

## **S.G. Power Limited**

Annual Report 2000

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### **Company Information**

#### **BOARD OF DIRECTORS**

Mr. S. M. Ahmed  
Chairman  
Mr. Asim Ahmed  
Chief Executive  
Mst. Zubaida Khatoon  
Mr. Sohail Ahmed  
Mrs. Saba Sohail  
Mr. M. Rafiq Dawood  
Mr. S.M. Naqi

#### **SECRETARY**

Mr. Muneer Ahmed

#### **BANKERS**

Habib Bank Limited  
Habib Bank AG Zurich  
Allied Bank of Pakistan Limited

#### **AUDITORS**

M/s. M. Yousuf Adil Saleem & Co.  
(Chartered Accountants)

#### **REGISTERED OFFICE**

B-40, S.I.T.E., Karachi.

### **Notice of Annual General Meeting**

Notice is hereby given that the 7th Annual General Meeting of S. G. Power Limited will be held on Tuesday, 28th November, 2000 at 12:00 noon at the registered office of the Company at B -40, S.I.T.E., Karachi to transact the following business:

#### **Ordinary Business:**

1. To confirm the minutes of the Extra Ordinary General Meeting held on March 31, 2000.
  
2. To receive consider and adopt the audited accounts of the company for the year ended June 30, 2000 together with the Auditors and Directors report thereon.
  
3. To approve the payment of final Dividend of 15% for the year ended June 30, 2000 as recommended by the Directors.
  
4. To appoint the Auditors of the Company for the year ended June 30, 2001 and fix their remuneration. Messrs. M. Yousuf Adil Saleem & Co., Chartered Accountants, the present auditors retire and being eligible, offer themselves for reappointment.
  
5. To re-elect seven directors as fixed by the Board in accordance with the provision of the Companies Ordinance, 1984 for a term of three years. The names of retiring Directors are:
  1. Mr. S. M. Ahmed
  2. Mst. Zubaida Khatoon
  3. Mr. Sohail Ahmed
  4. Mr. Asim Ahmed
  5. Mrs. Saba Sohail
  6. Mr. M. Rafiq Dawood
  7. Mr. S. M. Naqi
  
6. To transact any other business with the permission of the Chair.

#### **SPECIAL BUSINESS**

To consider and if thought fit, pass the following Special Resolution with or without modification.

"RESOLVED that the Company's approval be and is hereby accorded under section 208 of the Companies Ordinance 1984 to further invest an amount of Rs.40 Million (Total Rs.90 Million) by way of loan in associated undertaking M/s. S. G. Fibre Ltd., at a mark up of not less than 14% per annum."

"Further resolved that the Chairman/Chief Executive be and is hereby authorized to take or cause to be taken any and all necessary actions for and on behalf of the Company as may be deemed necessary and appropriate in respect of investment herein mentioned."

By Order of the Board

Karachi:  
November 02, 2000.

**MUNEER AHMED**  
Company Secretary

#### **NOTES:**

1. The Share transfer books of the Company will remain closed from 22nd November, 2000 to 28th November, 2000 (Both days inclusive).
  
2. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies in order to be effective must be received at the registered office not less than 48 'hours before the time of Meeting.
  
3. Members are requested to communicate to the Company of any change in their addresses.

#### **Directors' Report**

Dear Shareholders,

The Directors of your Company take pleasure in presenting the 7th Annual Report and the Audited Accounts of the Company together with the Auditors' Report thereon for the year ended 30 June 2000.

**BOARD OF DIRECTORS:**

The election of Directors for a term of three years will be held in the 7th Annual General Meeting of the Company to be held on 28th November 2000. The name of persons who offer themselves for the election as Directors at the Annual General Meeting will be notified in accordance with the provision of section 178 of the Companies Ordinance 1984.

**FINANCIAL**

During the year under review Company's revenue has dropped because of discount given on rate of electricity to our only customer M/s. S. G. Fibre Limited, as it was facing unfavourable & difficult business conditions. Being our only customer we have to accommodate its needs and requirements because our prosperity is coupled with healthy and strong business conditions of S. G. Fibre Ltd. Moreover Sales Tax has also been imposed on Power Generating units and rates of Gas have also been increased by 15%.

