



COMPANY INFORMATION

Board of Directors	Col.(R) Shahid Qamar Yazdanie - Chairman Mr. Shahzad Mehmood Mr. Mansoor Ur Rehman Mr. Jehangir Shah Mr. Kashif Muhammad Khan Mr. Shahbaz Jameel Mr. Zafar Iqbal Mr. Muhammad Faisal Israr Mr. Najeeb Ahmed Shaikh Mr. Saulat Ali Khan - Nominee The Royal Bank of Scotland Ltd Mr. Muhammad Hanif Abbasi - Nominee National Bank of Pakistan
Chief Executive Officer	Mr. Khan Ahmed Saleem
Company Secretary & Chief Financial Officer	Mr. Zain ul Abidin
Company's Audit Committee	Col.(R) Shahid Qamar Yazdanie - Chairman Mr. Kashif Muhammad Khan Mr. Zafar Iqbal
Auditors	Hyder Bhimji & Co. Chartered Accountants
Shares Registrar Office	Hameed Majeed Associates (Pvt.) Limited. HM House, 7 - Bank Square, Lahore Tel: +92-42-37235081-2, Fax: +92-42-37358817
Legal Advisor	Sami, Zafar & Islam
Bankers	The Royal Bank of Scotland Limited Allied Bank Limited
Lending Bank Syndicate	The Royal Bank of Scotland Limited Askari Bank Limited National Bank of Pakistan Faysal Bank Limited Allied Bank Limited Samba Bank Limited (Formerly Crescent Commercial Bank Limited) NIB Bank Limited (Formerly PICIC Commercial Bank Limited) SILK Bank Limited (Formerly Saudi Pak Commercial Bank Limited) Prudential Investment Bank Limited
Registered Office/Plant	Near Jia Bagga Railway Station Chowk Araian Off Raiwind Road, Lahore Tel: +92-42-35835864-6 Fax: +92-42-35835860
Email	jpgl@brain.net.pk
Website	www.jpglpk.com



DIRECTORS' REVIEW REPORT TO THE MEMBERS

The Directors of your Company are presenting the un-audited accounts & brief review of the Company's operation for the half year ended December 31, 2009.

PRINCIPAL ACTIVITIES:

The principal activity of the Company is to own, operate and maintain an oil-fired power station with a net contracted capacity of 120.5 MW (gross capacity of 135 MW)

FINANCIAL PERFORMANCE:

The key operating and financial data of the Company with the comparatives for the corresponding half year is as follows:

For the half year ended December 31,	2009 Rupees '000'	2008 Rupees '000'
Turnover	462,859	3,032,193
Cost of Sales	(203,406)	(3,007,054)
Gross Profit	259,453	25,139
Operating Expenses	(22,736)	(24,815)
Operating Profit	236,717	324
Other Income	4,047	9,809
Financial /other Charges	(310,663)	(412,322)
Provision for Taxation	(29)	(319)
Net Loss after Taxation	(69,928)	(402,508)
Loss per Share (basic & diluted)	Rs. (0.45)	Rs. (2.66)

The turnover of the Company is reduced as compared to the corresponding period mainly due to the shutdown of the plant since December 24, 2008. As the plant operations remained close therefore the fuel losses curtailed as well as repair & maintenance and store and spares expenses were also reduced that increased the gross profit of the Company.

Financial charges have also decreased primarily due to decrease in applicable KIBOR rates and reduction in advances from WAPDA on account of fuel purchases.

RESOLUTION OF CONTRACTUAL ISSUES

- i. As reported in the latest annual report, the Company was contingently liable for the liquidated damages claimed by WAPDA for the period from July 1, 2001 to December 31, 2009 to the tune of Rs. 1,911.058 million, out of which WAPDA has already arbitrarily deducted an amount of Rs. 882.452 million from Company's capacity invoices. The Company disputed the liquidated damages and arbitrary deduction by WAPDA from the Company's capacity invoices.
- ii. WAPDA had disputed payments amounting to Rs. 384.032 million, relating to indexation of non-escalable components of capacity purchase price (CPP) already paid to the company from March 14, 2004 to March 13, 2006 and disputed further amount of Rs. 590.723 million against the Company's CPP invoices for the period from March 14, 2006 to December 31, 2009. The total amount disputed by WAPDA comes to Rs. 974.754 million, against which WAPDA has arbitrarily withheld a total amount of Rs. 626.541 million from the Company's CPP invoices upto December 31, 2009.

