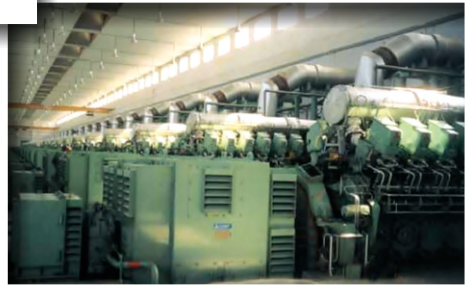




# JAPAN POWER GENERATION LIMITED



September 30, 2010

## **QUARTERLY FINANCIAL STATEMENTS**



JAPAN POWER GENERATION LIMITED

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# JAPAN POWER GENERATION LIMITED



## COMPANY INFORMATION

<b>Board of Directors</b>	Mr. Jehangir Shah Mr. Kashif Muhammad Khan Mr. Khurram Faizyab Mr. Nafees Ahmed Brig. (R) Muhammad Mansur Aslam Mr. Mansoor Ur Rehman Brig. (R) Muhammad Akhtar Mr. Zafar Iqbal Mr. Muhammad Faisal Israr Mr. Ayaz Dawood Mr. Saulat Ali Khan Mr. Muhammad Hanif Abbasi	- Chairman           - Nominee The Royal Bank of Scotland Ltd - Nominee National Bank of Pakistan
<b>Chief Executive Officer</b>	Mr. Khan Ahmed Saleem	
<b>Company Secretary &amp; Chief Financial Officer</b>	Mr. Zain ul Abidin	
<b>Company's Audit Committee</b>	Brig.(R) Muhammad ansur Aslam Mr. Ayaz Dawood Mr. Kashif Muhammad Khan Mr. Zafar Iqbal	- Chairman
<b>Auditors</b>	Hyder Bhimji & Co. Chartered Accountants	
<b>Shares Registrar Office</b>	Hameed Majeed Associates (Pvt.) Limited. HM House, 7 - Bank Square, Lahore Tel: +92-42-37235081-2, Fax: +92-42-37358817	
<b>Legal Advisor</b>	Faisal & Partners	
<b>Bankers</b>	The Royal Bank of Scotland Limited Allied Bank Limited	
<b>Lending Bank Syndicate</b>	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	
<b>Registered Office/Plant</b>	Near Jia Bagga Railway Station Chowk Araian Off Raiwind Road, Lahore Tel: +92-42-35835864-6 Fax: +92-42-35835860	
<b>Email</b>	Email: <a href="mailto:jpgl@brain.net.pk">jpgl@brain.net.pk</a>	
<b>Website</b>	Website: <a href="http://www.jpglpk.com">www.jpglpk.com</a>	

# JAPAN POWER GENERATION LIMITED



## 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 quarter ended September 30, 2010.

### 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 quarter is as follows:

For the quarter ended September 30,	2010	2009
	Rupees '000'	Rupees '000'
Turnover	1,197,627.57	231,898.69
Cost of Sales	(1,328,146.75)	(106,191.95)
Gross (loss) / profit	(130,519.18)	125,706.74
Operating Expenses	(64,069.03)	(13,838.56)
Operating (loss) / profit	(194,588.21)	111,868.18
Other Income	5,148.87	2,341.27
Financial / other costs	(212,893.81)	(150,905.75)
Provision for taxation	(929.88)	(21.12)
Net loss after taxation	(403,263.03)	(36,717.42)
Loss per Share (basic & diluted)	Rs. (2.58)	Rs. (0.24)

The sales revenue for the current quarter increased as compare to last quarter due to resumption of plant operation since February 6, 2010. Gross profit as compared to last year's profit is result of spares used for rehabilitation of the plant in the current quarter under review. Further, the operational losses of fuel consumption were also added up in the gross loss because the plant is in operation in the current quarter.

The Operating Expenses increased as compared to last quarter because of payment of fees to Lawyers for arbitration proceedings in International Court of Arbitration. The financial charges also increased as compare to last year are mainly due to advances from WAPDA for purchase of fuel, lube and spares.

Other income increased as compared to last year because of sludge sale and profit on bank accounts in current quarter. Income tax expenses also increased in current quarter due to income tax on interest income earned from bank on advances from WAPDA for purchase of store & spares.

