Nishat Chunian Power Limited

Annual Report 2012

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:	Mrs. Farhat Saleem	Director
	Mr. Shahzad Saleem (Nominee NCL)	Chairman
	Mr. Yahya Saleem	Chief Executive
	Sahibzada Rafat Raoof Ali (Nominee NBP)	Director
	Mr. Wasif M. Khan	Director
	Mr. Mushtaq Ahmad	Director
	Mr. Badar ul Hassan	Director
	Mr. Manzar Mushtaq	Director
Audit Committee:	Mr. Wasif M. Khan	Chairman
	Mr. Mushtaq Ahmad	Member
	Mr. Badar ul Hassan	Member
HR & R Committee:	Mr. Shahzad Saleem	Chairman
	Mr. Mushtaq Ahmad	Member
	Mr. Badar ul Hassan	Member
Chief Financial Officer:	Ms. Sonia Karim	
Head of Internal Audit:	Mr. Saqib Riaz	
Company Secretary:	Mr. Khadim Hussain	
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 Al Baraka Bank (Pakistan) Limited Meezan 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.	

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Notice of Annual General Meeting

Notice is hereby given that the 5th 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 30, 2012 at 10.00 A.M to transact the following business:-

ORDINARY BUSINESS:

1. To confirm the minutes of last annual general meeting held.
2. To receive and adopt audited accounts of the Company for the year ended June 30, 2012 together with Directors' and Auditors' reports thereon.
3. To approve 20% final cash dividend as recommended by the Board of Directors. This is in addition to interim dividend already paid at Rs.1.50 per shares i.e.15%
4. To appoint auditors for the year ending June 30, 2013 and to fix their remuneration. The present auditors M/s. A.F.Ferguson & Company, Chartered Accountants retired and being eligible offered themselves for re-appointment.

SPECIAL BUSINESS:

5. Donation to charitable institutions/trust(s)
   To consider and pass, with or without modification(s), the following resolution as an Ordinary Resolution:

   "RESOLVED that the Board of Directors of the Company be and is hereby authorized to contribute out of the profits of the Company by way of donations of upto PKR 150 million to the proposed Saleem Memorial Trust Hospital, Lahore. This donation shall be in addition to the other contributions to be made by the Company for social causes and welfare of the society to such charitable institution(s) including Saleem Memorial Trust Hospital as may be approved by the Board of Directors in future in accordance with the Company's Corporate Social Responsibility Initiative (CSR).

   "RESOLVED FURTHER that the Board of Directors be and are hereby authorized and empowered on behalf of the Company to take all steps and actions necessary, ancillary and incidental as they may consider appropriate for effecting the charitable donation to Saleem Memorial Trust Hospital for and on behalf of the Company at such time as they may deemed fit.

OTHER BUSINESS:

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

By Order of the Board

Khadim Hussain
Company Secretary

Lahore: October 09, 2012

Notes:

1. The Members' Register will remain closed from 20-10-2012 to 26-10-2012 (both days inclusive). Transfers received at Hameed Majeed Associates (Pvt) Limited, H.M. House, 7-Bank Square, Lahore, the Registrar and share transfer office of the Company by the close of business on 19-10-2012 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.

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

This Statement sets out the material facts concerning the Special Business to be transacted at the Annual General Meeting.

Item 5 of the Agenda - Donation to Saleem Memorial Trust Hospital

The Board of Directors of the Company while considering the Corporate Social Responsibility Initiative (CSR), have resolved that in the larger interest of the business of the Company and to fulfill its social responsibility as a responsible corporate citizen, it is imperative that certain donations are made by the Company from time to time to charitable institution(s)/trust(s) to further the charity work carried on by such Charitable institutions(s)/trust(s). With an ongoing focus of charitable activities on education and health, the Board of Directors has decided to earmark funds for its Social Responsibility Initiative in the area of health services. In that direction, the Board of Directors has decided to contribute a specific donation of up to PKR 150 million to the proposed Saleem Memorial Trust Hospital.

Saleem Memorial Trust Hospital, Lahore (proposed) has recently been granted licence by the Securities and Exchange Commission of Pakistan (SECP) under Section 42 of the Companies Ordinance, 1984 and the Company is in the process of registration as a public limited company not having share capital. The subscribers to Memorandum, among others, are Mr. Shahzad Saleem, Mr. Yahya Saleem and Mrs. Farhat Saleem and each one of them will contribute not less than PKR 75 million as start up donation in terms of the condition imposed by the SECP for grant of licence to Saleem Memorial Trust Hospital. The Hospital - 150 beds (Approximately) - a model hospital with state of the art technologies will be build at a cost of PKR 1 Billion approximately and will have OPD, IPD, 24 Hours emergency facility, operations theaters, consultation rooms and other facilities and will provide quality health care to the peoples.

The above donation shall be in addition to the other contributions to be made by the Company for social causes and welfare of the society to such charitable institution(s) including Saleem Memorial Trust Hospital as may be approved by the Board of Directors in accordance with the Company's Corporate Social Responsibility Initiative (CSR).

It may be added that this activity is within the sphere of the Company's powers under the Memorandum of Association of the Company.

The Directors recommend that the resolution as set out in the notice of the meeting may be passed as an ordinary resolution, with or without any modification(s), empowering the Board of Directors to make charitable donations for fulfillment of the Company's obligation towards the society at large and for strengthening the health services in the country.

Mr. Shahzad Saleem, Mrs. Farhat Saleem and Mr. Yahya Saleem, Directors of the Company are the subscribers and first directors of the proposed Saleem Memorial Trust Hospital and they are interested or concerned in the proposed special business to the extent of their shareholdings. No other director of the Company is, directly or indirectly, concerned or interested in the said special business.

Directors' Report

The Board of Directors is pleased to present the financial statements of the company for the year ended June 30, 2012. Turnover for the period was Rs. 21.585 billion with an after tax profit of Rs. 2.025 billion and Earnings per Share (EPS) of Rs. 5.513.

We would like to highlight that the thermal efficiency and variable O&M in the tariff is levelized 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 after commercial operations will be higher than the average over the life of the project. We foresee a negative impact on profitability 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) stayed unable to meet its obligations to make payments to company on time. With the receivables situation consistently deteriorating, the Company was forced to call upon the Sovereign Guarantee. The Government of Pakistan was however, unable to pay against the Guarantee call, as a result of which nine IPPs filed a suit in the Supreme Court of Pakistan. Under the directives of the Supreme Court, two payments have been made and a third is in the pipeline. This has improved the liquidity situation for the Company for the time being.

An amount of Rs. 558.991 million relating to capacity purchase price is currently not acknowledged by NTDCL as the plant had reduced generation. However, the sole reason of this reduced generation was non-availability of fuel owing to non-payment by NTDCL. The Company is therefore of the view, that this amount should be payable by NTDCL.

As of June 30, 2012, total receivables from NTDCL were Rs. 11.711 billion out of which Rs. 7.766 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 mounting receivables from the Power Purchaser the plant was forced to run on partial load for several months. As at June 30, 2012 year to date availability of the plant was 91% with year to date capacity factor of 62.4%.

Appropriation
The Board of Directors of the Company in its meeting held on October 04, 2012 has recommended final dividend of Rupees 2 per share i.e.20%. This is in addition to interim dividend already paid at Rupees 1.5 per share i.e.15%.

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

(a) The financial statements prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
(b) Proper books of accounts have been maintained by the Company.
(c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgement.
(d) The International Financial Reporting Standards, as applicable in Pakistan have been followed in preparation of financial statements.
(e) The system of internal control is sound in design and has been effectively implemented and monitored.
(f) There are no 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, 2012 amounts to Rupees 9.155 million (based on un-audited financial statements).
(i) The pattern of shareholding as at June 30, 2012 is annexed.
(j) Information about outstanding taxes and levies is given in Notes to the Accounts.