The financial results for the year are as trader:

	<i>2000</i>	<i>1999</i>
	<i>Rupees</i>	<i>Rupees</i>
Unappropriated Profit B/f	52,723,251	13,817,563
Net Profit for the year	20,741,168	38,905,688
	-----	-----
	73,464,419	52,723,251
Appropriation		
Proposed Final Dividend 15% (1999 - Nil)	26,749,901	--
	-----	-----
Unappropriated Profit carried forward	46,714,518	52,723,251
	-----	-----

**SALE**

During the period under review the electricity generated and sold to its sister concern S. G. Fibre Limited is 54,781,500 KWH as against 51,657,335 KWH in 1999. It reveals ~ marginal increase in Units of electricity sold which is not significant but a healthy sign. Alhamdulillah sale and production of S. G. Fibre Limited are also showing an upward trend even against the overall difficult business conditions attributed by Traders strike, imposition of GST, imposition of 10% Excise Duty on Chips etc, which do have indirect impact on financial results of your company. But Alhamdulillah S. G. Fibre Limited has managed to face and overcome these problems and we are hopeful about the future coupled with favourable business conditions of S. G. Fibre Limited.

**DIVIDEND**

As mentioned, the Directors have recommended a cash dividend of 15% for the financial year 1999-2000.

**FUTURE OUT LOOK**

You have already accorded your approval for the Addition/Insertion of sub clause in Memorandum of Association for merger / amalgamation in Extra Ordinance General Meeting held on March 31, 2000.

The matter of merger with S. G. Fibre Limited is in pipeline. After your approval, the proposal will go through the process of Legal Formalities. Inshaallah after merger the overall financial soundness of the group and break up value of shares will be considerably improved.

Your sister concern is also planning for balancing, modernization and expansion of existing project. After this the production capacity will be increased and ultimately consumption of electricity will also increase significantly.

**PATTERN OF SHAREHOLDING**

A statement showing pattern of shareholding in the Company as at June 30, 2000 is attached to the Accounts.

**AUDITORS**

The present Auditors Messrs. M. Yousuf Adil Saleem & Co. Chartered Accountants retire and being eligible,

offer themselves for reappointment.

#### **ACKNOWLEDGMENT**

The management enjoys very cordial and good relations with the employees and also wishes to place on record its deep appreciation for the hard work and positive efforts made by the executives and employees.

For and on behalf of the Board of Directors

Karachi:  
November 02, 2000

**S. M. AHMED**  
Chairman

#### **Auditors' Report to the Members**

We have audited the annexed balance sheet of S.G. POWER LIMITED as at June 30, 2000 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

b) in our opinion:

- i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
- ii) the expenditure incurred during the year was for the purpose of the Company's business; and
- iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

c. in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2000 and of the profit, its cash flows and changes in equity for the year then ended; and

d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under Section 7 of that Ordinance.

**Karachi:**

**M. Yousuf Adil Saleem & Co.**

**Balance Sheet as at June 30, 2000**

	<i>Note</i>	<i>2000 Rupees</i>	<i>1999 Rupees</i>
<b>SHARE CAPITAL ARE RESERVES</b>			
<b>Authorised</b>			
20,000,000 Ordinary shares of Rs. 10/= each		200,000,000	200,000,000
=====			
Issued, subscribed and paid up 17,833,267 Ordinary shares of Rs. 10/= each fully paid in cash		178,332,670	178,332,670
<b>Capital Reserve</b>			
Share premium		89,116,330	89,116,330
Unappropriated profit		46,714,518	52,723,251
		-----	-----
		314,163,518	320,172,251
<b>DEFERRED LIABILITY</b>			
Staff gratuity		616,948	546,134
<b>CURRENT LIABILITIES</b>			
Creditors, accrued and other liabilities	3	22,436,428	19,250,428
Taxation		6,050,262	3,519,392
Dividend	4	27,587,642	9,027,339
		-----	-----
		56,074,332	31,797,159
<b>CONTINGENCIES</b>			
	5	--	--
		-----	-----
		370,854,798	352,515,544
=====			
<b>OPERATING FIXED ASSETS</b>			
	6	182,353,015	201,691,084
<b>LONG TERM DEPOSITS AND DEFERRED COSTS</b>			
	7	3,000,000	4,678,689
<b>LONG TERM DEPOSITS</b>			
	8	44,200,000	44,200,000
<b>CURRENT ASSETS</b>			
Stores and spares		6,441,658	8,068,950
Debtor	9	117,571,236	83,536,725
Advances and prepayments	10	429,712	209,943
Other receivables	11	16,827,076	10,080,754
Cash at banks in current accounts		32,101	49,399
		-----	-----
		141,301,783	101,945,771
		-----	-----

370,854,798 352,515,544

The annexed notes form an integral part of these accounts.