For the above mentioned reasons, the net loss after taxation increased to Rs. 403.263 million as compared to Rs. 36.72 million for the last quarter.

### RESOLUTION OF CONTRACTUAL ISSUES

- As reported in the last year's annual report, the Company was contingently liable for the liquidated damages claimed by WAPDA for the period from July 1, 2001 to September 30, 2010, to the tune of Rs. 2,150.065 million out of which WAPDA has already arbitrarily deducted an amount of Rs. 882.899 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. 659.941 million against the Company's CPP invoices for the period from March 14, 2006 to September 30, 2010. The total amount disputed by WAPDA comes to Rs. 1,043.973 million, against which WAPDA has arbitrarily withheld a total amount of Rs. 695.760 million from the Company's CPP invoices up-till September 30, 2010.

## 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 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 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 Expert's recommendations. The claimed amount as per recommendations of the Expert is Rs. 3.6 billion (approximately). In the event of Tribunal completely ruling in favor of the Company, the net expected cash inflow after adjusting the Company's liabilities to WAPDA, could be Rs. 2.5 billion (approximately). The Arbitral Tribunal passed a partial award in which it allowed reimbursement of cost of the Expert mediation to the Company, however, amount would be determined by the Arbitral Tribunal. In the absence of quantified amounts by the Expert, the Tribunal, on June 29, 2010, as per provisions of the PPA, determined that WAPDA should deposit Rs. 7 million approximately in an escrow account. The hearing of the disputes in the ICC as planned was held on 11 and 12 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.

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 September 30, 2010 is appropriate.

#### **FUTURE PROSPECTS**

As soon as the disputes with WAPDA are resolved in favor of the Company, its cash flows will improve. Accordingly, the Company will carry out plant improvements that are part of the turnaround strategy for which groundwork has already been completed, as well as meet its obligations towards lenders.

**Islamabad: October 27, 2010**

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

# JAPAN POWER GENERATION LIMITED



## CONDENSED INTERIM BALANCE SHEET AS AT SEPTEMBER 30, 2010

	UN-AUDITED	AUDITED
	Sep 30, 2010	Jun 30, 2010
Note	Rupees	Rupees
<b>Non current assets</b>		
Property, plant and equipment	5,015,088,267	5,063,198,524
Long term deposit	100,000	100,000
	5,015,188,267	5,063,298,524
<b>Current assets</b>		
Stores and spares	97,443,831	58,186,136
Stock in trade	202,564,453	179,810,851
Trade debts	1,777,232,462	1,637,546,134
Advances, deposits, prepayments and other receivables	388,102,272	364,861,982
Tax refunds due from the Government	102,292,351	73,757,010
Cash and bank balances	199,354,239	220,703,370
	2,766,989,608	2,534,865,483
<b>TOTAL ASSETS</b>	<b>7,782,177,875</b>	<b>7,598,164,007</b>
<b>Capital and reserves</b>		
<b>Authorized capital</b>		
160,000,000 (June 2009: 160,000,000) ordinary shares of Rs. 10 each	1,600,000,000	1,600,000,000
Issued, subscribed and paid-up capital	1,560,375,910	1,560,375,910
Accumulated loss	(3,003,740,521)	(2,605,661,194)
Fair value reserve	2,457,185	2,457,185
<b>Shareholders' equity</b>	<b>(1,440,907,426)</b>	<b>(1,042,828,099)</b>
Surplus on revaluation of property, plant and equipment	454,793,700	459,977,396
<b>Non current liabilities</b>		
Long term finances	4,178,724,944	4,273,083,249
Deferred liability	11,833,423	7,733,022
	4,190,558,367	4,280,816,271
<b>Current liabilities</b>		
Short term borrowings	175,000,000	215,000,000
Current portion of long term finances	943,583,050	849,224,745
Trade and other payables	2,238,278,629	1,758,814,567
Accrued markup	1,220,871,555	1,077,159,127
	4,577,733,234	3,900,198,439
<b>Contingencies and commitments</b>	4	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>7,782,177,875</b>	<b>7,598,164,007</b>

The annexed notes 1 to 11 form an integral part of these financial statements

Chief Financial Officer  
Islamabad: October 27, 2010

Chief Executive

Chairman / Director

# JAPAN POWER GENERATION LIMITED



## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) For the Quarter ended September 30, 2010

