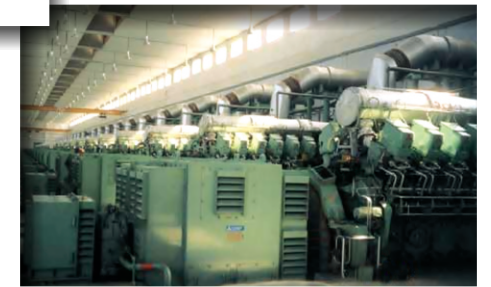




JAPAN POWER GENERATION LIMITED



GENERA 042.37586064

PLANT: Jia Bagga, Off Raiwind Road, District Lahore, Pakistan.

March 31, 2011

QUARTERLY FINANCIAL STATEMENTS



JAPAN POWER GENERATION LIMITED

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JAPAN POWER GENERATION LIMITED



COMPANY INFORMATION

Board of Directors	Mr. Jehangir Shah Mr. Parveiz Usman Mr. Kashif Muhammad Khan Mr. Khurram Faizyab Mr. Nafees Ahmed Brig. (R) Muhammad Mansur Aslam Brig. (R) Muhammad Akhtar Mr. Zafar Iqbal Mr. Muhammad Faisal Israr Mr. Ayaz Dawood Mr. Bashir A. Sheikh Mr. Muhammad Hanif Abbasi	- Chairman - Nominee Faysal Bank Limited - 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	Brig. (R) Muhammad Mansur Aslam Mr. Ayaz Dawood Mr. Kashif Muhammad Khan Mr. Zafar Iqbal	- Chairman
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	Faisal & Partners	
Bankers	Faysal Bank Limited	
Lending Bank Syndicate	Faysal Bank Limited Askari Bank Limited National Bank of Pakistan Allied Bank Limited Samba Bank Limited NIB Bank Limited SILK 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	jvgl@brain.net.pk	
Website	www.jvglpk.com	

JAPAN POWER GENERATION LIMITED



DIRECTORS' REVIEW REPORT TO THE MEMBERS

The Directors of your Company are presenting the quarterly un-audited financial statements along with brief review of the Company's operation for the period ended March 31, 2011.

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 Period is as follows:

For the quarter ended March 31,	2011 Rupees '000'	2010 Rupees '000'
Turnover	891,078	941,516
Cost of Sales	(1,024,906)	(879,675)
Gross (loss) / profit	(133,828)	61,841
Operating Expenses	(17,875)	(27,187)
Operating (loss) / profit	(151,703)	34,654
Other Income	3,967	3,665
Financial / other costs	(254,796)	(167,482)
Provision for taxation	(299)	(572)
Net loss after taxation	(402,831)	(129,735)
Loss per Share (basic & diluted)	Rs. (2.58)	Rs. (0.83)

The turnover of the Company has slightly decreased in the current period as compared to the corresponding period last year due to lesser NEO delivered to WAPDA as well as lesser CPP revenue due to reduction in non escalable component (NEC) of Capacity Purchase Price (CPP). However the revenue reduction due to NEC of Capacity Purchase Price was partially recovered due to increase in capacity invoice at 77MW in the current quarter as compare to 65MW in corresponding period of the last year. The cost of sales was increased significantly in current period due to increase in fuel prices. Further repair & maintenance and store & spares expenses were also increased due to major overhauling that turned into gross loss of Rs. 133.828 million for the current period.

Operating expenses have decreased in the current period as compared to the corresponding period of the last year due to more arbitration lawyers' fee was paid in last year quarter. Other income has also increased in the current period as compared to corresponding period due to inflationary trend in fuel prices.

Finance costs have also increased significantly in the current period as compared to corresponding period primarily due to more advances from WAPDA for purchase of fuel and spares along with increase in KIBOR rates that added up in the financial costs.

All these factors come up with a total net loss of Rs. 402.831 million as compared to Rs. 129.735 million in the corresponding period of the last year.