**CHIEF EXECUTIVE****DIRECTOR****Profit and Loss Account  
for the year ended June 30, 2000**

	<i>Note</i>	<i>2000 Rupees</i>	<i>1999 Rupees</i>
Revenue	12	130,254,750	165,227,084
Generation Cost	13	(99,907,841 )	(116,055,443)
		-----	-----
Gross profit		30,346,909	49,171,641
Administration expenses	14	(6,902,232)	(6,753,558)
		-----	-----
Other income	15	23,444,677	42,418,083
		6,364,954	6,692,843
		-----	-----
Financial charges	16	29,809,631	49,110,926
		(2,170,457)	(2,223,926)
		-----	-----
Other allocations	17	27,639,174	46,887,000
		(3,064,455)	(4,019,565)
		-----	-----
Profit before taxation		24,574,719	42,867,435
Taxation			
Current		2,205,457	2,135,873
Prior Years		1,628,094	1,825,874
		-----	-----
		(3,833,551)	(3,961,747)
		-----	-----
Profit after taxation		20,741,168	38,905,688
Unappropriated profit brought forward		52,723,251	13,817,563
		-----	-----
Profit available for appropriations		73,464,419	52,723,251
Appropriations:			
Proposed cash dividend 15% per share		(26,749,901)	--
		-----	-----
Unappropriated profit carried forward		46,714,518	52,723,251
		=====	=====
Earning per share	21	1.16	2.18

The annexed notes from 1 to 24 form an integral part of these accounts.

**CHIEF EXECUTIVE****DIRECTOR****Cash Flow Statement  
for the year ended June 30, 2000****2000 1999**

	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>			
Profit before taxation		24,574,719	42,867,435
Adjustment to reconcile profit to net cash provided by operating activities:			
Depreciation		20,427,069	22,465,900
Deferred costs amortized		1,678,689	1,678,673
Provision for gratuity - net		70,814	94,817
		-----	-----
		22,176,572	24,239,390
		-----	-----
Cash from operating activities before working capital changes		46,751,291	67,106,825
Changes in working capital (Increase)/Decrease in current assets:			
Stores and spares		1,627,292	(7,597,723)
Debtors		(34,034,511)	(21,377,858)
Advances and prepayments		(219,769)	832,923
Other receivables		(6,746,322)	(6,139,449)
		-----	-----
		(39,373,310)	(34,282,107)
Increase/(Decrease) in current liabilities Creditors, accrued and other liabilities		3,186,000	3,997,182
		-----	-----
		10,563,981	36,821,900
Tax paid		( 1,302,681 )	(442,355)
Dividend paid		(8,189,598)	(36,250,971)
		-----	-----
Net cash from operating activities		1,071,702	128,574
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(1,089,000)	(111,000)
Advance to associated undertaking		--	--
		-----	-----
Net cash used in investing activities		(1,089,000)	(111,000)
		-----	-----
Net Increase / (Decrease) in cash and cash equivalents		(17,298)	17,574
Cash and bank balances at the beginning of the year		49,399	31,825
		-----	-----
Cash and bank balances at the end of the year		32,101	49,399
		=====	=====

CHIEF EXECUTIVE

DIRECTOR

### Statement of Changes in Equity for the year ended June 30, 2000

	<i>Issued, Subscribed Paid up Capital</i>	<i>Capital Reserve</i>	<i>Unappropriated Profit</i>	<i>Total</i>
Balance at July 01, 1998	178,332,670	89,116,330	13,817,563	281,266,563
Profit after Taxation	--	--	38,905,688	38,905,688

Balance as at June 30, 1999	178,332,670	89,116,330	52,723,251	320,172,251
Profit after Taxation	--	--	20,741,168	20,741,168
Proposed Dividend @ 15%	--	--	(26,749,901)	(26,749,901)
Balance as at June 30, 2000	178,332,670	89,116,330	46,714,518	314,163,518

## Notes to the Accounts for the year ended June 30, 2000

### 1. STATUS AND ACTIVITIES

The Company is limited by shares incorporated in Pakistan on February 10, 1994 under Companies Ordinance, 1984 and listed on Karachi and Islamabad Stock Exchanges. The business of the Company is generation and supply of the electric power. The project is a captive power plant which is located at S.I.T.E, Karachi in the province of Sindh.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Accounting convention

These accounts have been prepared under 'historical cost convention'.