These disputes were referred to a mutually agreed Expert, as per the dispute resolution mechanism provided in the Power Purchase Agreement (the "PPA"), who gave his recommendations on September 1, 2007 that fully supported the Company's position. Both Parties initialed a settlement based on the Expert's recommendations but with certain concessions given to WAPDA. WAPDA has failed to sign the said settlement.



Therefore, neither the recommendations of the Expert are implemented nor the settlement was followed by WAPDA. WAPDA is, therefore, in breach of the terms of the PPA. Under the circumstances, the Company is not able to continue its operations and hence had shutdown its plant in last week of December 2008 which remained closed until February 05, 2010.

However, the Company again commenced its operations w.e.f. February 06, 2010 by virtue of an understanding with WAPDA / PEPCO, who has provided cash flow support for this purpose.

In January 2009, the Company has referred the matter to the International Court of Arbitration under the International Chamber of Commerce's (the "ICC") Rules as per the provisions of the PPA for the implementation of the Expert's recommendations. The claimed amount as per recommendations of the Expert is Rs. 3.6 billion (approximately). After adjusting the Company's liabilities to WAPDA, net expected cash inflow could be Rs. 2.5 billion (approximately). Under ICC rules, an award can be granted in one year's time from the date the case is filed before the Tribunal so appointed by the ICC, i.e. on October 09, 2009. The management of the Company is optimistic about the outcome of the arbitration.

Accordingly, the Company is fully justified in using the going concern assumption for preparing these financial informations.

FUTURE PROSPECTS

The Company is in extreme financial distress at the moment which has effected Company's ability to continue its operations. However, WAPDA has agreed to extend advances to the Company for procurement of fuel, lube oil and spares. In view of this the Company has re-started its operation from February 06, 2010. This is going to help the Company in maintaining its plant to the full capacity. Further, resolution of the disputes with WAPDA in favor of the Company will also help to improve Company's financial position which will help Company in discharging its obligations towards lenders. Implementation of steam turbine is under consideration to improve efficiency of the plant.

Lahore: February 17, 2010

On behalf of the Board
Chief Executive Officer



REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO MEMBERS

Introduction

We have reviewed the accompanying condensed interim balance sheet of Japan Power Generation Limited as at December 31, 2009, and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the six months then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2009 and 2008 have not been reviewed as we are required to review only the cumulative figures for the six months ended December 31, 2009.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respect, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Without qualifying our review report, we draw attention of the members towards:

- (i) note 1.2 of the condensed interim financial information, which disclosed the appropriateness of the going concern assumption used by the company in spite of the fact that the company has been suffering losses since the year 2000, when it commenced commercial operation, its accumulated loss at the half year ended December 31, 2009 stood at Rs. 2,232.669 million and as of that date its total liabilities exceeded its total assets by Rs. 672.293 million with adverse current ratio; as well as matter of disputes with WAPDA having been referred to International Chamber of Commerce (ICC), pending adjudication. All these situations indicate the existence of a material uncertainty, which may cast significant doubt about the company's ability to continue as a going concern.
- (ii) notes 5.1 and 5.2 of the condensed interim financial information, which disclosed company's contingent liabilities towards WAPDA's claims on account of indexation of non-escalable component of Capacity Purchase Price (CPP) in the sum of Rs. 974.754 million and liquidated damages totaling Rs. 1,911.058 million upto the terminal date, that were being denied and disputed by the company. Accordingly, these matters were referred to the expert as per the Power Purchase Agreement (PPA) procedures. The expert had given his recommendations on these issues which supported the company's position.

Both Parties initialed a settlement based on the Expert's recommendations but with certain concessions given to WAPDA. WAPDA has failed to sign the said settlement. Therefore, neither the recommendations of the Expert were implemented nor the settlement was followed by WAPDA. In January 2009, the Company has referred the matter to the International Court of Arbitration under the International Chamber of Commerce's (the "ICC") Rules as per the provisions of the PPA for the implementation of the Expert's recommendations, where the proceedings were continuing at the terminal date.