Board Meetings

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

Name of Director		Attendance
Mr. Shahzad Saleem (Nominee NCL)	(Chairman)	5
Mr. Yahya Saleem	(Chief Executive)	1
Mrs. Farhat Saleem		0
Mr. Wasif M. Khan		3
Mr. Badar ul Hasan		5
Mr. Mushtaq Ahmad		5
Mr. Manzar Mushtaq		2
Sahibzada Rafat Raoof Ali (Nominee NBP)		1
Mr. Muhammad Saleem (Expired)		0

On behalf of the Board

Shahzad Saleem
Chairman

Lahore: October 04, 2012

Financial Highlights

	2008	2009	2010 (Rupees)	2011	2012
Capital	264,666,000	1,797,364,860	3,673,469,390	3,673,469,390	3,673,469,390
Accumulated profit/(loss)	(762,879)	(2,307,663)	(24,139,607)	1,220,946,168	2,327,677,462
Net Worth	263,903,121	1,795,057,197	3,649,329,783	4,894,415,558	6,001,146,852
Long Term Liabilities	1,048,318,127	7,114,484,369	15,378,142,653	13,811,282,788	12,898,060,792
Current Liabilities	36,116,993	320,985,606	3,675,555,511	6,087,131,591	9,688,364,985
Total Equity & Liabilities	1,348,338,241	9,230,527,172	22,703,027,947	24,792,829,937	28,587,572,629
Fixed Assets	1,334,697,736	9,217,914,140	18,063,633,338	16,756,207,774	15,817,295,081
Long Term Deposits & Advances	1,577,016	105,000	265,650	2,197,525	960,796
Current Assets	12,063,489	12,508,032	4,639,128,959	8,034,424,638	12,769,316,752
Total Assets	1,348,338,241	9,230,527,172	22,703,027,947	24,792,829,937	28,587,572,629
Sales	-	-	-	20,353,055,242	21,585,391,983
Gross Profit	-	-	-	4,602,613,755	5,188,872,299
Operating Profit plus Other Income	(762,879)	(1,544,784)	(6,453,809)	4,566,592,217	5,117,084,697
Financial and Other Charges	-	-	-	(2,940,579,074)	(3,080,778,539)
Taxation	-	-	(1,303,361)	(13,579,721)	(11,207,516)
Net Profit	(762,879)	(1,544,784)	(7,757,170)	1,612,433,422	2,025,098,642
Gross Margin	-	-	-	22.61%	24.04%
Net Margin	-	-	-	7.92%	9.38%
Current Ratio	0.33	0.04	1.26	1.32	1.32
Leverage (Total Liab./Net Worth)	4.11	4.14	5.22	4.07	3.76
Long Term Debt: Equity	79.89:20.11	79.85:20.15	80.82:19.18	73.83:26.17	68.25:31.75
EPS	(0.06)	(0.02)	(0.02)	4.39	5.51

Statement of Compliance

with the Code of Corporate Governance for the year ended June 30, 2012

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No.35 of Listing Regulations of Karachi Stock Exchange Limited and Lahore Stock Exchange 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:

Category	Names
Independent Director	Mr. Wasif M. Khan
Executive Directors	Mr. Shahzad Saleem Mr. Yahya Saleem
Non Executive Directors	Mrs. Farhat Saleem Sahibzada Rafat Raoof Ali Mr. Mushtaq Ahmed Mr. Badar ul Hassan Mr. Manzar Mushtaq

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

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

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

4. Casual vacancy occurring on the Board on March 13, 2012 was filled well within time.

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

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

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board in accordance with the Articles of Association of the Company.

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

9. Orientation Course:
   All the directors on the Board are fully conversant with their duties and responsibilities as directors of corporate bodies. The directors were apprised of their duties and responsibilities through orientation courses.

   Directors' Training Programs:
   Under the Code 2012, from June 30, 2012 to June 30, 2016 every year, a minimum of one director on the board is required to acquire the certificate under this program each year and thereafter all directors shall obtain it. However, directors with minimum of 14 years of education and 15 years of experience on the board of a listed company are exempted from this requirement. The Company plans to have its directors certified under the Directors' training program to be compliant with this requirement.

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

11. The Directors' Report for this year has been prepared in compliance with the requirements of the Code 2012 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 2012.

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

16. The meetings of the Audit Committee were held at least once every quarter for the review of interim and final results as required by the Code of Corporate Governance. The Terms of Reference of the committee have been approved by the Board and advised to the committee for compliance.

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

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

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

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

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and Stock Exchanges.

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

23. We confirm that all other material requirements of the Code 2012 have been complied with.

Shahzad Saleem
Chairman

Lahore: October 04, 2012

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, 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 (x) of Listing Regulation 35 of Karachi Stock Exchanges requires the company to place before the Board of Directors for their consideration and approval of 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, 2012.

A.F. Ferguson & Co.
Chartered Accountants

Name of engagement partner:
Muhammad Masood

Lahore: October 04, 2012

Auditors' Report to the Members

We have audited the annexed balance sheet of Nishat Chunian Power Limited ('the company') as at June 30, 2012 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, 2012 and of the profit, total comprehensive income, changes in equity and its cash flows for the year then ended;

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

(e) we draw attention to note 18.2 to the financial statement, which describe the matter regarding recoverability of certain trade debts. Our opinion is not qualified in respect of this matter.

A.F. Ferguson & Co.
Chartered Accountants

Name of engagement partner:
Muhammad Masood

Lahore: October 04, 2012

Balance Sheet as at

	Note	2012 Rupees	2011 Rupees
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 385,000,000 (2011: 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 (2011: 367,346,939) ordinary shares of Rs 10 each	5	3,673,469,390	3,673,469,390
Revenue reserve: Un-appropriated profit	6	2,327,677,462	1,220,946,168
		6,001,146,852	4,894,415,558
NON-CURRENT LIABILITY			
Long term financing - secured	7	12,898,060,792	13,811,282,788
CURRENT LIABILITIES			
Current portion of long term financing - secured	7	913,221,997	1,034,722,060
Short term borrowings - secured	8	5,829,752,814	3,611,299,988
Short term loan from holding company-unsecured	9	1,132,500,000	-
Trade and other payables	10	1,023,965,414	670,804,107
Accrued finance cost	11	741,897,621	762,295,525
Derivative financial instruments	12	35,090,369	-
Provision for taxation		11,936,770	8,009,911
		9,688,364,985	6,087,131,591
CONTINGENCIES AND COMMITMENTS	13		
		28,587,572,629	24,792,829,937

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

CHIEF EXECUTIVE

June 30, 2012

	Note	2012 Rupees	2011 Rupees
ASSETS			
NON-CURRENT ASSETS			
Fixed assets	14	15,817,295,081	16,756,207,774
Long term loans to executives	15	855,796	2,092,525
Long term security deposits		105,000	105,000
		15,818,255,877	16,758,405,299
CURRENT ASSETS			
Stores and spares	16	418,044,035	246,430,257
Inventories	17	376,713,603	665,370,607
Trade debts	18	11,710,530,028	6,909,141,190
Advances, deposits, prepayments and other receivables	19	224,231,997	171,119,661
Derivative financial instrument		-	3,061,396
Bank balances	20	39,797,089	39,301,527
		12,769,316,752	8,034,424,638
		28,587,572,629	24,792,829,937

DIRECTOR

Profit and Loss Account

for the year ended June 30, 2012

	Note	2012 Rupees	2011 Rupees
Sales	21	21,585,391,983	20,353,055,242
Cost of sales	22	(16,396,519,684)	(15,750,441,487)
Gross profit		5,188,872,299	4,602,613,755
Administrative expenses	23	(57,318,279)	(44,945,767)
Other operating expenses	24	(48,097,305)	(35,676,391)
Other operating income	25	33,627,982	44,600,620
Finance cost	26	(3,080,778,539)	(2,940,579,074)
Profit before taxation		2,036,306,158	1,626,013,143
Taxation	27	(11,207,516)	(13,579,721)
Profit for the year		2,025,098,642	1,612,433,422
Earnings per share - basic and diluted	28	5.513	4.389