#### 2.2 Staff retirement benefits

The company operates an unfunded gratuity scheme for all employees, payable on cessation of employment, subject to a minimum qualifying period of service. Provision is made annually to cover obligations under the scheme for all employees eligible to gratuity benefits.

#### 2.3 Taxation

Profits and gains derived by the Company from electric power generation project are exempt from tax under clause 176 of the Second Schedule to the Income Tax Ordinance, 1979.

The company is also exempt from minimum tax on turn over under clause 20 of the Part IV of Second Schedule to the Income Tax Ordinance, 1979.

#### 2.4 Operating Fixed Assets

Operating assets are stated at cost less accumulated depreciation.

Depreciation is charged to income on reducing balance method at the rates specified in operating assets note.

Depreciation on additions during the year is charged on the basis of whole year, while no depreciation is charged on deletion during the year. However major capitalization of project cost are depreciated on proportionate basis for the period of use.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized.

Gains and losses on disposal of assets are included in current income.

#### 2.5 Deferred costs

These are amortized over a maximum period of five years from the year of deferment.

#### 2.6 Stores and spares

These are valued at moving average cost. Items in transit are stated at cost, accumulated upto the balance sheet date.



**2.7 Debtors**

Known bad debts are written off and provision is made against debts considered doubtful.

**2.8 Revenue Recognition**

Revenue from supply of electricity is recognized on issue of bill on monthly basis.

	<i>2000</i>	<i>1999</i>
	<i>Rupees</i>	<i>Rupees</i>
<b>3. CREDITORS, ACCRUED AND OTHER LIABILITIES</b>		
Creditors	5,694,342	5,600,457
Accrued expenses	1,061,193	1,112,101
Workers' profit participation fund (3.1)	15,675,090	12,534,495
Withholding tax	5,803	3,375
	-----	-----
	22,436,428	19,250,428
	=====	=====

**3.1 Workers profit participation fund**

Opening balance	12,534,495	8,584,087
Interest on fund utilized in Company's business	1,754,829	1,609,516
	-----	-----
	14,289,324	10,193,603
Allocation for the year	1,385,766	2,340,892
	-----	-----
	15,675,090	12,534,495
	=====	=====

**4. DIVIDEND**

Proposed dividend	26,749,901	--
Unclaimed dividend	837,741	9,027,339
	-----	-----
	27,587,642	9,027,339
	=====	=====

**5. CONTINGENCIES**

5.1 Letter of guarantee issued to Sui Southern Gas Company Limited on behalf of the company

15,000,000	15,000,000
=====	=====

5.2 The company has filed a writ petition in the Honorable Lahore High Court against levy of import duty and sales tax in breach of declared exemption as per energy policy of the Federal Government. In Case of favourable decision, refund of Rs. 13,816,385 paid to the Collector of Custom in respect of duties on import of generators is expected.

**6. OPERATING FIXED ASSETS**

<b>Particulars</b>	<i>Cost at</i>	<i>Addition/</i>	<i>Cost at</i>	<i>Accumulated</i>	<i>Accumulated</i>	<i>Accumulated</i>	<i>Rate</i>	
	<i>July 01,</i>	<i>(Deletion)</i>	<i>June 30,</i>	<i>depreciation</i>	<i>for the</i>	<i>depreciation</i>	<i>value at</i>	
	<i>1999</i>		<i>2000</i>	<i>at July 01,</i>	<i>year</i>	<i>at June 30,</i>	<i>June 30,</i>	
			<i>1999</i>	<i>2000</i>	<i>for the</i>	<i>at June 30,</i>	<i>June 30,</i>	
				<i>2000</i>	<i>year</i>	<i>at June 30,</i>	<i>June 30,</i>	
				<i>2000</i>	<i>for the</i>	<i>at June 30,</i>	<i>June 30,</i>	
Generators	297,388,459	--	297,388,459	97,417,356	19,997,110	117,414,466	179,973,993	10
Air handling Unit	475,420	--	475,420	163,497	31,192	194,689	280,731	10
Electric fitting	102,990	--	102,990	35,418	6,757	42,175	60,815	10
Gas installation	1,101,542	--	1,101,542	378,820	72,272	451,092	650,450	10
Factory equipment	270,700	--	270,700	54,553	21,615	76,168	194,532	10
Vehicles	1,023,700	1,089,000	2,112,700	622,083	298,123	920,206	1,192,494	20