Lahore: February 17, 2010

Hyder Bhimji & Co.
Chartered Accountants
(Syed Aftab Hameed, FCA)

JAPAN POWER GENERATION LIMITED



CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2009

	Note	<u>UN-AUDITED</u> Dec 31, 2009 Rupees	<u>AUDITED</u> June 30, 2009 Rupees
Non current assets			
Property, plant and equipment	4	5,187,998,025	5,316,816,953
Long term deposits		100,000	100,000
		<u>5,188,098,025</u>	<u>5,316,916,953</u>
Current assets			
Stores and spares		37,161,803	37,633,145
Stock in trade		91,652,769	105,484,447
Trade debts-unsecured, considered good		1,079,543,408	680,993,835
Advances, deposits, prepayments and other receivables		180,497,744	194,262,238
Tax refunds due from the Government		43,087,393	69,491,612
Cash and bank balances		732,743	24,845,502
		<u>1,432,675,860</u>	<u>1,112,710,779</u>
TOTAL ASSETS		<u><u>6,620,773,885</u></u>	<u><u>6,429,627,732</u></u>
Capital and reserves			
Authorized capital			
160,000,000 ordinary shares of Rs. 10 each			
		<u>1,600,000,000</u>	<u>1,600,000,000</u>
Issued, subscribed and paid-up capital			
156,037,591 ordinary shares of Rs. 10 each, fully paid in cash		1,560,375,910	1,560,375,910
Accumulated loss		(2,232,669,106)	(2,173,108,840)
		<u>(672,293,196)</u>	<u>(612,732,930)</u>
Surplus on revaluation of property, plant and equipment		470,344,787	480,712,176
Non current liabilities			
Long term finances		4,461,799,859	4,650,516,469
Deferred liability		7,999,873	5,644,994
		<u>4,469,799,732</u>	<u>4,656,161,463</u>
Current liabilities			
Short term borrowings		221,400,000	221,400,000
Current and overdue portion of long term finances		660,508,135	471,791,525
Trade and other payables		666,604,034	666,889,928
Accrued markup		804,410,393	545,405,570
		<u>2,352,922,562</u>	<u>1,905,487,023</u>
Contingencies and commitments	5		
TOTAL EQUITY AND LIABILITIES		<u><u>6,620,773,885</u></u>	<u><u>6,429,627,732</u></u>

The annexed notes 1 to 11 form an integral part of the condensed interim financial information.

Chief Financial Officer
Lahore: February 17, 2010

Chief Executive

Chairman / Director

JAPAN POWER GENERATION LIMITED



CONDENSED INTERIM PROFIT & LOSS ACCOUNT FOR THE HALF YEAR ENDED DECEMBER 31, 2009 (UN-AUDITED)

	Note	Half Year Ended		Quarter Ended	
		Dec 31, 2009 Rupees	Dec 31, 2008 Rupees	Dec 31, 2009 Rupees	Dec 31, 2008 Rupees
Sales	6	462,858,712	3,032,193,033	230,960,025	1,225,778,232
Cost of sales	7	(203,406,046)	(3,007,054,275)	(97,214,097)	(1,198,558,682)
Gross profit		259,452,666	25,138,758	133,745,928	27,219,550
Operating expenses					
Administrative and general expenses		(22,735,550)	(24,815,298)	(8,896,993)	(13,444,907)
Operating profit		236,717,116	323,460	124,848,935	13,774,643
Other income		4,046,833	9,809,335	1,705,578	4,479,794
		240,763,949	10,132,795	126,554,513	18,254,437
Financial and other cost					
Financial cost		(310,662,942)	(412,321,573)	(159,757,197)	(214,060,482)
Loss before taxation		(69,898,993)	(402,188,778)	(33,202,684)	(195,806,045)
Provision for taxation:					
Current - on other income		(28,661)	(319,026)	(7,542)	(228,586)
Loss after taxation		(69,927,654)	(402,507,804)	(33,210,226)	(196,034,631)
Other comprehensive income/(loss)		-	-	-	-
Total comprehensive income/(loss) for the period		(69,927,654)	(402,507,804)	(33,210,226)	(196,034,631)
Loss per share - Basic & diluted		(0.45)	(2.66)	(0.21)	(1.27)

The annexed notes 1 to 11 form an integral part of the condensed interim financial information.