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, 2012

	Note	2012 Rupees	2011 Rupees
Profit for the year		2,025,098,642	1,612,433,422
Other comprehensive income		-	-
Total comprehensive income for the year		2,025,098,642	1,612,433,422

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, 2012

	Note	2012 Rupees	2011 Rupees
Cash flows from operating activities			
Cash generated from operations	29	1,764,428,650	508,732,730
Finance cost paid		(3,101,176,443)	(2,178,283,549)
Taxes paid		(7,280,657)	(5,110,697)
Retirement benefits paid		(1,444,850)	(1,199,599)
Net increase/(decrease) in long term loans to executives		1,236,729	(1,931,875)
Net cash outflow from operating activities		(1,344,236,571)	(1,677,792,990)
Cash flows from investing activities			
Fixed capital expenditure		(17,339,791)	(405,316,072)
Proceeds from disposal of property, plant and equipment		1,353,999	-
Proceeds from sale of trial production		-	570,620,874
Finance cost paid relating to qualifying assets		-	(679,944,508)
Investment made		-	(315,772,760)
Proceeds from redemption of investment		-	454,470,217
Profit on bank deposits received		719,127	16,153,361
Net cash outflow from investing activities		(15,266,665)	(359,788,888)
Cash flows from financing activities			
Repayment of long term financing		(1,034,722,059)	(555,776,103)
Proceeds from subordinated loans		-	85,000,000
Repayment of subordinated loans		-	(471,638,960)
Short term borrowings from holding company		3,299,394,249	-
Repayment of short term borrowings to holding company		(2,166,894,249)	-
Dividend paid		(956,231,969)	(328,281,932)
Net cash outflow from financing activities		(858,454,028)	(1,270,696,995)
Net decrease in cash and cash equivalents		(2,217,957,264)	(3,308,278,873)
Cash and cash equivalents at the beginning of the year		(3,571,998,461)	(263,719,588)
Cash and cash equivalents at the end of the year	30	(5,789,955,725)	(3,571,998,461)

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, 2012

	SHARE CAPITAL	REVENUE RESERVE: UN-APPROPRIATED PROFIT/ (ACCUMULATED LOSS)	TOTAL
		Rupees	
Balance as on July 01, 2010	3,673,469,390	(24,139,607)	3,649,329,783
Profit for the year	-	1,612,433,422	1,612,433,422
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,612,433,422	1,612,433,422
Dividend to equity holders of the company:			
Interim dividend @ Rs 1 per share	-	(367,347,647)	(367,347,647)
Total contributions by and distributions to owners of the company recognised directly in equity	-	(367,347,647)	(367,347,647)
Balance as on June 30, 2011	3,673,469,390	1,220,946,168	4,894,415,558
Profit for the year	-	2,025,098,642	2,025,098,642
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	2,025,098,642	2,025,098,642
Dividend to equity holders of the company:			
Final dividend for the year ended June 30, 2011 @ Rs 1 per share	-	(367,346,939)	(367,346,939)
Interim dividend @ Rs 1.5 per share	-	(551,020,409)	(551,020,409)
Total contributions by and distributions to owners of the company recognised directly in equity	-	(918,367,348)	(918,367,348)
Balance as on June 30, 2012	3,673,469,390	2,327,677,462	6,001,146,852

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

CHIEF EXECUTIVE

DIRECTOR

1. The company and its activities

Nishat Chunian Power Limited (the 'company') is a public limited company incorporated in Pakistan. The company is a subsidiary of Nishat (Chunian) Limited. The company's ordinary shares are listed on the Karachi 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 a Power Purchase Agreement with its sole customer, National Transmission and Despatch Company Limited ('NTDCL') for twenty five years which commenced from July 21, 2010.

2. Basis of preparation

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

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

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

2.2.1 Amendments to published standards effective in current year

New and amended standards, and interpretations mandatory for the first time for the financial year beginning on July 01, 2011 that are either not relevant to the company's current operations (although they may affect the accounting for future transactions and events) or are not expected to have significant impact on the company's financial statements other than certain additional disclosures:

- IFRS 7 (Amendments), 'Financial Instruments', emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments.

- IFRS 7, 'Disclosures on transfers of financial assets' (Amendment), issued in October 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 are as part of the IASBs 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 asset. The company has determined that there is no significant transfer of financial assets that require disclosure under the guidance above.

- IAS 1, 'Presentation of Financial Statements' (Amendments), 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.

- IAS 24 (Revised), 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. 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.

- 'Classification of rights issues' (Amendment to IAS 32), issued in October 2009. The amendment addresses the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. Provided certain conditions are met, such rights issues are now classified as equity regardless of the currency in which the exercise price is denominated. Previously, these issues had to be accounted for as derivative liabilities.

- 'Prepayments of a minimum funding requirement' (Amendments to IFRIC 14). 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 this. The amendments should be applied retrospectively to the earliest comparative period presented.

- IFRIC 19, 'Extinguishing financial liabilities with equity instruments'. The interpretation clarifies the accounting by an entity when the terms of a financial liability are renegotiated and result in the entity issuing equity instruments to a creditor of the entity to extinguish all or part of the financial liability (debt for equity swap). It requires a gain or loss to be recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments should be measured to reflect the fair value of the financial liability extinguished.

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 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:

	2012 Rupees	2011 Rupees
De-recognition of property, plant and equipment	(15,790,973,077)	(16,739,391,252)
Recognition of lease debtor	16,816,544,994	17,471,933,383
Increase in un-appropriated profit at the		
beginning of the year	732,542,131	-
Increase in profit for the year	293,029,786	732,542,131
Increase in un-appropriated profit at the end of the year	1,025,571,917	732,542,131

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, 2012 or later periods, but the company has not early adopted them:.

- IFRS 7, 'Disclosures on offsetting financial assets and financial liabilities' (Amendment), issued on 19 December 2011. The new disclosure requirements apply to offsetting of financial assets and financial liabilities. The amendment clarifies that the right of set-off must be available at present i.e. it is not contingent on a future event and must be legally enforceable for all counterparties. This amendment reflects the requirements to enhance current offsetting disclosures. The new disclosure is intended to facilitate comparison between those entities that prepare IFRS financial statements and those that prepare US GAAP financial statements. The company will apply these amendments for the financial reporting period commencing on July 01, 2013. It is not expected to have any material impact on the company's financial statements.

- IFRS 9, 'Financial Instruments', addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until January 01, 2013 but is available for early adoption. This is the first part of a new standard on classification and measurement of financial assets and financial liabilities that will replace IAS 39, 'Financial Instruments: Recognition and measurement'. IFRS 9 has two measurement categories: amortised cost and fair value. All equity instruments are measured at fair value. A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. For liabilities, the standard retains most of the IAS 39, 'Financial Instruments: Recognition and measurement' requirements. These include amortised-cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. This change will mainly affect financial institutions. There will be no impact on the company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss, and the company does not have any such liabilities.

- IFRS 10, 'Consolidated Financial Statements', applicable from January 01, 2013, builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The company will apply this standard from July 01, 2013 and does not expect to have any material impact on its financial statements.

- IFRS 11, 'Joint Arrangements', applicable from January 01, 2013, is a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. There are two types of joint arrangements: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The company will apply this standard from July 01, 2013 and does not expect to have any material impact on its financial statements.

- 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 and does not expect to have any material impact on its 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 and does not expect to have any material impact on its 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 this amendment 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 does not expect to have a material impact on its financial statements.

- IAS 32 - 'Financial instruments - Presentation on offsetting financial assets and financial liabilities' (Amendment) issued on 19 December 2011. This is applicable on accounting periods beginning on or after July 01, 2014. This amendment clarifies some of the requirements for offsetting financial assets and financial liabilities on the balance sheet. The company will apply this amendment from July 01, 2014 and does not expect to have a material impact on its financial statements.

