,254,304,493	-
Fee and subscription	3,630,535	-
Miscellaneous	2,186,534	-
	15,750,441,487	-

23.1 Salaries and other benefits include Rs 367,841 (2010: Nil) in respect of provident fund contribution by the company.

	2011 Rupees	2010 Rupees
24. Administrative expenses		
Salaries and other benefits - note 24.1	22,321,048	3,267,181
Travelling and conveyance	6,438,842	-
Entertainment	544,353	-
Common facilities cost - note 24.2	1,800,000	1,800,000
Printing and stationery	487,937	-
Postage and telephone	231,431	-
Insurance	74,799	18,901
Vehicle running expenses	799,221	54,120
Repairs and maintenance	49,150	-
Legal and professional charges - note 24.3	6,394,799	401,200
Advertisement	119,193	-
Fee and subscription	2,011,700	103,590
Depreciation on operating fixed assets - note 13.1.1	1,164,815	150,816
Amortisation on intangible asset - note 13.3	477,000	-
Miscellaneous	2,031,479	-
	44,945,767	5,795,808

24.1 Salaries and other benefits include Rs 748,262 (2010: Rs 85,892) in respect of provident fund contribution by the company.

24.2 The amount represents common facilities cost charged to the company by the holding company.

	2011 Rupees	2010 Rupees
24.3 Legal and professional charges include the following in respect of auditors' services for:		
Statutory audit	1,000,000	250,000
Half yearly review	500,000	75,000
Tax services	40,000	-
Other assurance services	550,000	65,000
Re-imbursement of expenses	81,578	11,200
	2,171,578	401,200

	2011 Rupees	2010 Rupees
25. Other operating expenses		
Donation - note 25.1	2,000,000	-
Exchange loss	31,632,766	3,614,503
Interest on delayed payment	2,043,625	-
	35,676,391	3,614,503

25.1 None of the directors and their spouses had any interest in the donee.

	2011 Rupees	2010 Rupees
26. Other operating income		
Income from financial assets:		
Profit on bank deposits	14,704,501	843,618
Gain on financial asset at fair value through profit and loss:		
- Realized	6,751,598	1,390,810
- Un-realized	-	664,086
	6,751,598	2,054,896
Gain on derivative financial instrument:		
- Realized	622,638	-
- Un-realized	3,061,396	-
	3,684,034	-
Markup on loans to executives	62,936	57,988
Income from non-financial assets:		
Scrap sales	19,397,551	-
	44,600,620	2,956,502
27. Finance cost		
Interest/mark-up on:		
- Long term financing - secured - note 27.1	2,345,378,458	-
- Subordinated loan - unsecured - note 27.2	65,729,827	-
- Short term borrowings - secured - note 27.3	516,322,508	-
Bank charges and commission - note 27.4	13,148,281	-
	2,940,579,074	-
27.1 Includes mark-up charged by the following related parties:		
National Bank of Pakistan	398,117,004	-
Allied Bank Limited	389,544,042	-
	787,661,046	-

27.2 This represents mark-up on subordinated loan from holding company, Nishat (Chunian) Limited.

	2011 Rupees	2010 Rupees
27.3 Includes mark-up charged by the following related parties:		
National Bank of Pakistan	70,688,988	-
Allied Bank Limited	18,917,751	-
	89,606,739	-
27.4 Includes bank charges and commission charged by the following related parties:		
National Bank of Pakistan	1,474	-
Allied Bank Limited	5,013,846	-
	5,015,320	-
28. Taxation		
For the year - current	13,579,721	1,034,776
Prior year - current	-	268,585
	13,579,721	1,303,361

	2011 Rupees	2010 Rupees
28.1 Relationship between tax expense and accounting profit		
Profit/(loss) before taxation	1,626,013,143	(6,453,809)
Tax at the applicable rate of 35% (2010: 35%)	569,104,600	(2,258,833)
Tax effect of exempt income as referred to in note 4.1	(553,494,383)	3,293,609
Tax effect of items taxable at lower rate of tax	(2,608,908)	-
Effect of change in prior period's tax	-	268,585
Others	578,412	-
	13,579,721	1,303,361

29. Earnings per share

29.1 Basic earnings per share

		2011	2010
Net profit/(loss) for the year	Rupees	1,612,433,422	(7,757,170)
Weighted average number of ordinary shares	Number	367,346,939	331,505,272
Earnings/(loss) per share	Rupees	4.389	(0.023)

29.2 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, 2011 and June 30, 2010 which would have any effect on the earnings per share if the option to convert is exercised.