	<u>Note</u>	<u>Sep 30, 2010 Rupees</u>	<u>Sep 30, 2009 Rupees</u>
Sales	6	1,197,627,574	231,898,687
Cost of sales	7	<u>(1,328,146,749)</u>	<u>(106,191,949)</u>
Gross (loss) / profit		(130,519,175)	125,706,738
<b>Operating expenses</b>			
Administrative and general		<u>(64,069,029)</u>	<u>(13,838,557)</u>
Operating (loss) / profit		(194,588,204)	111,868,181
Other income		<u>5,148,870</u>	<u>2,341,255</u>
		(189,439,334)	114,209,436
<b>Financial and other costs</b>			
Financial costs		<u>(212,783,732)</u>	<u>(150,905,745)</u>
Other costs		<u>(110,074)</u>	<u>-</u>
		(212,893,806)	(150,905,745)
Net loss before taxation		(402,333,140)	(36,696,309)
<b>Provision for taxation:</b>			
Current - on other income		<u>(929,883)</u>	<u>(21,119)</u>
Net loss after taxation		<u><u>(403,263,023)</u></u>	<u><u>(36,717,428)</u></u>
Loss per share - basic & diluted		<u><u>(2.58)</u></u>	<u><u>(0.24)</u></u>

The annexed notes 1 to 11 form an integral part of these financial statements

Chief Financial Officer  
Islamabad: October 27, 2010

Chief Executive

Chairman / Director

# JAPAN POWER GENERATION LIMITED



## CONDENSED INTERIM COMPREHENSIVE INCOME (UN-AUDITED) For the Quarter ended September 30, 2010

	<u>Note</u>	<u>Sep 30, 2010</u> <u>Rupees</u>	<u>Sep 30, 2009</u> <u>Rupees</u>
Net loss after taxation		(403,263,023)	(36,717,428)
Other comprehensive income		-	-
Total comprehensive income for the period		<u>(403,263,023)</u>	<u>(36,717,428)</u>

The annexed notes 1 to 11 form an integral part of these financial statements

Chief Financial Officer  
Islamabad: October 27, 2010

Chief Executive

Chairman / Director

# JAPAN POWER GENERATION LIMITED



## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

For The Quarter ended September 30, 2010

	<u>Sep 30, 2010</u> Rupees	<u>Sep 30, 2009</u> Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net loss before taxation	(402,333,140)	(36,696,309)
Adjustment for non-cash and other items:		
Depreciation	64,014,300	64,523,416
(Gain)/loss on disposal of fixed assets	-	18
Provision for gratuity	4,162,146	820,780
Financial charges	212,783,732	150,905,745
	<u>280,960,178</u>	<u>216,249,959</u>
Operating profit before working capital changes	(121,372,962)	179,553,650
Working capital changes		
Stores and spares	(39,257,695)	94,403
Stock in trade	(22,753,602)	9,734,006
Trade debts	(139,686,328)	(281,966,353)
Advances, deposits, prepayments and other receivables	(51,775,630)	33,488,202
Trade and other payables	479,464,061	80,404,292
	<u>225,990,806</u>	<u>(158,245,450)</u>
<b>Cash inflow after working capital changes</b>	<b>104,617,844</b>	<b>21,308,200</b>
Financial charges paid	(69,071,305)	(26,589,404)
Gratuity paid	(61,745)	-
Income tax paid	(929,882)	(21,113)
<b>Net cash inflow / out flow from operating activities</b>	<b>34,554,912</b>	<b>(5,302,317)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(15,904,043)	(41,969)
Proceeds from sale of property, plant and equipment	-	1,200
<b>Net cash outflow from investing activities</b>	<b>(15,904,043)</b>	<b>(40,769)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Change in long term loans/ finances	-	-
Change in short term borrowings	(40,000,000)	3,382,185
<b>Net cash inflow / out flow from financing activities</b>	<b>(40,000,000)</b>	<b>3,382,185</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(21,349,131)</b>	<b>(1,960,901)</b>
Cash and cash equivalents at beginning of the period	220,703,370	24,845,502
<b>Cash and cash equivalents at end of the period</b>	<b><u>199,354,239</u></b>	<b><u>22,884,601</u></b>