RESOLUTION OF CONTRACTUAL ISSUES

The Company is contingently liable for the liquidated damages claimed by WAPDA for the period from July 1, 2001 to February 05, 2010 to the tune of Rs. 2,118.059 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.

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. 710.076 million against the Company's CPP invoices for the period from March 14, 2006 to March 31, 2011. The total amount disputed by WAPDA comes to Rs. 1,094.107 million, against which WAPDA has arbitrarily withheld a total amount of Rs. 745.894 million from the Company's CPP invoices up-till March 31, 2011.

JAPAN POWER GENERATION LIMITED



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 that fully support the Company's position. Both Parties initiated a settlement based on the Expert's recommendations but with certain concessions given to WAPDA. WAPDA, however, failed to sign the said settlement. Therefore, neither the recommendations of the Expert are implemented nor the settlement was implemented by WAPDA. WAPDA is, therefore, in breach of the terms of the PPA. Under the circumstances, the Company was not able to continue its operations and had to shut down its plant in last week of December 2008.

In January 2009, the Company 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 Settlement Agreement or the Expert's recommendations. On June 29, 2010, the Arbitral Tribunal passed a partial award in favour of the Company and directed WAPDA to deposit Rs. 7,693,128 against the disputed amount of NEC component of CPP invoice of March 2006 in an escrow account as a security for claim. The Tribunal also ruled that WAPDA should reimburse to the Company an amount of Rs. 5,196,750 as expenses thrown away in the process of expert's mediation. The hearing of the disputes in the ICC as planned was held in 2nd week of October 2010. However, since WAPDA wanted to present more evidence with respect to “implementation of settlement agreement”, the hearing is now expected to take place in third quarter of 2011. The management of the Company is optimistic about the outcome of the arbitration.

After shutting-down the complex from December 24, 2008 to February 5, 2010, both parties reached on an arrangement to resume the operation from February 6, 2010. As per arrangement agreed with WAPDA, it had to provide advances to Company for purchase of lube and fuel. However, WAPDA, contrary to the said arrangement, started raising LD invoices for the periods where the plant could not deliver energy to WAPDA system owing to fuel shortage, that were to be financed by the WAPDA. Such claim of LD's amounted to Rs. 132.536 million up till March 31, 2011, being constantly disputed by the Company since the same is contrary to the arrangement reached between the Parties. Once the Arbitration award is announced in favor of the Company, these LD's would also be resolved in light of that award and the above said arrangement.

In view of the above stated reasons as well as Company's resumption of operations of its power project with the assistance of WAPDA, the management of the Company believes that the going concern assumption used for the preparation of the financial statements for the period ended March 31, 2011 is appropriate.

RESTORATION OF THE PLANT AT FULL CAPACITY

As part of the understanding reached between WAPDA and JPGL, WAPDA provided advance of Rs. 400 million for purchase of spares parts needed to restore engines to full capacity of 120.5MW. JPGL carried out required work and tested the plant in terms of the PPA to its full capacity of 120.5MW on March 25, 2011. WAPDA team was also present to witness the test and acknowledged the capacity of the plant at 121.833MW. However, later on, WAPDA in violation to the PPA, decreased the capacity of the plant to 107 MW only. JPGL has contested WAPDA's action in terms of the PPA.

FUTURE PROSPECTS

As soon as the disputes with WAPDA are resolved in favor of the Company, its cash flows are likely to improve. Accordingly, the Company is to carry out plant improvements (including implementation of steam turbine) required, as well as meet its obligations towards lenders.