30. Cash generated from/(used in) operations

	2011 Rupees	2010 Rupees
Profit/(loss) before taxation	1,626,013,143	(6,453,809)
Adjustment for non-cash charges and other items:		
Depreciation on operating fixed assets	1,255,469,308	150,816
Amortisation on intangible assets	477,000	-
Profit on bank deposits	(14,704,501)	(843,618)
Realised gain on financial assets at fair value through profit and loss	(6,751,598)	(1,390,810)
Unrealised gain on financial assets at fair value through profit and loss	-	(664,086)
Unrealised gain on derivative financial instrument	(3,061,396)	-
Finance cost	2,940,579,074	-
Provision for employee retirement benefits	1,199,599	-
Profit/(loss) before working capital changes	5,799,220,629	(9,201,507)
Effect on cash flow due to working capital changes:		
Increase in stores and spares	(25,881,286)	(220,548,971)
Increase in inventories	(359,730,352)	(305,640,255)
Increase in trade debts	(5,215,756,283)	(1,732,450,622)
Decrease/(increase) in loans, advances, deposits, prepayments and other receivables	512,989,868	(678,203,234)
(Decrease)/increase in trade and other payables	(202,109,846)	867,817,296
	(5,290,487,899)	(2,069,025,786)
	508,732,730	(2,078,227,293)

31. Cash and cash equivalents

	2011 Rupees	2010 Rupees
Bank balances	39,301,527	1,561,222,389
Short term borrowings - secured	(3,611,299,988)	(1,824,941,977)
	(3,571,998,461)	(263,719,588)

32. Remuneration of Chief Executive, Director and Executives

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

	Chief Executive		Director		Executive	
	2011	2010	2011	2010	2011	2010
	(	R u	p e	e s	)	
Short term employee benefits						
Managerial remuneration	-	-	3,772,400	2,800,000	9,968,667	9,272,484
Housing rent	-	-	1,712,560	1,120,000	4,129,467	3,708,276
Medical expenses	-	-	428,140	280,000	996,867	927,240
Bonus	-	-	-	-	2,866,349	-
Other benefits	-	-	-	-	-	98,908
	-	-	5,913,100	4,200,000	17,961,350	14,006,908
Post employment benefits						
Contribution to provident fund	-	-	-	-	830,390	772,398
	-	-	5,913,100	4,200,000	18,791,740	14,779,306
Number of persons	1	1	1	1	9	8

32.2 Certain executives are provided with company maintained vehicles.

33. Transactions with related parties

The related parties comprise the holding company, associated undertakings, other related parties and key management personnel. 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 key management personnel is disclosed in note 32. Other significant transactions with related parties are as follows:

Relationship with the company	Nature of transactions	2011 Rupees	2010 Rupees
i. Holding company	Shares issued	-	685,577,510
	Subordinated loan proceeds	85,000,000	386,638,960
	Subordinated loan repayment	471,638,960	-
	Markup on subordinated loan	68,019,852	6,794,397
ii. Associated company	Share issuance cost	-	753,538
iii. Other related parties	Share issuance cost	-	1,654,366
	Disbursement of long term financing	-	6,201,611,923
	Long term financing repaid	223,787,241	-
	Short term borrowings acquired	7,187,426,031	697,952,204
	Short term borrowings repaid	6,353,918,027	47,340,737
	Bank charges and financing fee	5,015,320	27,144,272
	Contribution to employees provident fund	1,199,599	954,364

All transactions with related parties have been carried out on commercial terms and conditions.

	2011 MWH	2010 MWH
34. Capacity and production		
Installed capacity [based on 8,280 hours (2010: Nil)]	1,620,578	-
Actual energy delivered	1,405,751	-

The under utilisation of available capacity is due to a less demand by NTDCL.

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 minimise 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 currency risk as there are no bank balances, receivables and payables in foreign currency at the reporting date.