The annexed notes 1 to 11 form an integral part of these financial statements

Chief Financial Officer  
Islamabad: October 27, 2010

Chief Executive

Chairman / Director

# JAPAN POWER GENERATION LIMITED



## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) For The Quarter Ended September 30, 2010

	Share capital Rupees	Accumulated loss Rupees	Fair value reserve Rupees	Total Rupees
Balance as at July 01, 2009	1,560,375,910	(2,174,043,822)	934,986	(612,732,926)
Incremental depreciation on revaluation of property, plant & equipment	-	5,183,694	-	5,183,694
Total comprehensive income for the quarter	-	(36,717,428)	-	(36,717,428)
Balance as at September 30, 2009	<u>1,560,375,910</u>	<u>(2,205,577,556)</u>	<u>934,986</u>	<u>(644,266,660)</u>
Incremental depreciation on revaluation of property, plant & equipment	-	15,551,086	-	15,551,086
Total comprehensive income for the nine months	-	(415,634,724)	1,522,199	(414,112,525)
Balance as at June 30, 2010	<u>1,560,375,910</u>	<u>(2,605,661,194)</u>	<u>2,457,185</u>	<u>(1,042,828,099)</u>
Incremental depreciation on revaluation of property, plant & equipment	-	5,183,696	-	5,183,696
Total comprehensive income for the quarter	-	(403,263,023)	-	(403,263,023)
Balance as at September 30, 2010	<u><u>1,560,375,910</u></u>	<u><u>(3,003,740,521)</u></u>	<u><u>2,457,185</u></u>	<u><u>(1,440,907,426)</u></u>

The annexed notes 1 to 11 form an integral part of these financial statements

Chief Financial Officer  
Islamabad: October 27, 2010

Chief Executive

Chairman / Director

# JAPAN POWER GENERATION LIMITED



## CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS For The Quarter Ended September 30, 2010

### 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 4.1 and 4.2 of these financial statements, the Capacity Price Payments (CPP) were withheld by WAPDA to adjust these against its own disputed dues / amount of fuel advance. These disputes were referred to an expert but on the non implementation of the recommendations of the Expert, the company suspended its operations on December 24, 2008 and in order to expedite the settlements of the disputes, the company referred the matter to International Chamber of Commerce (ICC), pending adjudication at the terminal date, and expects a favourable decision that will generate a substantial cash inflow to the company as fully explained in Note - 4.3 of these financial statements.

Without prejudice to the arbitration proceedings at ICC, the company and WAPDA in the meantime have reached on an arrangement to restart the plant, whereby WAPDA 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 to be arrived at a full capacity of the project at 120.5 MW by the end of December, 2010. The management of the company, at present, is in the process of making necessary improvements / replacements of parts 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.

Under these circumstances, the management of the company is fully justified to prepare these financial statements 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 for the preparation of these financial statements are the same as applied in the preparation of the annual published financial statements of the company for the period ended June 30, 2010.

### 4 CONTINGENCIES AND COMMITMENTS

#### Contingencies:

4.1 As reported in the last year's annual report, the Company was contingently liable for the liquidated damages claimed by WAPDA for the period from July 1, 2001 to September 30, 2010, to the tune of Rs. 2,150.065 million out of which WAPDA has already arbitrarily deducted an amount of Rs. 882.899 million from Company's capacity invoices. The Company disputed the liquidated damages and arbitrary deduction by WAPDA from the Company's capacity invoices.

4.2 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. 659.941 million against the Company's CPP invoices for the period from March 14, 2006 to September 30, 2010. The total amount disputed by WAPDA comes to Rs. 1,043.973 million, against which WAPDA has arbitrarily withheld a total amount of Rs. 695.760 million from the Company's CPP invoices up-till September 30, 2010.

4.3 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 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.

# JAPAN POWER GENERATION LIMITED



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 Expert's recommendations. The claimed amount as per recommendations of the Expert is Rs. 3.6 billion (approximately). In the event of Tribunal completely ruling in favor of the Company, the net expected cash inflow after adjusting the Company's liabilities to WAPDA, could be Rs. 2.5 billion (approximately). The Arbitral Tribunal passed a partial award in which it allowed reimbursement of cost of the Expert mediation to the Company, however, amount would be determined by the Arbitral Tribunal. In the absence of quantified amounts by the Expert, the Tribunal, on June 29, 2010, as per provisions of the PPA, determined that WAPDA should deposit Rs. 7 million approximately in an escrow account. The hearing of the disputes in the ICC as planned was held on 11 and 12 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.

