

GENERTECH PAKISTAN LIMITED
DIRECTORS REPORT

Dear Shareholders

The directors of your Company are presenting un-audited financial statements for the quarter ending March 31, 2010.

Operating Results

During the quarter ending March 31, 2010 your Company registered a Sale of Rs. Nil, with a Operating Loss of Rs. 0.989 million and Rs. 7.914 million as Net Loss for the period.

During the whole period under review, there was no demand from our standby customer for power supply, this caused nil sales during the period.

Management is keen to resume regular operation of the company, but present financial constraints and high input costs are hindering the efforts. Long awaited Corporate Rehabilitation Act (CRA) has been finalized, but not yet implemented, hence no positive outcome.

In addition, recent multiple increase in electricity tariff, has given a new hope for the revival of the project. Present tariff has made power generation from HFO quite viable. Due to acute energy shortage and gas load shedding, we are hoping that our old customers would come back to us. However, as we mentioned earlier company needs financial support to resume regular generation.

These operating results brought EPS to Rs. (0.40) as compared to Rs. (0.93) of the corresponding period last year.

For and on behalf of
Board of Directors

Jahangir Elahi
Chief Executive

Lahore: April 29, 2010.

GENERTECH PAKISTAN LIMITED
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2010

		March 2010 RUPEES	June 2009 RUPEES			March 2010 RUPEES	June 2009 RUPEES
	NOTE				NOTE		
EQUITY AND LIABILITIES				FIXED ASSETS			
SHARE CAPITAL AND RESERVES				PROPERTY PLANT & EQUIPMENT		335,199,117	356,102,949
Authorized share capital 20,000,000(2009 :20,000,000) Ordinary shares of Rupees 10/- each		<u>200,000,000</u>	<u>200,000,000</u>				
Issued, subscribed and paid up capital	3	198,000,000	198,000,000	LONG TERM DEPOSITS		239,794	239,794
Reserves	4	<u>(409,896,755)</u> <u>(211,896,755)</u>	<u>(386,264,121)</u> <u>(188,264,121)</u>				
NON CURRENT LIABILITIES							
LONG TERM FINANCING		29,307,843	29,307,843				
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		-	-				
CURRENT LIABILITIES				CURRENT ASSETS			
Trade and other payables		50,909,822	51,007,122	Stores, spares and loose tools		13,142,059	13,141,039
Mark-up accrued on loans		187,092,422	187,092,422	Stock in trade		-	-
Short term bank borrowings		154,429,081	154,429,081	Trade debts		139,775,669	142,914,209
Current portion of long term liabilities		301,649,707	301,649,707	Advances, prepayments and other receivables		21,701,918	21,701,243
		<u>694,081,032</u>	<u>694,178,332</u>	Cash and bank balances		1,433,563	<u>1,122,820</u>
						176,053,209	178,879,311
CONTINGENCIES AND COMMITMENTS	6	-	-				
		<u>511,492,120</u>	<u>535,222,054</u>			<u>511,492,120</u>	<u>535,222,054</u>

The annexed notes form an integral part of these accounts.

CHIEF EXECUTIVE

DIRECTOR

GENERTECH PAKISTAN LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2010

	For the nine months ended		For the quarter ended	
	March 31, 2010	March 31, 2009	March 31, 2010	March 31, 2009
	RUPEES	RUPEES	RUPEES	RUPEES
Sales - Net	-	-	-	-
Cost of sales	-	-	-	-
Gross loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Administrative expenses	<u>2,856,172</u>	<u>3,290,547</u>	<u>989,004</u>	<u>806,928</u>
Operating loss	(2,856,172)	(3,290,547)	(989,004)	(806,928)
Other income	-	-	-	-
	<u>(2,856,172)</u>	<u>(3,290,547)</u>	<u>(989,004)</u>	<u>(806,928)</u>
Other charges				
Financial charges	<u>541</u>	<u>31,837,415</u>	<u>-</u>	<u>10,614,720</u>
Depreciation	<u>20,775,921</u>	<u>23,261,606</u>	<u>6,925,307</u>	<u>6,988,331</u>
	<u>20,776,462</u>	<u>55,099,021</u>	<u>6,925,307</u>	<u>17,603,051</u>
Net loss for the period	(23,632,634)	(58,389,568)	(7,914,311)	(18,409,979)
Accumulated loss brought forward	<u>(666,209,871)</u>	<u>(349,552,065)</u>	<u>(666,209,871)</u>	<u>(349,552,065)</u>
Accumulated loss carried forward	<u>(689,842,505)</u>	<u>(407,941,633)</u>	<u>(674,124,182)</u>	<u>(367,962,044)</u>
Earnings per share	<u>(1.19)</u>	<u>(2.95)</u>	<u>(0.40)</u>	<u>(0.93)</u>

The annexed notes form an integral part of these accounts.