(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 mainly from long term financing, subordinated loan 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:

	2011 Rupees	2010 Rupees
Fixed rate instruments		
Financial assets		
Bank balances - saving accounts	115,593	1,560,676,051
Financial liabilities	-	-
Net exposure	115,593	1,560,676,051
Floating rate instruments		
Financial assets		
Trade debts - overdue	2,415,959,775	-
Financial liabilities		
Long term financing	(14,846,004,848)	(15,401,780,951)
Subordinated loan	-	(386,638,960)
Short term borrowings	(3,611,299,988)	(1,824,941,977)
	(18,457,304,836)	(17,613,361,888)
Net exposure	(16,041,345,061)	(17,613,361,888)

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 175.378 million (2010: loss of Rs 80) lower/higher and capital work-in-progress would have been Nil (2010: Rs 160.526 million) higher/lower, 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.

(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:

	2011 Rupees	2010 Rupees
Long term deposits	105,000	105,000
Trade debts	6,909,141,190	1,732,450,622
Advances, deposits and other receivables	162,282,682	642,720,398
Derivative financial instrument	3,061,396	-
Bank balances	39,301,527	1,561,222,389
	7,113,891,795	3,936,498,409
The age of trade debts at balance sheet date is as follows:		
The age of trade debts		
- Not past due	4,493,181,415	1,732,450,622
- Past due 0 - 180 days	2,415,959,775	-
	6,909,141,190	1,732,450,622

There is no impairment loss of trade trade debts as at June 30, 2011 (2010: Nil)

(ii) Credit quality of financial assets
The credit quality of 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			2011	2010
	Short Term	Long Term	Agency	Rupees	
NTDCL	Not Available			6,909,141,190	1,732,450,622
National Bank of Pakistan	A-1+	AAA	JCR-VIS	4,093	4,792
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	-	-
Bank Alfalah Limited	A1+	AA	PACRA	2,350	9,500
Faysal Bank Limited	A1+	AA	PACRA	12	-
United Bank Limited	A-1+	AA+	JCR-VIS	122,206	1,560,690,709
MCB Bank Limited	A1+	AA+	PACRA	101,201	509,508
Askari Bank Limited	A1+	AA	PACRA	5,000	7,880
Allied Bank Limited	A1+	AA	PACRA	950	-
Barclays Bank PLC, Pakistan	P-1	Aa3	Moody	39,065,715	-
				6,948,442,717	3,293,673,011

Due to the company's long standing business relationships with these counter parties 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.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the company's businesses, the Board maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors the forecasts of the company's cash and cash equivalents (note 31) on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the company. The company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet its liabilities, monitoring balance sheet liquidity ratios against internal and external regulatory requirements, and maintaining debt financing plans.

The table below analyses the company's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows as the impact of discounting is not significant.

The following are the contractual maturities of financial liabilities as at June 30, 2011.

	Carrying Amount	Less than one year	One to five years	More than five years
	(Rupees)			
Long term financing	14,846,004,848	1,034,722,060	6,303,896,910	7,507,385,878
Short term borrowings	3,611,299,988	3,611,299,988	-	-
Trade and other payables	560,038,646	560,038,646	-	-
Accrued finance cost	762,295,525	762,295,525	-	-
	19,779,639,007	5,968,356,219	6,303,896,910	7,507,385,878

The following are the contractual maturities of financial liabilities as at June 30, 2010.

	Carrying Amount	Less than one year	One to five years	More than five years
	(Rupees)			
Long term financing	15,401,780,951	3,277,788,896	3,277,742,803	8,846,249,252
Subordinated loan	386,638,960	-	386,638,960	-
Short term borrowings	1,824,941,977	1,824,941,977	-	-
Trade and other payables	872,910,734	872,910,734	-	-
Accrued finance cost	566,118,962	566,118,962	-	-
	19,052,391,584	6,541,760,569	3,664,381,763	8,846,249,252

35.2 Fair value estimation

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date. The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped in to levels 1 to 3 based on the degree to which fair value is observable:

As at June 30, 2011	Level 1	Level 2	Level 3	Total
		Rupees		
Assets				
Derivative financial instrument	-	-	3,061,396	3,061,396

As at June 30, 2010	Level 1	Level 2	Level 3	Total
		Rupees		
Assets				
Financial asset at fair value through profit or loss	131,890,238	-	-	131,890,238

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial instruments held by the company is the current bid price. These financial instruments are classified under level 1 in above referred table. 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. The company has no such type of financial instruments as on June 30, 2011.