Chief Financial Officer
Lahore: February 17, 2010

Chief Executive

Chairman / Director

JAPAN POWER GENERATION LIMITED



CONDENSED INTERIM CASH FLOW STATEMENT FOR THE HALF YEAR ENDED DECEMBER 31, 2009 (UN-AUDITED)

	Dec 31, 2009	Dec 31, 2008
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss before taxation	(69,898,993)	(402,188,778)
Adjustment for non-cash and other items:		
Depreciation	128,956,681	128,137,774
Loss / (Gain) on disposal of fixed assets	18	(1,007,240)
Provision for gratuity	2,405,779	2,967,008
Financial cost	310,662,942	412,321,573
	442,025,420	542,419,115
Operating profit before working capital changes	372,126,427	140,230,337
Working capital changes:		
Stores and spares	471,342	(10,664,951)
Stock in trade	13,831,678	(13,274,028)
Trade debts	(398,549,573)	120,103,238
Advances, deposits, prepayments and other receivables	40,168,710	197,719,838
Trade and other payables	(285,894)	(111,327,520)
	(344,363,737)	182,556,577
Cash inflow after working capital changes	27,762,690	322,786,914
Financial cost paid	(51,658,119)	(254,574,890)
Gratuity paid	(50,900)	(8,800)
Income tax paid	(28,661)	(152,781)
Net cash (outflow) / inflow from operating activities	(23,974,990)	68,050,443
 CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(41,969)	(26,491,092)
Addition in capital work in progress	(97,000)	-
Proceeds from sale of property, plant and equipment	1,200	1,007,240
Net cash outflow from investing activities	(137,769)	(25,483,852)
 CASH FLOW FROM FINANCING ACTIVITIES		
Change in short term borrowings	-	(3,943,602)
Net cash outflow from financing activities	-	(3,943,602)
Net (decrease) / increase in cash and cash equivalents	(24,112,759)	38,622,989
Cash and cash equivalents at beginning of the period	24,845,502	20,897,881
Cash and cash equivalents at end of the period	732,743	59,520,870

The annexed notes 1 to 11 form an integral part of the condensed interim financial information.

Chief Financial Officer
Lahore: February 17, 2010

Chief Executive

Chairman / Director

JAPAN POWER GENERATION LIMITED



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED DECEMBER 31, 2009 (UN-AUDITED)

	Share capital Rupees	Share deposit money Rupees	Accumulated loss Rupees	Total Rupees
Balance as at June 30, 2008	1,476,188,460	84,187,458	(1,601,333,151)	(40,957,233)
Share deposit money	84,187,450	(84,187,450)	-	-
Incremental depreciation on revaluation of property, plant & equipment	-	-	10,367,388	10,367,388
Net loss for the first half year	-	(8)	(402,507,804)	(402,507,812)
Balance as at December 31, 2008	1,560,375,910	-	(1,993,473,567)	(433,097,657)
Share deposit money	-	-	-	-
Incremental depreciation on revaluation of property, plant & equipment	-	-	10,367,388	10,367,388
Net loss for the second half year	-	-	(190,002,661)	(190,002,661)
Balance as at June 30, 2009	1,560,375,910	-	(2,173,108,840)	(612,732,930)
Incremental depreciation on revaluation of property, plant & equipment	-	-	10,367,388	10,367,388
Net loss for the first half year	-	-	(69,927,654)	(69,927,654)
Balance as at December 31, 2009	1,560,375,910	-	(2,232,669,106)	(672,293,196)

The annexed notes 1 to 11 form an integral part of the condensed financial information.

Chief Financial Officer
Lahore: February 17, 2010

Chief Executive

Chairman / Director



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED DECEMBER 31, 2009 (UN-AUDITED)

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Japan Power Generation Limited was incorporated in Pakistan on September 29, 1994 as public limited company under the Companies Ordinance, 1984 and its shares are quoted on Lahore and Karachi Stock Exchanges. The registered office and plant of the company is situated at Near Jia Bagga Railway Station, Chowk Araian, Off Raiwind Road, Lahore. The principal business of the company is to generate and supply electric power to WAPDA. The company commenced commercial operations from March 15, 2000. Through an agreement dated February 23, 2006 the management of the company has been vested to the new shareholders, who acquired the entire shareholding of 35% of the outgoing management.

1.2 The major loss contributing factor has been shortfall in reimbursement from WAPDA of actual fuel cost incurred vis-à-vis Power Purchase Agreement (PPA)'s standard formula. This issue has been addressed materially through amendment to the PPA. The effect of this amendment together with proposed modification in engines would eliminate fuel loss and would contribute to the profitability of the company. Due to a couple of disputes with WAPDA as explained in note 5.1 and 5.2 of these financial information, the Capacity Price Payments (CPP) were withheld by WAPDA to adjust these against its own disputed dues / amount of fuel advance; the disputes were referred to an expert but on the non-implementation of the recommendations of the expert, the company has suspended its operations w.e.f. December 24, 2008. In order to expedite the settlements of above disputes, the company has taken up the matter with International Chamber of Commerce (ICC), pending adjudication at the terminal date, and expects a favourable decision, which will generate a substantial cash inflow to the company as fully explained in Note - 5.3 of these condensed interim financial information.