3. Basis of measurement

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

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

a) Provision for taxation

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

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

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

4. Significant accounting policies

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

4.1 Taxation

Current

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

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

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of transaction neither affects accounting nor taxable profit or loss. Deferred tax liabilities are generally 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 other comprehensive income or equity in which case it is included in other comprehensive income or equity.

Deferred tax has not been provided in these financial statements as the company's management believes that the temporary differences will not reverse in the foreseeable future due to the fact that the profits and gains of the company derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

4.2 Property, plant and equipment

4.2.1 Operating fixed assets

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

Depreciation on operating fixed assets is charged to profit and loss account on the straight line method so as to write off the cost of an asset over its estimated useful life at the annual rates mentioned in note 14.1 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, 2012 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.

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 and are tested annually for impairment. Assets that are subject to depreciation 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 except for items in transit which are stated at invoice value plus other charges paid thereon till the balance sheet date while items considered obsolete are carried at nil value.

4.7 Inventories

Inventories except for those in transit 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 the sale. Provision is made in the financial statements for obsolete and slow moving inventories based on management's estimate.

4.8 Financial assets

4.8.1 Classification

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

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

b) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities

greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise advances, deposits and other receivables and cash and cash equivalents in the balance sheet.

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

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

4.8.2 Recognition and measurement

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 4.12.

4.9 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.

4.10 Offsetting of financial assets and financial liabilities

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

4.11 Derivative financial instruments

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 any derivatives as hedging instruments 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.

4.12 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.

4.13 Share capital

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

4.14 Employees' retirement benefits - Defined contribution plan

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

4.15 Trade and other payables

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

4.16 Provisions

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

4.17 Cash and cash equivalents

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

4.18 Borrowings

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

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

4.19 Borrowing costs

Borrowing costs are 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 up to the date of commissioning of the related asset.

4.20 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 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.

4.21 Foreign currency transactions and translation

a) Functional and presentation currency

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

b) Transactions and balances

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

4.22 Dividend

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

5. Issued, subscribed and paid up share capital

This represents 367,346,939 (2011: 367,346,939) ordinary shares of Rs 10 each fully paid in cash. 187,585,820 (2011: 194,276,822) ordinary shares of the company are held by Nishat (Chunian) Limited, the holding company.

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

	2012 Rupees	2011 Rupees
7. Long term financing - secured		
Senior facility - note 7.1	11,134,874,752	11,969,644,180
Term finance facility - note 7.2	2,676,408,037	2,876,360,668
	13,811,282,789	14,846,004,848
Less: Current portion shown under current liabilities	913,221,997	1,034,722,060
	12,898,060,792	13,811,282,788
7.1 Senior facility		
Long term financing under mark-up arrangement obtained from following banks:		
Lender		
National Bank of Pakistan	1,916,682,331	2,060,373,947
Habib Bank Limited	2,566,835,659	2,759,268,572
Allied Bank Limited	2,566,835,659	2,759,268,572
United Bank Limited	2,566,835,658	2,759,268,571
Faysal Bank Limited	1,157,170,900	1,243,922,759
Summit Bank Limited	360,514,545	387,541,759
	11,134,874,752	11,969,644,180
Less: Current portion shown under current liabilities	736,748,379	834,769,425
	10,398,126,373	11,134,874,755
7.2 Term finance facility		
Long term financing under mark-up arrangement obtained from following banks:		
Lender		
National Bank of Pakistan	460,698,606	495,117,086
Habib Bank Limited	616,971,551	663,065,077
Allied Bank Limited	616,971,550	663,065,077
United Bank Limited	616,971,551	663,065,077
Faysal Bank Limited	364,794,779	392,048,351
	2,676,408,037	2,876,360,668
Less: Current portion shown under current liabilities	176,473,617	199,952,635
	2,499,934,420	2,676,408,033

7.3 This represents long term financing obtained from a consortium of banks led by United Bank Limited (Agent Bank). The portion of long term financing from Faysal Bank Limited is on murabaha basis. The overall financing is secured against registered first joint parri passu charge on immovable property, mortgage of project receivables (excluding energy payment receivables), hypothecation of all present and future assets and all properties of the company (excluding working capital hypothecated property), lien over project bank accounts and pledge of shares held by the holding company in Nishat Chunian Power Limited. It carries mark-up at the rate of three months Karachi Inter-Bank Offered Rate (KIBOR) plus three percent per annum, payable on quarterly basis. The effective mark-up rate charged during the year on the outstanding balance ranges from 14.91% to 16.53% (2011: 15.29% to 16.52%) per annum. As of June 30, 2012, the finance is repayable in thirty three quarterly instalments ending on July 01, 2020.

	2012 Rupees	2011 Rupees
8. Short term borrowings - secured		
Short term borrowings under mark-up arrangements obtained as under:		
Running finances - note 8.1	4,391,237,614	2,611,299,988
Term finances - note 8.2	1,438,515,200	1,000,000,000
	5,829,752,814	3,611,299,988

8.1 Running finances

Short term running finance facilities available from commercial banks under mark-up arrangements amount to Rs 4,526.06 million (2011: Rs 4,026.06 million) at mark-up rate of three months KIBOR plus 2% per annum, payable quarterly, on the balance outstanding. The various running finances are secured against first parri passu assignment of the present and 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 13.91% to 15.53% (2011: 14.29% to 15.52%) per annum.

8.2 Term finances

This represents murabaha finance facility of Rs 1,500 million (2011: 1,000 million) under mark-up arrangements from commercial banks at mark-up rates ranging from three to nine months KIBOR plus 1.75% to 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/term finance facility. The aggregate facilities are 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 13.58% to 16.14% (2011: 14.29% to 15.52%) per annum.

8.3 Letters of credit and guarantees

Of the aggregate facilities of Rs 845 million (2011: Rs 799.600 million) for opening letters of credit and guarantees, the amount utilised at June 30, 2012 was Rs 110.528 million (2011: Rs 336.726 million). The aggregate facilities for opening letters of credit and guarantees are secured by lien over import documents and the facility of issuing standby letter of credit is secured by ranking charge on current assets comprising of fuel stocks and inventories of the company.

9. This represents short term 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. The effective mark-up rate charged on the outstanding balance during the year ranges from 13.91% to 15.54% per annum.

	2012 Rupees	2011 Rupees
10. Trade and other payables		
Creditors	909,936,732	373,085,952
Retention money	898,639	813,639
Security deposit	1,000,000	-
Accrued liabilities	8,571,934	89,729,388
Workers' profit participation fund - note 10.1	101,815,308	81,300,657
Withholding tax payable	366,672	29,464,804
Sales tax payable	-	56,029,246
Unclaimed dividend	1,201,094	39,065,715
Other liabilities	175,035	1,314,706
	1,023,965,414	670,804,107

	2012 Rupees	2011 Rupees
10.1 Workers' Profit Participation Fund		
Opening balance	81,300,657	-
Provision for the year - note 19.1	101,815,308	81,300,657
Interest for the year - note 26	185,504	-
	183,301,469	81,300,657
Less: Payments	81,486,161	-
Closing balance	101,815,308	81,300,657

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

	2012 Rupees	2011 Rupees
11. Accrued finance cost		
Accrued mark-up/interest on:		
Long term financing - secured	520,901,553	614,937,173
Short term borrowings - secured	215,074,674	147,358,352
Short term loan from holding company - unsecured - note 11.1	5,921,394	-
	741,897,621	762,295,525

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

	2012 Rupees	2011 Rupees
12. Derivative financial instruments		
Cross currency swaps - note 12.1	34,860,993	-
Interest rate swaps - note 12.2	13,142	-
Forward foreign exchange contracts - note 12.3	216,233	-
	35,090,368	-

12.1 This represents the derivative cross currency swaps the company has entered into with a commercial bank. Under the terms of certain cross currency swap arrangements, 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. Similarly, under the terms of certain other cross currency swap arrangements the company pays LIBOR plus bank spread to the arranging bank on the notional USD amount for the purposes of the cross currency swaps, and receives fixed interest at the rate of 11.65% from the arranging bank. There have been no transfers of liabilities under the arrangements, only the nature of the interest payment has changed. The derivative cross currency swaps outstanding as at June 30, 2012 have been marked to market and the resulting loss of Rs 37.922 million has been charged to profit and loss account with a corresponding liability.