CHIEF EXECUTIVE

DIRECTOR

GENERTECH PAKISTAN LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2010

	March 2010 RUPEES	March 2009 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(23,632,634)	(58,389,568)
Adjustments for non cash charges and other items		
Depreciation	20,903,832	23,261,606
Financial charges	541	31,837,415
Profit on sale of fixed assets	-	-
	20,904,373	55,099,021
Cash flows from operating activities before working capital changes	(2,728,261)	(3,290,547)
(Increase) / decrease in current assets		
Stocks, Stores, Spares and Loose tools	(1,020)	2,020,281
Trade debts	3,138,540	406,368
Advances, prepayments and other receivables	(675)	(703)
	3,136,845	2,425,946
Increase/(decrease) in current liabilities		
Short term borrowings	-	-
Trade and other payables	(97,300)	720,867
	(97,300)	720,867
Cash generated from operating activities	311,284	(143,734)
Income tax paid	-	-
Financial charges paid	(541)	(2,171)
Net cash generated from operating activities	310,743	(145,905)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed assets acquired	-	-
Long term deposits	-	-
Sale proceeds of fixed assets	-	-
Net cash used in investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	-	-
Lease rentals paid	-	-
Dividend paid	-	-
Net cash flows from financing activities	-	-
Net increase /(decrease) in cash and cash equivalents	310,743	(145,905)
Cash and cash equivalents at the beginning of the period	1,122,820	1,200,470
Cash and cash equivalents at the end of the period	1,433,563	1,054,565

CHIEF EXECUTIVE

DIRECTOR

GENERTECH PAKISTAN LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2010

	Share Capital	Reserves		Accumulated Loss	TOTAL
		Capital	Revenue		
	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES
Balance as at July 01, 2008	198,000,000	114,945,750	165,000,000	(629,497,815)	(151,552,065)
Net loss for the period	-	-	-	(58,389,568)	(58,389,568)
Balance as at March 31, 2009	198,000,000	114,945,750	165,000,000	(687,887,383)	(209,941,633)
Balance as at July 01, 2009	198,000,000	114,945,750	165,000,000	(666,209,871)	(188,264,121)
Net loss for the period	-	-	-	(23,632,634)	(23,632,634)
Balance as at March 31, 2010	198,000,000	114,945,750	165,000,000	(689,842,505)	(211,896,755)

CHIEF EXECUTIVE

DIRECTOR

GENERTECH PAKISTAN LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE QUARTER ENDED MARCH 31, 2010

1 STATUS AND ACTIVITY

Genertech Pakistan Limited is a public limited company and its shares are quoted on all Stock Exchanges of Pakistan. The principal activity of the company is generation and distribution of electric power.

2 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of Quarterly Accounts are the same as applied, in the preparation of the preceding annual published accounts of the company.

3 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

18,000,000 (2009: 18,000,000) Ordinary shares of Rs. 10/- each fully paid in cash
 1,800,000 (2009: 1,800,000) Ordinary shares of Rs. 10/- each issued as fully paid bonus shares

	March 2010 RUPEES	June 2009 RUPEES
	180,000,000	180,000,000
	18,000,000	18,000,000
	198,000,000	198,000,000

4 RESERVES

Capital Reserve

Premium on issue of shares

114,945,750 114,945,750

Revenue Reserve

Revenue reserves

165,000,000 165,000,000

Accumulated loss

(689,842,505) (666,209,871)

(524,842,505) (501,209,871)

(409,896,755) (386,264,121)

5 TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

During the three months, the company sold electricity to associated undertaking, in the aggregate sum of Rs.Nil million (2009: Rs.Nil) million.

6 CONTINGENCIES AND COMMITMENTS

Contingencies

- a) Standard Bank ,Faysal Bank Limited, MCB Bank Limited and The Bank of Punjab filed a recovery suits for Rs. 14.224 Million, Rs. 66.263 Million, Rs. 65.959 Million and Rs. 96.298 Million respectively in the Lahore High Court, Lahore.
- b) Escorts Investment Bank Limited filed a recovery suit of Rs. 19.560 Million in the banking court , Lahore
- c) BRR International Modaraba filed a recovery suit of Rs. 76.807 Million in the Modaraba Tribunal.
- d) United Bank Limited filed recovery suit of Rs. 194.473 million in Banking Court Lahore.
- e) Crescent Commercial Bank Ltd. Filed recovery suit of Rs.87.020 million in the Hon. Lahore High Court.

Commitments

Commitment for the purchase of asset is Rs.100 Million (2009: 100 Million)

7 DATE OF AUTHORIZATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on April 29 ,2010 by the Board of Directors of the company.

8 FIGURES

Figures have been rounded off to the nearest rupee.

CHIEF EXECUTIVE

DIRECTOR