However, the going concern assumption used by the management in preparing these financial information is appropriate in view of the fact that an understanding has been reached with WAPDA/ PEPCO thereby providing cash flow support, so the plant is back in operation w.e.f. February 06, 2010.

2. STATEMENT OF COMPLIANCE

These condensed interim financial information has been prepared in accordance with the requirements of section 245 of the Companies Ordinance, 1984 and the International Accounting Standard - IAS 34 "Interim Financial Reporting".

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2009, except adoption of revised IAS 1 as noted below:

IAS (Revised), 'Presentation of financial statements' (effective from January 01, 2009), was issued in September 2007. The revised standard prohibits the preparation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner equity' to be presented separately from owner changes in equity. All non-owner changes in equity are required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

The Company has chosen to present all non-owner changes in equity in one performance statement - statement of comprehensive income (profit and loss account). The company does not have any items of income and expenses representing other comprehensive income. Accordingly, the adoption of the above standard does not have significant impact on the presentation of the Company's financial statements and does not require the restatement or reclassification of comparative information.



4. ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

The following assets have been added / disposed off (at cost) during the half year ended December 31, 2009.

	DECEMBER 31, 2009		DECEMBER 31, 2008	
	Rupees		Rupees	
	Additions	Disposal	Additions	Disposal
Plant and machinery	-	-	25,637,842	-
Furniture and fixtures	-	19,500	-	-
Electric installations	41,969	-	31,100	-
Computers	-	-	822,150	320,436
Vehicles	-	-	-	7,389,895
	<u>41,969</u>	<u>19,500</u>	<u>26,491,092</u>	<u>7,710,331</u>

5. CONTINGENCIES AND COMMITMENTS

Contingencies:

- 5.1** As reported in the latest annual report, the Company was contingently liable for the liquidated damages claimed by WAPDA for the period from July 1, 2001 to December 31, 2009 to the tune of Rs. 1,911.058 million, out of which WAPDA has already arbitrarily deducted an amount of Rs. 882.452 million from Company's capacity invoices. The Company disputed the liquidated damages and arbitrary deduction by WAPDA from the Company's capacity invoices.
- 5.2** WAPDA had disputed payments amounting to Rs. 384.032 million, relating to indexation of non-escalable components of capacity purchase price (CPP) already paid to the company from March 14, 2004 to March 13, 2006 and disputed further amount of Rs. 590.723 million against the Company's CPP invoices for the period from March 14, 2006 to December 31, 2009. The total amount disputed by WAPDA comes to Rs. 974.754 million, against which WAPDA has arbitrarily withheld a total amount of Rs. 626.541 million from the Company's CPP invoices upto December 31, 2009.
- 5.3** These disputes were referred to a mutually agreed Expert, as per the dispute resolution mechanism provided in the Power Purchase Agreement (the "PPA"), who gave his recommendations on September 1, 2007 that fully supported the Company's position. Both Parties initialed a settlement based on the Expert's recommendations but with certain concessions given to WAPDA. WAPDA has failed to sign the said settlement. Therefore, neither the recommendations of the Expert are implemented nor the settlement was followed by WAPDA. WAPDA is, therefore, in breach of the terms of the PPA. Under the circumstances, the Company is not able to continue its operations and hence had shutdown its plant in last week of December 2008, which remained closed until February 05, 2010; and again commenced operations w.e.f. February 06, 2010 by virtue of an understanding with WAPDA / PEPCO, who has provided cash flow support for this purpose.

In January 2009, the Company has referred the matter to the International Court of Arbitration under the International Chamber of Commerce's (the "ICC") Rules as per the provisions of the PPA for the implementation of the Expert's recommendations. The claimed amount as per recommendations of the Expert is Rs. 3.6 billion (approximately). After adjusting the Company's liabilities to WAPDA, net expected cash inflow could be Rs. 2.5 billion (approximately). Under ICC rules, an award can be granted in one year's time from the date the case is filed before the Tribunal so appointed by the ICC, i.e. on October 09, 2009. The management of the Company is optimistic about the outcome of the arbitration. Under the circumstances, although the Expert's recommendations were in favour of the Company, no adjustment has been made in these financial information.