12.2 During the year, the company has entered into a derivative interest rate swap with a commercial bank. Under the terms of the interest rate swap arrangement, the company pays KIBOR to the arranging bank on the notional PKR amount for the purposes of the interest rate swap, and receives a fixed interest at the rate of 12.475% 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 interest rate swap outstanding as at June 30, 2012 has been marked to market and the resulting loss of Rs 0.013 million has been recognised in the profit and loss account.

12.3 During the year, the company has entered into foreign currency forward options with a commercial bank. The foreign currency forward options outstanding as at June 30, 2012 have been marked to market and the resulting loss of Rs 0.216 million has been recognised in the profit and loss account.

13. Contingencies and commitments

13.1 Contingencies

The banks have issued the following on behalf of the company:

(a) Irrevocable standby letter of credit in favour of Wartsila Pakistan (Private) Limited for Rs 45,000,000 (2011: Rs 45,000,000) as required under the terms of the Operations and Maintenance Agreement.

(b) Letter of guarantee of Rs 1,031,988 (2011: Rs 1,131,988) in favour of Director, Excise and Taxation, Karachi under direction of Sindh High Court in respect of suit filed for levy of infrastructure cess.

	2012 Rupees	2011 Rupees
13.2 Commitments in respect of		
(i) Letters of credit other than for capital expenditure	29,684,959	290,593,989
(ii) Other contractors	-	1,024,098

(iii) 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.

	2012 Rupees	2011 Rupees
14. Fixed assets		
Property, plant and equipment:		
Operating fixed assets - note 14.1	15,815,864,081	16,754,299,774
Intangible asset:		
Computer software - note 14.2	1,431,000	1,908,000
	15,817,295,081	16,756,207,774

14.1 Operating fixed assets

	Freehold land	Buildings on Freehold land	Plant and Machinery	Electric Installations	Computer Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
	Rupees								
COST									
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
Balance as at July 01, 2011	71,016,715	169,176,377	17,751,513,234	2,535,539	2,240,351	3,370,526	597,752	11,412,838	18,011,863,332
Additions during the year	-	1,269,620	-	-	1,625,372	6,281,225	346,825	7,816,748	17,339,790
Disposal during the year	-	-	-	-	(240,394)	-	-	(1,289,706)	(1,530,100)
Balance as at June 30, 2012	71,016,715	170,445,997	17,751,513,234	2,535,539	3,625,329	9,651,751	944,577	17,939,880	18,027,673,022
DEPRECIATION									
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
Balance as at July 01, 2011	-	6,794,975	1,245,520,105	254,596	799,691	342,664	64,833	3,786,693	1,257,563,557
Charge for the year	-	6,800,952	942,886,842	253,554	852,470	496,329	73,323	3,311,700	954,675,170
Disposal during the year	-	-	-	-	(117,759)	-	-	(312,027)	(429,786)
Balance as at June 30, 2012	-	13,595,927	2,188,406,947	508,150	1,534,402	838,993	138,156	6,786,366	2,211,808,941
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
Book value as at June 30, 2012	71,016,715	156,850,070	15,563,106,287	2,027,389	2,090,927	8,812,758	806,421	11,153,514	15,815,864,081
Annual depreciation rate %	-	4 to 4.31	4 to 22	10	30	10	10	20	

	2012 Rupees	2011 Rupees
14.1.1 The depreciation charge for the year has been allocated as follows:		
Unallocated expenditure	-	296,745
Cost of sales - note 22	952,181,172	1,254,304,493
Administrative expenses - note 23	2,493,998	1,164,815
	954,675,170	1,255,766,053

14.1.2 Disposal of operating fixed assets

	Cost	Accumulated depreciation	Book value	Sale proceeds	Mode of disposal
	Rupees				
Vehicles sold to:					
Outside party,					
Muhammad Najeeb Iqbal	725,750	133,054	592,696	680,000	Bid
Company employees,					
Buland Akhtar	563,956	178,972	384,984	549,000	Bid
Computer equipments,					
Company Employees	240,394	117,759	122,635	125,000	As per company policy
	1,530,100	429,785	1,100,315	1,354,000	

14.1.3 No disposals were made by the company during the year ended June 30, 2011

	Rupees
14.2 Intangible asset-Computer software	
COST	
Balance as at July 01, 2010	-
Additions	2,385,000
Balance as at June 30, 2011	2,385,000
Balance as at July 01, 2011	2,385,000
Additions	-
Balance as at June 30, 2012	2,385,000
AMORTISATION	
Balance as at July 01, 2010	-
Charge for the year	477,000
Balance as at June 30, 2011	477,000
Balance as at July 01, 2011	477,000
Charge for the year - note 23	477,000
Balance as at June 30, 2012	954,000
Book value as at June 30, 2011	1,908,000
Book value as at June 30, 2012	1,431,000
Annual amortisation rate %	20%

	2012 Rupees	2011 Rupees
15. Long term loans to executives		
Considered good:		
Loans to executives - note 15.3	1,455,796	2,672,012
Less: Current portion shown under current assets - note 19	600,000	579,487
	855,796	2,092,525

15.1 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% (2011: 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.

15.2 Maximum aggregate balance due from the executives at the end of any month during the year is Rs 2,674,619 (2011: Rs 2,900,952).

	2012 Rupees	2011 Rupees
15.3 Reconciliation of carrying amount of loans		
Opening balance	2,672,012	690,837
Disbursements	-	2,541,978
Markup for the year	263,562	62,936
Less: Repayments	1,479,778	623,739
Closing balance	1,455,796	2,672,012

16. Stores and spares

Most of the items of stores and spares are of interchangeable nature and can be used as machine spares or consumed as stores. Accordingly, it is not practicable to distinguish stores from spares until their actual usage.

	2012 Rupees	2011 Rupees
17. Inventories		
Furnace oil	360,734,330	652,666,746
Diesel	4,299,563	5,213,678
Lubricating oil	11,679,710	7,490,183
	376,713,603	665,370,607

18. Trade debts

18.1 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 16.25% to 18.04% (2011 :16.75% to 18.22%) per annum.

18.2 Included in trade debts is an amount of Rs 558.991 million relating to capacity purchase price not acknowledged by NTDCL as the plant was not fully available for power generation. However, the sole reason of this under-utilization of plant capacity was non-availability of fuel owing to non-payment by NTDCL.

Since management considers that the primary reason for claiming these payments is that plant was available, however, could not generate electricity due to non-payment by NTDCL, therefore, management believes that company cannot be penalized in the form of payment deductions due to NTDCL's default in making timely payments under the Power Purchase Agreement. Hence, the company has taken up this issue at appropriate forums including Supreme Court of Pakistan. Based on the advice of the company's legal counsel, management feels that there are meritorious grounds to support the company's stance and such amounts are likely to be recovered. Consequently, no provision for the abovementioned amount has been made in these financial statements.

	2012 Rupees	2011 Rupees
19. Advances, deposits, prepayments and other receivables		
Current portion of loans to executives - note 15	600,000	579,487
Advances - considered good:		
- To employees	25,601	12,589
- To suppliers	2,969,676	74,536,703
Balances with statutory authorities:		
- Sales tax recoverable	35,484,021	-
Claim recoverable from NTDCL for pass through items:		
- Workers' Profit Participation Fund - note 19.1	183,115,965	81,300,657
Letters of credit - margins, deposits, opening charges etc	-	51,421
Interest receivable	26,650	685,620
Security deposit	1,031,988	1,131,988
Prepayments	62,957	7,520,451
Other receivables - considered good - note 19.2	915,139	5,300,745
	224,231,997	171,119,661

	2012 Rupees	2011 Rupees
19.1 Workers' Profit Participation Fund		
Opening balance	81,300,657	-
Provision for the year - note 10.1	101,815,308	81,300,657
Closing balance	183,115,965	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.