Lahore: April 26, 2011

**On behalf of the Board
Chief Executive Officer**

JAPAN POWER GENERATION LIMITED



CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2011

	Note	<u>UN-AUDITED</u> March 31, 2011 Rupees	<u>AUDITED</u> June 30, 2010 Rupees
Non current assets			
Property, plant and equipment		4,911,355,148	5,063,198,521
Long term deposit		100,000	100,000
		<u>4,911,455,148</u>	<u>5,063,298,521</u>
Current assets			
Stores and spares		69,227,953	58,186,132
Stock in trade		172,764,610	179,810,851
Trade debts-unseured, considered good		1,782,894,640	1,637,546,134
Advances, deposits, prepayments and other receivables		426,434,628	364,861,982
Tax refunds due from the Government		140,956,063	73,757,011
Cash and bank balances		39,009,876	220,703,370
		<u>2,631,287,770</u>	<u>2,534,865,480</u>
TOTAL ASSETS		<u><u>7,542,742,918</u></u>	<u><u>7,598,164,001</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		(3,765,114,805)	(2,605,661,200)
Fair value reserve		2,457,185	2,457,185
		<u>(2,202,281,710)</u>	<u>(1,042,828,105)</u>
Surplus on revaluation of property , plant and equipment		444,426,309	459,977,396
Non current liabilities			
Long term finances		3,990,008,334	4,273,083,249
Deferred liability		13,230,624	7,733,022
		<u>4,003,238,958</u>	<u>4,280,816,271</u>
Current liabilities			
Short term borrowings		168,200,000	215,000,000
Current and overdue portion of long term finances		1,132,299,660	849,224,745
Trade and other payables		2,301,481,319	1,758,814,567
Accrued markup		1,695,378,382	1,077,159,127
		<u>5,297,359,361</u>	<u>3,900,198,439</u>
Contingencies and commitments	5		
TOTAL EQUITY AND LIABILITIES		<u><u>7,542,742,918</u></u>	<u><u>7,598,164,001</u></u>

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

Chief Financial Officer
Lahore: April 26, 2011

Chief Executive

Chairman / Director

JAPAN POWER GENERATION LIMITED



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) For the Quarter & Nine Months ended March 31, 2011

	Note	Quarter ended		Nine months ended	
		March 31, 2011 Rupees	March 31, 2010 Rupees	March 31, 2011 Rupees	March 31, 2010 Rupees
Sales	6	891,077,776	941,515,887	3,239,919,827	1,404,374,599
Cost of sales	7	(1,024,906,225)	(879,675,397)	(3,629,483,703)	(1,083,081,443)
Gross (loss) / profit		(133,828,449)	61,840,490	(389,563,876)	321,293,156
Operating expenses					
Administrative and general		(17,874,645)	(27,187,217)	(103,350,188)	(49,922,767)
Operating (loss) / profit		(151,703,094)	34,653,273	(492,914,064)	271,370,389
Other income		3,967,137	3,665,359	17,257,539	7,712,192
		(147,735,957)	38,318,632	(475,656,525)	279,082,581
Financial and other costs					
Finance cost		(254,725,211)	(167,427,250)	(697,219,355)	(478,090,192)
Other cost		(71,148)	(54,757)	(482,557)	(54,757)
		(254,796,359)	(167,482,007)	(697,701,912)	(478,144,949)
Loss before taxation		(402,532,316)	(129,163,375)	(1,173,358,437)	(199,062,368)
Provision for taxation:					
Current - on other income		(299,194)	(571,920)	(1,646,250)	(600,581)
Loss after taxation		(402,831,510)	(129,735,295)	(1,175,004,687)	(199,662,249)
Loss per share - basic & diluted		(2.58)	(0.83)	(7.53)	(1.28)

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

Chief Financial Officer
Lahore: April 26, 2011

Chief Executive

Chairman / Director

JAPAN POWER GENERATION LIMITED



CONDENSED INTERIM COMPREHENSIVE INCOME (UN-AUDITED) For the Quarter & Nine Months ended March 31, 2011

	Quarter ended		Nine months ended	
	March 31, 2011 Rupees	March 31, 2010 Rupees	March 31, 2011 Rupees	March 31, 2010 Rupees
Net loss after taxation	(402,831,510)	(129,735,295)	(1,175,004,687)	(199,662,949)
Other comprehensive income				
Actuarial gain recognized during the period	-	380,550	-	1,141,649
Total comprehensive loss for the period	<u>(402,831,510)</u>	<u>(129,354,745)</u>	<u>(1,175,004,687)</u>	<u>(198,521,300)</u>