If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3. The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

35.3 Financial instruments by categories

As at June 30, 2011	At fair value through profit or loss	Loans and receivables	Total
Assets as per balance sheet			
Long term loans to executives	-	2,092,525	2,092,525
Long term security deposits	-	105,000	105,000
Trade debts	-	6,909,141,190	6,909,141,190
Loans, advances, deposits and other receivables	-	162,282,682	162,282,682
Derivative financial instrument	3,061,396	-	3,061,396
Bank balances	-	39,301,527	39,301,527
	3,061,396	7,112,922,924	7,115,984,320

As at June 30, 2010	At fair value through profit or loss	Loans and receivables	Total
Assets as per balance sheet			
Long term loans to executives	-	160,650	160,650
Long term security deposits	-	105,0000	105,000
Trade debts	-	1,732,450,622	1,732,450,622
Loans, advances, deposits and other receivables	-	642,720,398	642,720,398
Investment	131,890,238	-	131,890,238
Bank balances	-	1,561,222,389	1,561,222,389
	131,890,238	3,936,659,059	4,068,549,297

	Financial liabilities at amortised cost	
	2011 Rupees	2010 Rupees
Liabilities as per balance sheet		
Long term financing	14,846,004,848	15,401,780,951
Subordinated loan	-	386,638,960
Short term borrowings	3,611,299,988	1,824,941,977
Trade and other payables	560,038,646	872,910,734
Accrued finance cost	762,295,525	566,118,962
	19,779,639,007	19,052,391,584

CHIEF EXECUTIVE DIRECTOR

35.4 Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders through repurchase of shares, issue new shares or sell assets to reduce debt. Consistent with others in the industry and the requirements of the lenders, the company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings including current and non-current borrowings, as disclosed in note 7 & 8, less cash and cash equivalents as disclosed in note 31. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

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, 2011 and June 30, 2010 is as follows:

		2011 Rupees	2010 Rupees
Borrowings - note 7 & 8		14,846,004,848	15,788,419,911
Less: Cash and cash equivalents - note 31		(3,571,998,461)	(263,719,588)
Net debt		18,418,003,309	16,052,139,499
Total equity		4,894,415,558	3,649,329,783
Total capital		23,312,418,867	19,701,469,282
Gearing ratio	Percentage	79.01	81.48

36. Date of authorisation for issue

These financial statements were authorised for issue on October 08, 2011 by the Board of Directors of the company.

37. Corresponding figures

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. However, no signficant re-arrangement has been made.

Pattern of Shareholding
as at June 30, 2011

	Categories of Shareholders	Number of Shareholders	Total Shares Held	Percentage
A)	Directors/Chief Executive Officer and their spouse and minor Children			
	Mr. Shahzad Saleem - Chairman / Director (Nominee NCL)	-	-	0.00
	Mr. Muhamamd Saleem - Director	1	200,000	0.05
	Mr. Yahya Saleem - Chief Executive / Director	1	1	0.00
	Mr. Manzar Mushtaq - Director	1	1	0.00
	Mr. Mushtaq Ahmed - Director	1	1	0.00
	Mr. Badar ul Hassan - Director	1	1	0.00
	Mr. Wasif M. Khan - Director	-	-	0.00
	Syed Iqbal Ashraf - Director (Nominee NBP)	-	-	0.00
	TOTAL: -	5	200,004	0.05
B)	Executives N/A	-	-	-
C)	Associated Companies, Undertakings and related parties	1	194,276,822	52.8865
D)	Public Sectors Companies & Corporations	-	-	-
E)	NIT and IDBP (ICP UNIT)	2	3,037,501	0.83
F)	Banks, Development Financial Institutions & Non-Banking Financial Institutions	27	83,538,856	22.74
H)	Insurance Companies	5	1,810,000	0.49
I)	Modarabas & Mutual Funds	23	39,104,013	10.64
J)	*Shareholding 10% or more	-	-	-
K)	Joint Stock Companies	45	7,129,742	1.94
L)	Others	-	-	-
M)	General Public	1,803	38,250,001	10.41
	TOTAL: -	1,911	367,346,939	100.00

* Shareholders having 10% or above shares exist in other categories therefore not included in total.

