

	Note	Sep 2009 (Rs. '000s)	Jun 2009 (Rs. '000s)
8.1 Goodwill			
Opening balance		1,659,483	-
Acquisition of a subsidiary		-	1,659,483
Adjustment during the period / year	8.1.1	(197,534)	-
		<u>1,461,949</u>	<u>1,659,483</u>

8.1.1 This represents the reduction in contingent share premium as agreed through amendment in the SPA (refer note 1.1). The corresponding provision for contingent share premium which is included in 'Trade and other payables' has also been reduced and, therefore, there is no impact on profit or loss of the Group. The amount of goodwill is subject to change on the basis of holding company achieving target rate of return on its investment at financial close.

9. TRADE DEBTS - Secured

Considered good	9.1	<u>27,041,003</u>	<u>46,629,457</u>
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9.1 This includes an amount of Rs. 19,513 million (June 2009: Rs. 40,044 million) from WAPDA which is overdue but not impaired because the trade debts are secured by a guarantee from the Government of Pakistan under the Implementation Agreement. The overdue amount carries interest / mark-up at SBP discount rate plus 2% per annum compounded semi-annually.

10. CASH AND BANK BALANCES

This includes Rs. 343.697 million (June 2009: Rs. 65.686 million) which is available only for Narowal expenditures.

11. SHORT TERM BORROWINGS

Secured

Finances under mark-up arrangements		820,000	2,433,355
Finances under mark-up arrangements - Narowal		-	1,148,890
	11.1 & 11.2	<u>820,000</u>	<u>3,582,245</u>
Finance under mark-up arrangement - subsidiary	11.3	36,806	10,015
		<u>856,806</u>	<u>3,592,260</u>

Unsecured

Short term running finance - subsidiary		1,500	1,500
		<u>858,306</u>	<u>3,593,760</u>

11.1 The facilities for running finance available from various banks amounted to Rs. 7,519 million (June 2009: Rs. 8,519 million) at a mark-up ranging between 0.75% to 3.00% per annum above one month KIBOR. The mark-up on the facilities is payable on monthly / quarterly basis in arrears. The facilities will expire during the period from December 31, 2009 to April 30, 2010. These facilities are secured by way of charge over the trade debts and stocks of the holding company pari passu with the existing charge. Any late payment by the holding company is subject to an additional payment of 2% per annum above the normal mark-up rate.

11.2 Included herein is a sum of Rs. Nil (June 2009: Rs. Nil) payable to an associated undertaking. The available facility amounts to Rs. 2,019 million (June 2009: Rs. 2,019 million).

11.3 The facility for running finance available to the subsidiary from a commercial bank amount to Rs. 45 million (June 2009: 20 million) at a mark-up rate of 3.00% per annum above one month KIBOR. The mark-up on the facility is payable on quarterly basis in arrears. The facility will expire on December 31, 2009. The facility is secured against the property of a related party of the directors representing minority interest in the subsidiary company.

12. TRADE AND OTHER PAYABLES

This includes an amount of Rs. 25,251 million (June 2009: Rs. 41,992 million) payable to Pakistan State Oil, out of which overdue amount is Rs. 17,675 million (June 2009: Rs. 37,894 million). The overdue amount carries interest / mark-up at SBP discount rate plus 2% per annum compounded semi-annually.

13. COMMITMENTS AND CONTINGENCIES

- 13.1 Counter guarantees, to meet the requirements under the Fuel Supply Agreement, issued to various banks which are secured pari passu with long term loans amount to Rs. 7,317 million (June 2009: Rs. 5,899 million).
- 13.2 In connection with the development of the Narowal Project, the holding company has entered into long term financing arrangements for debt financing of the project and to meet its obligations for equity funding commitments with various banks / financial institution for an amount of Rs. 15,750 million and Rs. 6,750 million respectively. The holding company withdrew Rs. 11,737 million from these facilities after obtaining lenders' consent for deferment of certain conditions precedent. During the quarter, the lenders have extended the date for fulfilment of conditions precedent up to November 07, 2009.