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

Chief Financial Officer
Lahore: April 26, 2011

Chief Executive

Chairman / Director

JAPAN POWER GENERATION LIMITED



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

For the Nine Months ended March 31, 2011

	March 31, 2011 Rupees	March 31, 2010 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss before taxation	(1,173,358,437)	(199,062,368)
Adjustment for non-cash and other items:		
Depreciation	193,118,207	193,383,101
Loss / (gain) on disposal of fixed assets	(7,000)	18
Provision for gratuity	5,559,347	4,148,073
Finance cost	697,219,355	478,090,192
	<u>895,889,909</u>	<u>675,621,384</u>
Operating (loos) / profit before working capital changes	(277,468,528)	476,559,016
Working capital changes:		
Stores and spares	(11,041,817)	944,397
Stock in trade	7,046,241	(18,877,253)
Trade debts	(145,348,506)	(1,061,768,620)
Advances, deposits, prepayments and other receivables	(128,771,699)	(97,380,578)
Trade and other payables	542,666,752	1,045,770,597
	<u>264,550,971</u>	<u>(131,311,457)</u>
Cash outflow / inflow after working capital changes	(12,917,557)	345,247,559
Finance cost paid	(79,000,100)	(99,059,550)
Gratuity paid	(61,745)	(77,900)
Income tax paid	(1,646,250)	(600,581)
Net cash out flow / inflow from operating activities	(93,625,652)	245,509,528
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(40,790,464)	(55,469)
Addition in capital work in progress	(484,378)	-
Proceeds from sale of property, plant and equipment	7,000	1,200
Net cash outflow from investing activities	(41,267,842)	(54,269)
CASH FLOW FROM FINANCING ACTIVITIES		
Change in short term borrowings	(46,800,000)	(6,400,000)
Net cash out flow from financing activities	(46,800,000)	(6,400,000)
Net decrease / increase in cash and cash equivalents	(181,693,494)	239,055,259
Cash and cash equivalents at beginning of the period	220,703,370	24,845,502
Cash and cash equivalents at end of the period	<u>39,009,876</u>	<u>263,900,761</u>

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

Chief Financial Officer
Lahore: April 26, 2011

Chief Executive

Chairman / Director

JAPAN POWER GENERATION LIMITED



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) For the Nine Months ended March 31, 2011

	Share capital Rupees	Accumulated loss Rupees	Fair value reserve Rupees	Total Rupees
Balance as at June 30, 2009	1,560,375,910	(2,174,043,826)	934,986	(612,732,930)
Incremental depreciation on revaluation of property, plant & equipment	-	15,551,082	-	15,551,082
Net loss for the first nine months	-	(199,662,949)	1,141,649	(198,521,300)
Balance as at March 31, 2010	1,560,375,910	(2,358,155,693)	2,076,635	(795,703,148)
Incremental depreciation on revaluation of property, plant & equipment	-	5,183,698	-	5,183,698
Net loss for the last three months	-	(252,689,205)	380,550	(252,308,655)
Balance as at June 30, 2010	1,560,375,910	(2,605,661,200)	2,457,185	(1,042,828,105)
Incremental depreciation on revaluation of property, plant & equipment	-	15,551,082	-	15,551,082
Net loss for the first nine months	-	(1,175,004,687)	-	(1,175,004,687)
Balance as at March 31, 2011	1,560,375,910	(3,765,114,805)	2,457,185	(2,202,281,710)

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

Chief Financial Officer
Lahore: April 26, 2011

Chief Executive

Chairman / Director

JAPAN POWER GENERATION LIMITED



CONDENSED INTERIM NOTES TO THE FINANCIAL INFORMATION For the Quarter & Nine Months ended March 31, 2011