19.2 Included is an amount of Rs 903,552 (2011: Rs 463,835) receivable from the holding company, which relates to normal business of the company and is interest free.

	2012 Rupees	2011 Rupees
20. Bank balances		
Cash at bank:		
- On saving accounts - note 20.1	25,853	115,593
- On current accounts	39,771,236	39,185,934
	39,797,089	39,301,527

20.1 The balances in saving accounts bear mark-up which ranges from 5.0% to 6.0% (2011: 5.0% to 5.5%) per annum.

	2012 Rupees	2011 Rupees
21. Sales		
Energy purchase price - notes 21.1	16,637,121,745	15,832,251,820
Capacity purchase price	4,948,270,238	4,520,803,422
	21,585,391,983	20,353,055,242

21.1 Energy purchase price is exclusive of sales tax amounting to Rs 2,577,481,238 (2011: Rs 2,615,249,185).

	2012 Rupees	2011 Rupees
22. Cost of sales		
Raw materials consumed	14,595,226,609	14,026,289,486
Salaries and other benefits - note 22.1	12,999,119	11,695,032
Operations and maintenance	290,907,302	262,633,466
Stores and spares consumed	368,268,493	50,659,682
Electricity consumed in-house	4,242,475	3,485,067
Insurance	147,915,626	130,101,424
Travelling and conveyance	3,614,022	2,279,491
Postage and telephone	1,804,951	1,619,790
Repairs and maintenance	2,496,634	1,245,475
Entertainment	379,714	311,012
Depreciation on operating fixed assets - note 14.1.1	952,181,172	1,254,304,493
Fee and subscription	7,271,933	3,630,535
Miscellaneous	9,211,634	2,186,534
	16,396,519,684	15,750,441,487

22.1 Salaries and other benefits include Rs 507,863 (2011: Rs 367,841) in respect of provident fund contribution by the company.

	2012 Rupees	2011 Rupees
23. Administrative expenses		
Salaries and other benefits - note 23.1	29,172,070	22,321,048
Travelling and conveyance	7,242,417	6,438,842
Entertainment	751438	544,353
Common facilities cost - note 23.2	1,800,000	1,800,000
Printing and stationery	453,860	487,937
Postage and telephone	462,857	231,431
Insurance	205,695	74,799
Vehicle running expenses	1,088,757	799,221
Repairs and maintenance	98,326	49,150
Legal and professional charges - note 23.3	8,662,376	6,394,799
Advertisement	368,471	119,193
Fee and subscription	3,537,191	2,011,700
Depreciation on operating fixed assets - note 14.1.1	2,493,998	1,164,815
Amortisation on intangible asset - note 14.2	477,000	477,000
Miscellaneous	503,823	2,031,479
	57,318,279	44,945,767

23.1 Salaries and other benefits include Rs 936,988 (2011: Rs 748,262) in respect of provident fund contribution by the company.

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

	2012 Rupees	2011 Rupees
23.3 Legal and professional charges include the following in respect of auditors' services for:		
Statutory audit	1,100,000	1,000,000
Half yearly review	600,000	500,000
Tax services	115,000	40,000
Other assurance services	195,000	550,000
Reimbursement of expenses	68,479	81,578
	2,078,479	2,171,578

	2012 Rupees	2011 Rupees
24. Other operating expenses		
Donation - note 24.1	450,000	2,000,000
Exchange loss	5,412	31,632,766
Interest on delayed payment	-	2,043,625
Loss on derivative financial instruments:		
- Realized	4,534,529	-
- Un-realized	38,151,764	-
Advances written off	4,955,600	-
	48,097,305	35,676,391

24.1 The Chairman of the company's Board of Directors, Mr. Shahzad Saleem and Director, Mrs. Farhat Saleem are the members of the Board of Trustees of Mian Muhammad Yahya Trust to which the donation was made.

	2012 Rupees	2011 Rupees
25. Other operating income		
Income from financial assets:		
Profit on bank deposits	60,157	14,704,501
Realized gain on financial asset at fair value through profit and loss	-	6,751,598
Gain on derivative financial instruments:		
- Realized	-	622,638
- Un-realized	-	3,061,396
Mark-up on loans to executives	263,562	62,936
Liabilities no longer payable written back	1,560,159	-
Miscellaneous	46,350	-
Income from non-financial assets:		
Gain on disposal of operating fixed assets	253,685	-
Scrap sales	31,444,069	19,397,551
	33,627,982	44,600,620
26. Finance cost		
Interest/mark-up on:		
- Long term financing - secured	2,246,308,597	2,345,378,458
- Subordinated loans - unsecured - note 26.1	-	65,729,827
- Short term borrowings - secured	793,502,058	516,322,508
- Short term loan from holding company - unsecured - note 26.2	28,907,061	-
- Workers' Profit Participation Fund - note 10.1	185,504	-
Bank charges and commission	11,875,319	13,148,281
	3,080,778,539	2,940,579,074

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

26.2 This represents mark-up on short term loan from holding company, Nishat (Chunian) Limited.

27. This represents provision for current taxation for the year.

	2012 Rupees	2011 Rupees
27.1 Relationship between tax expense and accounting profit		
Profit for the year before taxation	2,036,306,158	1,626,013,143
Tax at the applicable rate of 35% (2011: 35%)	712,707,155	569,104,600
Tax effect of exempt income as referred to in note 4.1	(701,499,639)	(553,494,383)
Tax effect of items taxable at lower rate of tax	-	(2,608,908)
Others	-	578,412
	11,207,516	13,579,721

28. Earnings per share

		2012	2011
28.1 Basic earnings per share			
Net profit for the year	Rupees	2,025,098,642	1,612,433,422
Weighted average number of ordinary shares	Number	367,346,939	367,346,939
Earnings per share	Rupees	5.513	4.389

28.2 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, 2012 and June 30, 2011 which would have any effect on the earnings per share if the option to convert is exercised.

	2012 Rupees	2011 Rupees
29. Cash generated from operations		
Profit before taxation	2,036,306,158	1,626,013,143
Adjustment for non cash charges and other items:		
Depreciation on operating fixed assets	954,675,170	1,255,469,308
Amortisation on intangible assets	477,000	477,000
Profit on bank deposits	(60,157)	(14,704,501)
Realised gain on financial assets at fair value through profit and loss	-	(6,751,598)
Unrealised loss/(gain) on derivative financial instruments	38,151,764	(3,061,396)
Finance cost	3,080,778,539	2,940,579,074
Provision for employee retirement benefits	1,444,851	1,199,599
Profit on disposal of operating fixed assets	(253,685)	-
Profit before working capital changes	6,111,519,640	5,799,220,629
Effect on cash flow due to working capital changes:		
Increase in stores and spares	(171,613,778)	(25,881,286)
Decrease/(increase) in inventories	288,657,004	(359,730,352)
Increase in trade debts	(4,801,388,838)	(5,215,756,283)
(Increase)/decrease in advances, deposits, prepayments and other receivables	(53,771,306)	512,989,868
Increase/(decrease) in trade and other payables	391,025,928	(202,109,846)
	(4,347,090,990)	(5,290,487,899)
	1,764,428,650	508,732,730
30. Cash and cash equivalents		
Cash and bank balances - note 20	39,797,089	39,301,527
Short term borrowings - secured - note 8	(5,829,752,814)	(3,611,299,988)
	(5,789,955,725)	(3,571,998,461)