Accordingly, no adjustment in this context has been made in these financial statements. Further due to above said disputes, the WAPDA has not confirmed the balances as appearing in these financial statements.

4.4 The remaining contingencies are the same as were disclosed in the preceding annual accounts of the Company.

#### Commitments:

4.5 Letters of Credit and purchase commitments other than capital expenditure were in the sum of Rs. 58.85 million at the terminal date (June 30, 2010: Rs. 119.77 million).

#### 5. ACQUISITION AND DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

The following assets have been added / disposed off (at cost) during the quarter ended September 30, 2010:

	Sep 30, 2010		Sep 30, 2009	
	Additions	Disposal	Additions	Disposal
Plant and machinery	18,616,637	-	-	-
Furniture and fixtures	13,500	-	-	19,500
Electric installations	43,159	-	41,969	-
Computers	212,760	-	-	-
Office equipment	435,000	-	-	-
	<u>19,321,056</u>	<u>-</u>	<u>41,969</u>	<u>19,500</u>

#### 6. SALES

	Sep 30, 2010	Sep 30, 2009
	Rupees	Rupees
Energy payments	1,062,358,285	8,310,955
Capacity payments	135,269,289	223,587,732
	<u>1,197,627,574</u>	<u>231,898,687</u>

#### 7. COST OF SALES

	Sep 30, 2010	Sep 30, 2009
Fuel and oils consumed	1,162,272,086	11,915,778
Salaries, wages and benefits	5,525,907	3,145,549
Operating and maintenance fee	16,800,000	14,100,000
Stores and spares consumed	62,645,606	191
Electricity consumed in-house	66,240	3,201,595
Communication charges	604,800	576,200
Repair and maintenance	10,599,291	2,584,826
Power generation licensing expenditure	242,370	215,073
Insurance	5,714,998	6,272,745
Depreciation	63,675,451	64,179,992
	<u>1,328,146,749</u>	<u>106,191,949</u>

# JAPAN POWER GENERATION LIMITED



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

#### Semi Autonomous Bodies

National Logistics Cell

#### Development Finance Institutions (DFIs)

Pak Oman Investment Company Limited

Saudi Pak Industrial & Agricultural Investment Company Limited

### B. Disclosure of balances between company and related parties

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

Name of the party	Nature of balance	Sep 30, 2010	June 30, 2010
		Rupees	Rupees
National Logistics Cell	Short term borrowings - Secured	75,000,000	75,000,000
Pak Oman Investment Company Limited	Short term borrowings - Secured	68,200,000	68,200,000
Saudi Pak Industrial & Agricultural Investment Company Limited	Short term borrowings - Secured	31,800,000	31,800,000
		<b>175,000,000</b>	<b>175,000,000</b>
National Logistics Cell	Accrued mark up on outstanding balance	20,999,999	18,353,424
Pak Oman Investment Company Limited	Accrued mark up on outstanding balance	16,032,800	13,626,181
Saudi Pak Industrial & Agricultural Investment Company Limited	Accrued mark up on outstanding balance	7,800,264	6,678,116
		<b>44,833,063</b>	<b>38,657,721</b>

### C. Disclosure of transactions between company and 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	
		Sep 30, 2010 Rupees	Sep 30, 2009 Rupees
National Logistics Cell	Mark up on outstanding balance	2,646,575	2,646,575
Pak Oman Investment Company Limited	Mark up on outstanding balance	2,406,619	2,406,619
Saudi Pak Industrial & Agricultural Investment Company Limited	Mark up on outstanding balance	1,122,148	1,122,148
		<b>6,175,342</b>	<b>6,175,342</b>

## 9. PLANT CAPACITY AND ACTUAL PRODUCTION

Installed capacity in MWh	266,064	266,064
Actual energy delivered in MWh	109,933	1,541

Utilization of available capacity depends on the load demanded by WAPDA.