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.
- 1.2 The major loss contributing factor has been shortfall in reimbursement from WAPDA of actual fuel cost incurred vis-à-vis PPA's standard formula. This issue had been addressed materially through amendment to the Power Purchase Agreement. 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 of these condensed interim financial information, the Capacity Price Payments (CPP) were withheld by WAPDA to adjust these against the disputed amount. These disputes were referred to a mutually agreed Expert. However, owing to non implementation of the recommendations of the Expert, the company suspended its operations on December 24, 2008 and referred the matter to International Chamber of Commerce (ICC), in order to expedite the settlements of the disputes. Adjudication of the disputes was pending at the terminal date. The Company expects a favourable decision from the ICC which will generate a substantial cash inflow to the company as fully explained in Note - 5 of these condensed interim financial information.

Without prejudice to the arbitration proceedings at ICC, the company and WAPDA/PEPCO in the meantime have reached on an arrangement to restart the plant, whereby WAPDA/PEPCO has provided advance for the purchase of fuel, lube oil and spares required for operation and maintenance of the plant, thereby providing cash flow support to the company to put its power plant back into operation w.e.f. February 06, 2010 at 65 MW. Presently the Plant is completely overhauled and demonstrated to WAPDA its full capacity of 120.5 MW at the terminal date. The management of the company is in the process of making further necessary improvements (including implementation of steam turbine) in the engines which will be helpful not only to retain / sustain the full capacity of the project but also in substantial reduction in the fuel loss, so as to contribute towards the profitability of the company in future as stated earlier.

In view of the above arrangements, the management of the company is fully justified to prepare the condensed interim financial information by using the going concern assumption.

2 STATEMENT OF COMPLIANCE

These financial statements have 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 the condensed interim financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2010.

4. ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

The following assets have been added / disposed off (at cost) during the nine months ended March 31, 2011:

	March 31, 2011		March 31, 2010	
	Rupees		Rupees	
	Additions	Disposal	Additions	Disposal
Plant and machinery	39,986,370	-	-	-
Furniture and fixtures	13,500	-	-	19,500
Electric installations	43,159	-	41,969	-
Computers	250,065	74,520	13,500	-
Laboratory Equipment	62,370	-	-	-
Office equipment	435,000	-	-	-
	<u>40,790,464</u>	<u>74,520</u>	<u>55,469</u>	<u>19,500</u>

JAPAN POWER GENERATION LIMITED



5 CONTINGENCIES AND COMMITMENTS

Contingencies:

- 5.1 The Company is contingently liable for the liquidated damages claimed by WAPDA for the period from July 1, 2001 to February 05, 2010 to the tune of Rs. 2,118.059 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. 710.076 million against the Company's CPP invoices for the period from March 14, 2006 to March 31, 2011. The total amount disputed by WAPDA comes to Rs. 1,094.107 million, against which WAPDA has arbitrarily withheld a total amount of Rs. 745.894 million from the Company's CPP invoices up till March 31, 2011.
- 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 that fully support the Company's position. Both Parties initialed a settlement based on the Expert's recommendations but with certain concessions given to WAPDA. WAPDA, however, failed to sign the said settlement. Therefore, neither the recommendations of the Expert were implemented nor the settlement was implemented by WAPDA. WAPDA is, therefore, in breach of the terms of the PPA. Under the circumstances, the Company was not able to continue its operations and had to shut down its plant in last week of December 2008.

In January 2009, the Company 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 Settlement Agreement or the Expert's recommendations. On June 29, 2010, the Arbitral Tribunal passed a partial award in favour of the Company and directed WAPDA to deposit Rs. 7,693,128 against the disputed amount of NEC component of CPP invoice of March 2006 in an escrow account as a security for claim. The Tribunal also ruled that WAPDA should reimburse to the Company an amount of Rs. 5,196,750 as expenses thrown away in the process of expert's mediation. The hearing of the disputes in the ICC as planned was held in 2nd week of October 2010. However, since WAPDA wanted to present more evidence with respect to "implementation of settlement agreement", the hearing is now expected to take place in third quarter of 2011. The management of the Company is optimistic about the outcome of the arbitration.