31. Remuneration of Chief Executive, Directors and Executives

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

	Chief Executive		Executive Director		Executive	
	2012	2011	2012	2011	2012	2011
	Rupees					
Short term employee benefits						
Managerial remuneration	-	-	5,000,000	1,744,284	14,357,997	9,870,336
Housing rent	-	-	2,000,000	5,700	7,743,199	51,300
Medical expenses	-	-	500,000	513,972	1,935,800	3,387,360
Bonus	-	-	-	3,600	1,282,919	32,400
Other benefits	-	-	-	174,432	-	987,048
	-	-	7,500,000	2,441,988	25,319,915	14,328,444
Post employment benefits						
Contribution to provident fund	-	-	-	-	1,159,369	967,433
	-	-	7,500,000	2,441,988	26,479,284	15,295,877
Number of persons	1	1	1	1	18	9

31.2 The executive director and certain executives are provided with company maintained vehicles.

31.3 No remuneration has been given to non-executive directors of the company.

32. Transactions with related parties

The related parties comprise the holding company, subsidiaries and associates of holding company, directors, key management personnel and post employment benefit plan. The company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables and remuneration of directors and key management personnel is disclosed in note 31. Other significant transactions with related parties are as follows:

Relationship with the company	Nature of transactions	2012 Rupees	2011 Rupees
i. Holding company	Subordinated loan proceeds	-	85,000,000
	Subordinated loan repaid	-	471,638,960
	Short term loan - proceeds	3,299,394,249	-
	Short term loan repaid	2,166,894,249	-
ii. Post empoyment benefit plan	Expense charged in respect of retirement benefit plan	1,444,851	1,199,599

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

	2012 MWH	2011 MWH

33. Capacity and production

	2012 MWH	2011 MWH
Installed capacity [based on 8,784 hours (2011: 8,280 hours)]	1,719,222	1,620,578
Actual energy delivered	1,072,855	1,405,751

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

34. Financial risk management

34.1 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 from long term financing and short term borrowings. Borrowings obtained at variable rates expose the company to cash flow interest rate risk.

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

	2012 Rupees	2011 Rupees
Fixed rate instruments		
Financial assets		
Bank balances - savings accounts	25,853	115,593
Financial liabilities	-	-
Net exposure	25,853	115,593
Floating rate instruments		
Financial assets		
Trade debts - overdue	7,765,990,890	4,697,947,452
Derivative financial instruments	-	3,061,396
	7,765,990,890	4,701,008,848
Financial liabilities		
Long term financing	(13,811,282,789)	(14,846,004,848)
Short term borrowings	(5,829,752,814)	(3,611,299,988)
Short term loan from holding company	(1,132,500,000)	-
Derivative financial instruments	(34,874,136)	-
	(20,808,409,739)	(18,457,304,836)
Net exposure	(13,042,418,849)	(13,756,295,988)

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 558,507 (2011: Rs 480,488) lower/higher, mainly as a result of higher/lower interest expense on floating rate instruments.

(b) Credit risk

Credit risk represents the risk of financial loss being caused if counter party fails to discharge an obligation.

Credit risk of the company arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

(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:

	2012 Rupees	2011 Rupees
Long term deposits	105,000	105,000
Trade debts	11,710,530,028	6,909,141,190
Advances, deposits and other receivables	223,542,390	162,282,682
Derivative financial instrument	-	3,061,396
Bank balances	39,797,089	39,301,527
	11,973,974,507	7,113,891,795
The age of trade debts at balance sheet date is as follows:		
The age of trade debts		
- 0 - 30 days	3,944,539,138	2,211,193,738
- Past due 30 days and above	7,765,990,890	4,697,947,452
	11,710,530,028	6,909,141,190

(ii) Credit quality of financial assets

The credit quality of major financial assets can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating			2012	2011
	Short Term	Long Term	Agency	Rupees	
NTDCL	Not Available			11,710,530,028	6,909,141,190
Al-Baraka Limited	A-1	A	JCR-VIS	5,968	-
Askari Bank Limited	A1+	AA	PACRA	4,645	5,000
Bank Alfalah Limited	A1+	AA	PACRA	38,604,366	2,350
Barclays Bank Limited	A-1+	AA -	Standard & Poor's	1,026,147	39,065,715
Faysal Bank Limited	A-1+	AA	JCR-VIS	1,840	12
Habib Bank Limited	A-1+	AA+	JCR-VIS	11,859	-
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	-	-
MCB Bank Limited	A1+	AA+	PACRA	113,402	101,201
Meezan Bank Limited	A-1+	AA -	JCR-VIS	4,333	-
National Bank of Pakistan	A-1+	AAA	JCR-VIS	2,372	4,093
United Bank Limited	A-1+	AA+	JCR-VIS	22,158	122,206
				11,750,327,118	6,948,441,767

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

(c) Liquidity risk

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

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 business, 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 30) 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, 2012.

	Carrying Amount	Less than one year	One to five years	More than five years
	Rupees			
Long term financing	13,811,282,789	913,221,997	5,390,674,913	7,507,385,879
Short term borrowings	5,829,752,814	5,829,752,814	-	-
Short term loan from holding company	1,132,500,000	1,132,500,000	-	-
Trade and other payables	921,783,434	921,783,434	-	-
Accrued finance cost	741,897,621	741,897,621	-	-
Derivative financial instruments	35,090,369	35,090,369	-	-
	22,472,307,027	9,574,246,235	5,390,674,913	7,507,385,879

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

34.2 Fair value estimation

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

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

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

-Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).
The following table presents the company's assets and liabilities that are measured at fair value at June 30, 2012.

As at June 30, 2012	Level 1	Level 2	Level 3	Total
	Rupees			
Assets	-	-	-	-
Liabilities				
At fair value through profit or loss				
Derivative financial instruments	-	-	35,090,369	35,090,369
	-	-	35,090,369	35,090,369

The following table presents the company's assets and liabilities that are measured at fair value at June 30, 2011.

As at June 30, 2011	Level 1	Level 2	Level 3	Total
	Rupees			
Assets				
At fair value through profit or loss				
Derivative financial instruments	-	-	3,061,396	3,061,396
	-	-	3,061,396	3,061,396
Liabilities	-	-	-	-

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value a financial instrument are observable, those financial instruments are classified under level 2 in above referred table. The company has no such type of financial instruments as on June 30, 2012.

If one or more of the significant inputs is not based on observable market data, the financial instrument is classified under level 3.

34.3 Financial instruments by categories

As at June 30, 2012	At fair value through profit or loss	Loans and receivables	Total
		Rupees	
Assets as per balance sheet			
Long term loans to executives	-	855,796	855,796
Long term security deposits	-	105,000	105,000
Trade debts	-	11,710,530,028	11,710,530,028
Loans, advances, deposits and other receivables	-	223,542,390	223,542,390
Bank balances	-	39,797,089	39,797,089
	-	11,934,177,418	11,711,490,824

As at June 30, 2011	At fair value through profit or loss	Loans and receivables	Total
		Rupees	
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, 2012	At fair value through profit or loss	Financial liabilities at amortized cost	Total
		Rupees	
Liabilities as per balance sheet			
Long term financing	-	13,811,282,789	13,811,282,789
Short term borrowings	-	5,829,752,814	5,829,752,814
Short term loan from holding company	-	1,132,500,000	1,132,500,000
Trade and other payables	-	921,783,434	921,783,434
Accrued finance cost	-	741,897,621	741,897,621
Derivative financial instruments	35,090,369	-	35,090,369
	35,090,369	22,437,216,658	22,472,307,027

As at June 30, 2011	At fair value through profit or loss	Financial liabilities at amortized cost	Total
		Rupees	
Liabilities as per balance sheet			
Long term financing	-	14,846,004,848	14,846,004,848
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	19,779,639,007

34.4 Fair values of financial assets and liabilities

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

34.5 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 long term borrowings, as disclosed in note 7, less cash and cash equivalents as disclosed in note 30. Total capital is calculated as 'equity' as shown in the balance sheet plus borrowings.