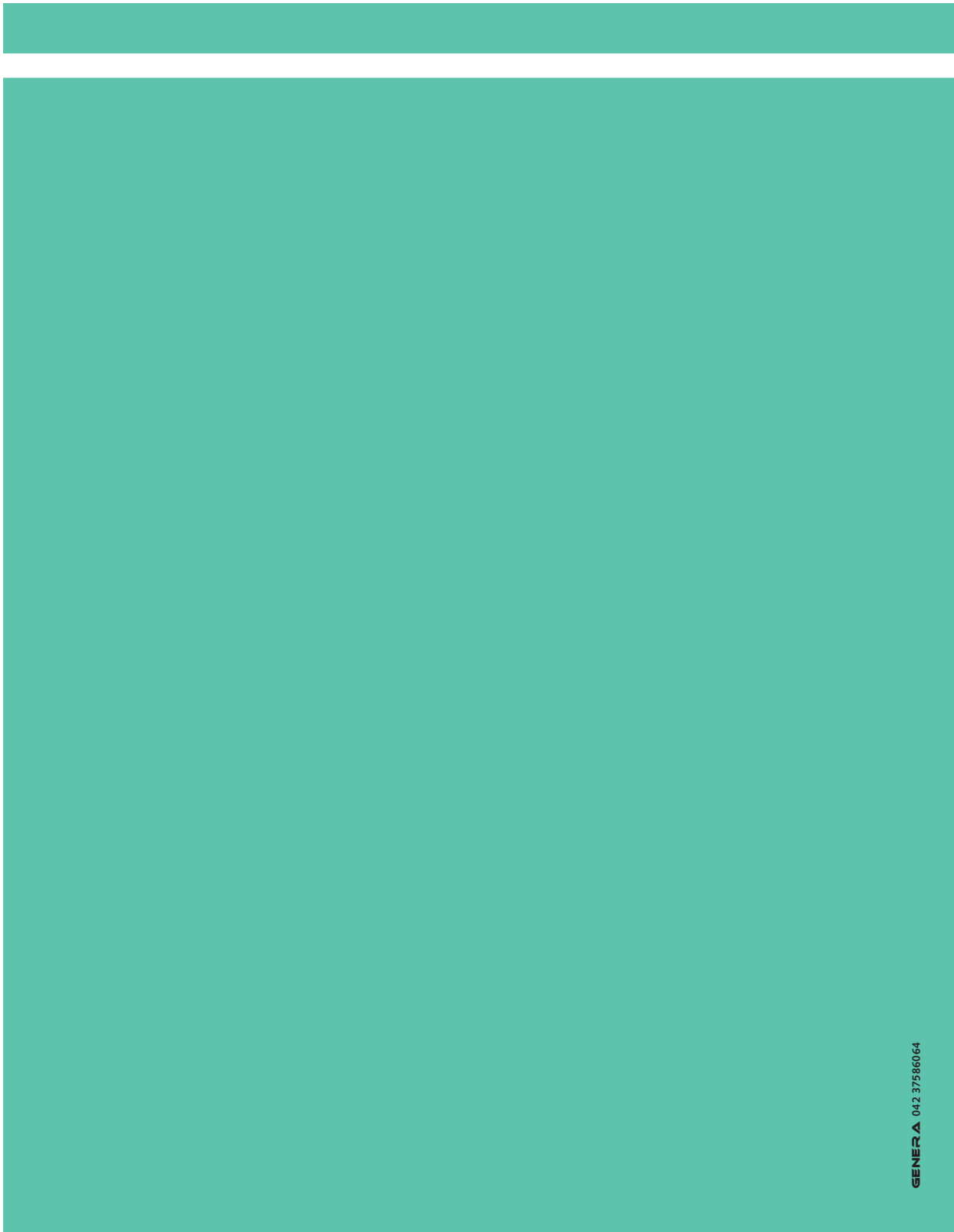
10. These financial statements were authorized for issue by the Board of Directors on October 27, 2010.

11. All figures except for June 30, 2010 figures appearing in these financial statements are un-audited. There has been no material re-arrangement or regrouping of figures of the corresponding period given in these financial statements for the purpose of comparison. Figures in these financial statements have been rounded off to the nearest rupee.

Chief Financial Officer  
Islamabad: October 27, 2010

Chief Executive

Chairman / Director



GENERA 042 37586064

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