- 5.4** The remaining contingencies are the same as were disclosed in the preceding audited annual financial statements of the company.

JAPAN POWER GENERATION LIMITED



6. SALES	Half year ended		Quarter ended	
	Rupees		Rupees	
	Dec 31, 2009	Dec 31, 2008	Dec 31, 2009	Dec 31, 2008
Energy payments	9,736,105	2,623,287,048	1,425,150	1,016,570,091
Capacity payments	453,122,607	408,905,985	229,534,875	209,208,141
	462,858,712	3,032,193,033	230,960,025	1,225,778,232
7. COST OF SALES				
Fuel and oils consumed	17,140,850	2,764,388,528	5,225,072	1,075,422,404
Salaries, wages and benefits	6,457,913	6,420,478	3,312,364	3,091,459
Operating and maintenance fee	28,200,000	31,800,000	14,100,000	15,900,000
Stores and spares consumed	353,760	48,568,339	353,569	20,591,019
Electricity consumed in-house	6,118,549	1,525,406	2,916,954	842,205
Communication charges	1,166,600	1,005,000	590,400	552,000
Repair and maintenance	2,716,973	17,125,605	132,147	13,725,735
Power generation licensing	430,146	637,092	215,073	318,546
Insurance	12,551,270	8,043,714	6,278,525	4,021,857
Depreciation	128,269,985	127,540,113	64,089,993	64,093,457
	203,406,046	3,007,054,275	97,214,097	1,198,558,682

8. RELATED PARTY DISCLOSURES

A. Related parties with whom company had transactions

The related parties comprise of holding company, fellow subsidiaries, associated undertakings and key management personnel. The company in the normal course of business carried out certain transactions with various related parties. The related parties with whom the company had transactions during the year comprised of the following:

Semi Autonomous Bodies

National Logistics Cell

Development Financial Institutions (DFIs)

Pak Oman Investment Co. Ltd.
Saudi Pak Industrial & Agriculture Investment Co. Ltd.

B. Disclosure of balances between company and the related parties

Amounts due to related parties / associated undertakings at the terminal date are given below:

		Dec 31, 2009	June 30, 2009
		Rupees	Rupees
National Logistics Cell	Accrued mark up on outstanding balance	13,146,575	7,853,424
Pak Oman Investment Co. Ltd.	Accrued mark up on outstanding balance	8,891,419	4,078,181
Saudi Pak Industrial & Agriculture Investment Co. Ltd.	Accrued mark up on outstanding balance	4,470,412	2,226,116
		26,508,406	14,157,721



C. Disclosure of transactions between company and related parties

The related parties with whom the company had transactions during the year comprised of the following:

<u>Name of the party</u>	<u>Nature of transaction</u>	<u>Half year ended</u> <u>Rupees</u>	
		<u>Dec 31, 2009</u>	<u>Dec 31, 2008</u>
National Logistics Cell	Mark up on outstanding balance	5,293,151	5,293,151
Pak Oman Investment Co. Ltd.	Mark up on outstanding balance	4,813,238	5,293,151
Saudi Pak Industrial & Agriculture Investment Co. Ltd.	Mark up on outstanding balance	2,244,296	2,470,137
		<u>12,350,685</u>	<u>13,056,439</u>

9. PLANT CAPACITY AND ACTUAL PRODUCTION

	<u>Half year ended</u>		<u>Quarter ended</u>	
	<u>Dec 31, 2009</u>	<u>Dec 31, 2008</u>	<u>Dec 31, 2009</u>	<u>Dec 31, 2008</u>
Installed capacity in MWH	<u>532,128</u>	<u>532,128</u>	<u>266,064</u>	<u>266,064</u>
Actual energy delivered in MWH	<u>1,810</u>	<u>252,814</u>	<u>269</u>	<u>119,229</u>

Utilization of available capacity depends on the load demanded by WAPDA. Further, actual energy delivered to WAPDA for the current period is quite small when compared with previous year due to shutdown of plant since December 24, 2008, for reasons stated in note 5.3 of these financial statements.

10. These financial statements were authorized for issue by the Board of Directors on February 17, 2010.

11. All figures except for June 30, 2009 figures appearing in the condensed interim financial information are unaudited. There has been no material re-arrangement or regrouping of figures of the corresponding period given in this information for the purpose of comparison.

Chief Financial Officer
Lahore: February 17, 2010

Chief Executive

Chairman / Director