The company's strategy, which was unchanged from last year, was to maintain a gearing ratio of 80% debt and 20% equity. The gearing ratio as at June 30, 2012 and June 30, 2011 is as follows:

		2012 Rupees	2011 Rupees
Borrowings - note 7		13,811,282,789	14,846,004,848
Less: Cash and cash equivalents - note 30		(5,789,955,725)	(3,571,998,461)
Net debt		19,601,238,514	18,418,003,309
Total equity		6,001,146,852	4,894,415,558
Total capital		25,602,385,366	23,312,418,867
Gearing ratio	Percentage	76.56	79.01

35. Date of authorisation for issue

These financial statements were authorised for issue on October 04, 2012 by the Board of Directors of the company.

36. Events after the balance sheet date

The Board of Directors have proposed a final cash dividend for the year ended June 30, 2012 of Rupees 2 (2011:Rupee 1) per share, amounting to Rupees 734,693,878 (2011: Rs 367,346,939) at their meeting held on October 04, 2012 for approval of the members at the Annual General Meeting to be held on October 30, 2012. These financial statements do not include the effect of the above dividend which will be accounted for in the period in which it is approved.

37. Corresponding figures

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

CHIEF EXECUTIVE DIRECTOR

Pattern of Shareholding
as at June 30, 2012

	Categories of Shareholders	Number of Shareholders	Total Shares Held	Percentage
A)	Associated Companies, Undertakings and related parties			
	NISHAT (CHUNIAN) LIMITED	1	187,585,820	51.07
B)	Mutual Funds	22	41,266,141	11.23
C)	Directors/Chief Executive Officer and their spouse and minor Children			
	Mr. Shahzad Saleem - Chairman / Director (Nominee of NCL)	1	200,000	0.05
	Mrs. Farhat Saleem - Director	1	137,511	0.04
	Mr. Yahya Saleem - C.E.O / Director	1	1	0.00
	Mr. Wasif M. Khan - Director	1	1	0.00
	Mr. Mushtaq Ahmad - Director	1	1	0.00
	Mr. Manzar Mushtaq - Director	1	1	0.00
	Spouse:	-	-	-
	TOTAL: -	6	337,515	0.09
D)	Executives N/A	-	-	-
E)	Public Sectors Companies & Corporations	-	-	-
F)	Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds	16	81,467,536	22.18
G)	*Shareholding 5% or more	*2	*219,285,820	*59.69
H)	Joint Stock Companies	44	12,848,385	3.50\
I)	Investment Companies	2	701,000	0.19
J)	Others	15	1,084,332	0.30
K)	General Public	1,625	42,056,210	11.45
	TOTAL: -	1,730	367,346,939	100.00

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

Shareholding Detail of 5% or more

Name of Shareholder	Shares held	%
Nishat (Chunian) Limited	187,585,820	51.07
Allied Bank Limited	31,700,000	8.63
TOTAL :-	219,285,820	59.69

INFORMATION UNDER CLAUSE XIX(i) OF THE CODE OF CORPORATE GOVERNANCE
All trade in the Company's shares, carried out by its Directors, CEO, CFO, Company Secretary and their spouses and minor childern during the year July 01, 2011 to June 30, 2012

Sale	Purchanse
-	-

Categories of Shareholders

as on June 30, 2012

Number of Shareholders	Shareholding From	Shareholding To	Total Shares Held	Percentage of Total Capital
122	1	100	3,690	0.00
569	101	500	268,774	0.07
246	501	1000	237,777	0.06
334	1001	5000	1,019,382	0.28
139	5001	10000	1,171,907	0.32
45	10001	15000	616,069	0.17
32	15001	20000	593,940	0.16
38	20001	25000	919,199	0.25
20	25001	30000	581,096	0.16
9	30001	35000	295,156	0.08
9	35001	40000	349,436	0.10
5	40001	45000	219,279	0.06
23	45001	50000	1,133,730	0.31
3	50001	55000	151,018	0.04
3	55001	60000	180,000	0.05
1	60001	65000	60,740	0.02
1	65001	70000	68,500	0.02
4	70001	75000	300,000	0.08
2	75001	80000	154,774	0.04
2	80001	85000	168,000	0.05
1	85001	90000	90,000	0.02
2	90001	95000	186,063	0.05
23	95001	100000	2,285,495	0.62
3	105001	110000	323,885	0.09
2	110001	115000	226,000	0.06
1	120001	125000	120,393	0.03
3	125001	130000	386,328	0.11
3	130001	135000	401,901	0.11
1	135001	140000	138,620	0.04
3	145001	150000	450,000	0.12
1	150001	155000	152,000	0.04
1	160001	165000	162,554	0.04
2	170001	175000	350,000	0.10
2	175001	180000	352,258	0.10
4	195001	200000	797,000	0.22
2	200001	205000	405,500	0.11
1	205001	210000	207,060	0.06
1	210001	215000	214,500	0.06
1	225001	230000	225,300	0.06
1	230001	235000	230,906	0.06
1	245001	250000	250,000	0.07
2	250001	255000	501,398	0.14
1	280001	285000	285,000	0.08
2	295001	300000	596,400	0.16
1	310001	315000	314,000	0.09
1	320001	325000	322,712	0.09
1	330001	335000	334,839	0.09
1	345001	350000	345,500	0.09
1	380001	385000	380,999	0.10
3	395001	400000	1,200,000	0.33
1	415001	420000	418,978	0.11
1	420001	425000	425,000	0.12
1	425001	430000	429,086	0.12
1	445001	450000	450,000	0.12
1	495001	500000	500,000	0.14
1	500001	505000	505,000	0.14
1	505001	510000	509,021	0.14
1	515001	520000	520,000	0.14
1	550001	555000	551,648	0.15
1	570001	575000	575,000	0.16
1	585001	590000	587,401	0.16
1	695001	700000	700,000	0.19
1	700001	705000	700,905	0.19
1	710001	715000	710,700	0.19
1	740001	745000	740,411	0.20
1	765001	770000	768,012	0.21
1	820001	825000	822,051	0.22
1	895001	900000	900,000	0.24
1	905001	910000	907,000	0.25
1	995001	1000000	1,000,000	0.27
2	1050001	1055000	2,102,721	0.57
1	1130001	1135000	1,133,098	0.31
1	1215001	1220000	1,215,700	0.33
1	1495001	1500000	1,500,000	0.41
1	1585001	1590000	1,587,842	0.43
1	1590001	1595000	1,590,902	0.43
1	1695001	1700000	1,700,000	0.46
2	1995001	2000000	4,000,000	1.09
1	2395001	2400000	2,400,000	0.65
1	2475001	2480000	2,477,000	0.67
1	2705001	2710000	2,709,679	0.74
1	2805001	2810000	2,808,153	0.76
2	2925001	2930000	5,857,535	1.59
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	3155001	3160000	3,156,325	0.86
1	3495001	3500000	3,500,000	0.95
1	3995001	4000000	4,000,000	1.09
1	5340001	5345000	5,341,470	1.45
1	5495001	5500000	5,500,000	1.50
1	6995001	7000000	7,000,000	1.91
1	10145001	10150000	10,149,936	2.76
1	11565001	11570000	11,567,302	3.15
1	12090001	12095000	12,094,212	3.29
1	14000001	14005000	14,000,859	3.81
1	29995001	30000000	30,000,000	8.17
1	187350001	187355000	187,354,914	51.00
1,730			367,346,939	100.00

Proxy Form

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

I / We ____

of ______________________________________ being a member(s) of

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

as per Share Register Folio No. ______________________________

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

Participant I.D. No. __________________) hereby appoint ________________

of ________________________________ another member of the Company as per

Share Register Folio No. __________________ (or failing him / her ________________

of __________________________ another member of the Company) as my / our Proxy to attend and vote for me / us and on my / our behalf at Annual General Meeting of the Company, to be held on October 30, 2012 (Tuesday) at 10:00 A.M at the Registered Office of the Company (31-Q, Gulberg II, Lahore) and at any adjournment thereof.

As witness my hand this ____________________ day of ______________ 2012

signed by the said __________________________________ in presence

of ____

Witness

Signature

Affix Rs. 5/-
Revenue
Stamp

Signature

Notes:

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

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