- 5.4 After shutting-down the complex from December 24, 2008 to February 5, 2010, both parties reached on an arrangement to resume the operation from February 6, 2010. As per arrangement agreed with WAPDA, it had to provide advances to Company for purchase of lube and fuel. However, WAPDA, contrary to the said arrangement, started raising LD invoices for the periods where the plant could not deliver energy to WAPDA system owing to fuel shortage, that were to be financed by the WAPDA. Such claim of LD's amounted to Rs. 132.536 million up till March 31, 2011, being constantly disputed by the Company since the same is contrary to the arrangement reached between the Parties. Once the Arbitration award is announced in favor of the Company, these LD's would also be resolved in light of that award and the above said arrangement.
- 5.5 The remaining contingencies are the same as were disclosed in the preceding annual accounts of the Company.

6. SALES

	Quarter ended		Nine months ended	
	Rupees		Rupees	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Energy payments	728,507,827	775,636,108	2,786,661,709	785,372,213
Capacity payments	162,569,949	165,879,779	453,258,118	619,002,386
	<u>891,077,776</u>	<u>941,515,887</u>	<u>3,239,919,827</u>	<u>1,404,374,599</u>

JAPAN POWER GENERATION LIMITED



COST OF SALES	Quarter ended		Nine months ended	
	Rupees		Rupees	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Fuel and oils consumed	868,498,388	782,426,194	3,092,444,521	799,567,044
Salaries, wages and benefits	3,515,614	4,517,695	13,087,282	10,975,608
Operating and maintenance fee	16,800,000	14,100,000	50,400,000	42,300,000
Stores and spares consumed	44,976,678	1,312,542	210,390,822	1,666,302
Electricity consumed in-house	1,000,930	2,402,614	2,843,236	8,521,163
Communication charges	608,700	593,100	1,821,000	1,759,700
Repair and maintenance	19,813,388	4,041,379	49,230,090	6,758,352
Power generation licensing	242,370	215,073	727,110	645,219
Insurance	5,033,925	5,983,989	16,463,921	18,535,259
Depreciation	64,416,232	64,082,811	192,075,721	192,352,796
	<u>1,024,906,225</u>	<u>879,675,397</u>	<u>3,629,483,703</u>	<u>1,083,081,443</u>

8. RELATED PARTY DISCLOSURES

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

Name of the party	Nature of transaction	Quarter ended	
		March 31, 2011 Rupees	March 31, 2010 Rupees
National Logistics Cell	Accrued Mark up on outstanding balance	2,354,301	2,589,041
Pak Oman Investment Company Limited	Accrued Mark up on outstanding balance	2,354,301	2,354,301
Saudi Pak Industrial & Agricultural Investment Company Limited	Accrued Mark up on outstanding balance	1,097,753	1,097,753
		<u>5,806,355</u>	<u>6,041,095</u>

9. PLANT CAPACITY AND ACTUAL PRODUCTION

	Quarter ended		Nine months ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Installed capacity in MWh	<u>260,280</u>	<u>260,280</u>	<u>792,408</u>	<u>792,408</u>
Actual energy delivered in MWh	<u>70,861</u>	<u>76,457</u>	<u>277,613</u>	<u>78,267</u>

Utilization of available capacity depends on the load demanded by WAPDA. Further, actual energy delivered to WAPDA for the current period is greater when compared with previous period because plant resumes its operation from February 06, 2010 at capacity of 65 MW. However the company demonstrated to WAPDA its full capacity of 120.5 MW at the terminal date.

10. These financial statements were authorized for issue by the Board of Directors on April 26, 2011.

11. All figures except for June 30, 2010 figures appearing in the interim financial information are un-audited. 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: April 26, 2011

Chief Executive

Chairman / Director