

SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN

Islamabad, the 3rd February, 2011

NOTIFICATION

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S.R.O. (I)/2011, -- In exercise of powers conferred by subsection (5) of Section 234 of the Companies Ordinance, 1984 (the "Ordinance"), read with clause (c) of Section 43 of the Securities and Exchange Commission of Pakistan Act, 1997 and S.R.O. 665(I)/2005 dated June 28, 2005, the Securities and Exchange Commission of Pakistan (the "Commission") hereby grants waiver from the requirements of IAS 21 and IAS 39 to Independent Power Projects not covered under Circular 11 of 2008 as follows:

- i. The accounting principle of capitalization of Exchange Differences, as allowed to all IPPs established under the 1994 power policy, is also allowed to IPPs, having foreign currency loans, in relaxation of the requirements contained in IAS 21 for a period of one year.
- ii. Those IPPs which have chosen to capitalize exchange differences shall not be permitted to recognize Embedded Derivatives as required under IAS 39.

All other IPPs that are not otherwise required to comply with IFRS are also allowed to capitalize exchange differences for a period of one year.

[No.EMD/Misc/D-1/01/2010]


(Abdul Rehman Qureshi)
Advisor/Secretary