14. SEGMENT ANALYSIS

14.1 SEGMENT RESULTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	Hub power plant	Narowal power plant	Laraib power plant	Unallocated	Total
	(Rs. '000s)				
Turnover	22,005,287	-	-	-	22,005,287
Operating costs	(20,490,528)	-	-	-	(20,490,528)
GROSS PROFIT	1,514,759	-	-	-	1,514,759
Other income - net	23,313	3	(2,815)	-	20,501
General and administration expenses	(77,701)	(9,504)	(15,357)	(385)	(102,947)
Finance costs	(342,454)	-	(1,503)	-	(343,957)
	<u>1,117,917</u>	<u>(9,501)</u>	<u>(19,675)</u>	<u>(385)</u>	
Workers' profit participation fund					-
PROFIT FOR THE PERIOD					<u>1,088,356</u>

FOR THE QUARTER ENDED SEPTEMBER 30, 2008

	Hub power plant	Narowal power plant	Laraib power plant	Unallocated	Total
	(Rs. '000s)				
Turnover	28,115,111	-	-	-	28,115,111
Operating costs	(26,792,294)	-	-	-	(26,792,294)
GROSS PROFIT	1,322,817	-	-	-	1,322,817
Other income - net	92,894	-	(6,922)	-	85,972
General and administration expenses	(71,718)	(5,272)	(10,882)	(3,536)	(91,408)
Finance costs	(609,477)	-	(464)	(23,951)	(633,892)
	<u>734,516</u>	<u>(5,272)</u>	<u>(18,268)</u>	<u>(27,487)</u>	
Workers' profit participation fund					-
PROFIT FOR THE PERIOD					<u>683,489</u>

The unallocated items relate to costs incurred by the holding company for investment in subsidiary.

14.2 SEGMENT ASSETS

AS AT SEPTEMBER 30, 2009

	Hub power plant	Narowal power plant	Laraib power plant	Unallocated	Total
	(Rs. '000s)				
TOTAL ASSETS	<u>63,189,627</u>	<u>13,170,656</u>	<u>699,049</u>	<u>1,461,949</u>	<u>78,521,281</u>

AS AT JUNE 30, 2009

	Hub power plant	Narowal power plant	Laraib power plant	Unallocated	Total
	(Rs. '000s)				
TOTAL ASSETS	<u>80,890,539</u>	<u>8,638,673</u>	<u>651,511</u>	<u>1,659,483</u>	<u>91,840,206</u>

The unallocated assets represent the goodwill arising from the acquisition of subsidiary by the holding company.

15. TRANSACTIONS AND BALANCES WITH RELATED PARTIES / ASSOCIATED UNDERTAKINGS

	Note	3 months ended Sep 2009 (Rs. '000s)	3 months ended Sep 2008 (Rs. '000s)
Amounts paid for services rendered	15.1	852,118	562,022
Reimbursement of expenses and others		834	12
Mark-up on short term borrowings		-	70,652
Mark-up on Long term loans		26,679	-
Mark-up on short term borrowings from subsidiary's CEO		65	178
Mark-up on salary payable to subsidiary's CEO		445	-
Remuneration to key management personnel			
Salaries, benefits and other allowances		19,214	15,908
Retirement benefits		2,841	890
	15.2	22,055	16,798
Fees	15.3	-	450
Contribution to staff retirement benefit plans		8,743	3,776
15.1	These include transactions with principal shareholders of the holding company under various service agreements.		
15.2	Transactions with key management personnel are carried out under the terms of their employment. Key management personnel are also provided with the use of Company maintained automobiles.		
15.3	This represents fee to three independent directors.		
15.4	As at September 30, 2009, the outstanding balance of long term loans from an associated undertaking was Rs. 1,043.331 million (June 2009: Rs. 488.501 million) out of the total available facilities of Rs. 2,000 million (June 2009: Rs. 2,000 million).		
15.5	The transactions with associated companies are made under normal commercial terms and conditions.		

	Note	3 months ended Sep 2009 (Rs. '000s)	3 months ended Sep 2008 (Rs. '000s)
16. CASH AND CASH EQUIVALENTS			
Cash and bank balances		1,153,999	812,752
Finances under mark-up arrangements	11	(858,306)	(8,116,500)
		295,693	(7,303,748)

17. DATE OF AUTHORISATION

These financial statements were authorised for issue on October 28, 2009 in accordance with the resolution of the Board of Directors.

18. GENERAL

Figures have been rounded off to the nearest thousand rupees.

Javed Mahmood
Chief Executive

Syed Nizam A. Shah
Director