Shareholding Detail of 10% or more

Name of Shareholder	Shares held	%
Nishat (Chunian) Limited	194,276,822	52.89
TOTAL :-	194,276,822	52.89

INFORMATION UNDER CLAUSE XIX(j) 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 children during the year July 01, 2010 to June 30, 2011:

	Sale	Purchase
Mr. Muhammad Saleem	Nil	200,000

Categories of Shareholders

as on June 30, 2011

Number of Shareholders	Shareholding From	Shareholding To	Total Shares Held	Percentage of Total Capital
100	1	100	3,500	0.00
618	101	500	294,658	0.08
255	501	1000	245,943	0.07
427	1001	5000	1,330,360	0.36
175	5001	10000	1,498,328	0.41
45	10001	15000	609,601	0.17
36	15001	20000	670,382	0.18
32	20001	25000	782,317	0.21
22	25001	30000	628,440	0.17
14	30001	35000	467,942	0.13
15	35001	40000	580,483	0.16
6	40001	45000	258,198	0.07
30	45001	50000	1,492,716	0.41
1	50001	55000	50,002	0.01
2	55001	60000	116,000	0.03
3	60001	65000	193,722	0.05
1	65001	70000	65,500	0.02
6	70001	75000	447,199	0.12
4	75001	80000	320,000	0.09
2	80001	85000	169,000	0.05
3	85001	90000	264,500	0.07
20	95001	100000	1,998,500	0.54
2	100001	105000	203,988	0.06
4	105001	110000	435,001	0.12
1	110001	115000	114,000	0.03
1	115001	120000	116,155	0.03
2	120001	125000	250,000	0.07
2	130001	135000	268,000	0.07
1	135001	140000	138,620	0.04
1	140001	145000	145,000	0.04
6	145001	150000	900,000	0.24
1	150001	155000	152,000	0.04
1	160001	165000	162,554	0.04
2	165001	170000	334,799	0.09
2	170001	175000	350,000	0.10
5	195001	200000	995,995	0.27
2	200001	205000	406,738	0.11
1	205001	210000	210,000	0.06
2	220001	225000	446,999	0.12
1	240001	245000	243,500	0.07
2	245001	250000	499,000	0.14
2	295001	300000	600,000	0.16
1	310001	315000	312,600	0.09
1	315001	320000	316,312	0.09
1	330001	335000	334,839	0.09
1	345001	350000	350,000	0.10
2	395001	400000	797,000	0.22
1	445001	450000	450,000	0.12
1	450001	455000	452,516	0.12
1	460001	465000	465,000	0.13
1	470001	475000	471,219	0.13
1	480001	485000	482,051	0.13
1	495001	500000	500,000	0.14
1	515001	520000	520,000	0.14
1	565001	570000	570,000	0.16
1	570001	575000	575,000	0.16
1	600001	605000	600,905	0.16
1	605001	610000	607,001	0.17
1	630001	635000	633,641	0.17
1	635001	640000	639,000	0.17
1	795001	800000	800,000	0.22
1	800001	805000	805,000	0.22
1	865001	870000	870,000	0.24
1	895001	900000	900,000	0.24
1	910001	915000	914,471	0.25
1	995001	1000000	1,000,000	0.27
1	1020001	1025000	1,024,256	0.28
1	1030001	1035000	1,033,098	0.28
1	1495001	1500000	1,500,000	0.41
1	1560001	1565000	1,564,000	0.43
1	1795001	1800000	1,800,000	0.49
1	1895001	1900000	1,900,000	0.52
1	2100001	2105000	2,102,729	0.57
1	2395001	2400000	2,400,000	0.65
1	2475001	2480000	2,477,000	0.67
1	2495001	2500000	2,500,000	0.68
1	2505001	2510000	2,508,690	0.68
1	2510001	2515000	2,510,717	0.68
1	2695001	2700000	2,696,352	0.73
1	2995001	3000000	3,000,000	0.82
1	3045001	3050000	3,050,000	0.83
1	3095001	3100000	3,100,000	0.84
1	3995001	4000000	4,000,000	1.09
1	4435001	4440000	4,436,831	1.21
1	5395001	5400000	5,400,000	1.47
1	5545001	5550000	5,550,000	1.51
1	6255001	6260000	6,255,170	1.70
1	6460001	6465000	6,461,267	1.76
1	6730001	6735000	6,734,693	1.83
1	11565001	11570000	11,567,302	3.15
1	11570001	11575000	11,574,132	3.15
1	19015001	19020000	19,019,593	5.18
1	29995001	30000000	30,000,000	8.17
1	187350001	187355000	187,354,914	51.00
1,911			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 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, will be held on October 31, 2011 (Monday) at 10.00 a.m. at the Head Office of the Company 31-Q, Gulberg II, Lahore and at any adjournment thereof.

As witness my hand this ____________ day of _______________ 2011 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, singed and witnessed.

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