	300,362,811	1,089,000	301,451,811	98,671,727	20,427,069	119,098,796	182,353,015
1999 Rupees	300,251,811	111,000	300,362,811	76,205,827	22,465,900	98,671,727	201,691,084

	<i>2000</i>	<i>1999</i>
	<i>Rupees</i>	<i>Rupees</i>
<b>6.2 Depreciation for the year has been allocated as under:</b>		
Generation Cost	20,128,946	22,365,496
Administration expenses	298,123	100,404
	-----	-----
	20,427,069	22,465,900
	=====	=====

## 7. LONG TERM DEPOSIT AND DEFERRED COSTS

Long term margin deposit	3,000,000	3,000,000
Deferred Costs (7.1)	--	1,678,689
	-----	-----
	3,000,000	4,678,689

### 7.1 Deferred Costs

Preliminary expenses	248,891	248,891
Share issue expenses:		
Commission on placement	1,784,326	1,784,326
Underwriting commission	4,580,413	4,580,413
Other	1,779,751	1,779,751
	-----	-----
	8,144,490	8,144,490
	-----	-----
	8,393,381	8,393,381

### Amortized:

Opening balance	6,714,692	5,036,019
During the year	1,678,689	1,678,673
	-----	-----
	(8,393,381)	(6,714,692)
	-----	-----
	--	1,678,689
	=====	=====

## 8. DEBTORS

Unsecured - considered good		
Associated undertaking	117,571,236	83,536,725
	=====	=====

Maximum aggregate amount due from associated undertaking at the end of any month during the year was Rs. 117,571,236 (1999 - Rs 111,571,346).

<b>9. ADVANCE TO ASSOCIATED UNDERTAKING</b>	44,200,000	44,200,000
	=====	=====

It is unsecured and subject to markup @ 14% per annum.

Maximum aggregate amount due from associated undertaking at the end of any month during the year was Rs. 44,200,000 (1999 - Rs. 44,200,000).

**10. ADVANCES AND PREPAYMENTS**

Advances:		
Staff	5,000	1,500
Suppliers	40,662	45,920
Income tax	308,346	85,614
Prepayments	75,704	76,909
	-----	-----
	429,712	209,943
	=====	=====

**11. OTHER RECEIVABLES . Considered good**

Interest on loan to associated undertaking	15,772,280	9,584,288
Interest on deposits	104,017	146,466
Sales tax	250,533	--
Others	700,246	350,000
	-----	-----
	16,827,076	10,080,754
	=====	=====

**12. REVENUE**

Sale of electricity (12.1)	130,254,750	161,029,490
Sale of steam (12.2)	--	4,197,594
	-----	-----
	130,254,750	165,227,084
	=====	=====

12.1 With effect from July 1st, 1999 as per the Board's approval.

-- The rate of electricity has been revised down ward and charges for the supply of steam is also included in the revised rate. Accordingly no separate income is recorded for the sale of steam.

-- The Company has done away with the policy of charging late payment surcharge on delayed receipt of payment from the associated undertaking for sale of electricity.

**13. GENERATION COST**

Gas	67,274,953	62,513,859
Oil and lubricants	3,134,826	3,591,327
Generators overhauling	--	20,453,875
Repairs and Maintenance	28,615	138,871
Salaries, wages and benefits	2,658,919	2,215,489
Stores and spares	2,494,460	492,652
Rent, rates and taxes	2,100,000	2,100,000
Water	1,744,824	1,936,144
Depreciation	20,128,946	22,365,496
Insurance	342,298	247,330
Others	--	400
	-----	-----
	99,907,841	116,055,443
	=====	=====

**14. ADMINISTRATION EXPENSES**

Service charges to associated undertaking	6,000,000	6,000,000
Postage	21,843	46,913
Printing and Stationery	76,622	16,085
Rent, rates and taxes	105,750	166,120
Fees and subscription	61,700	63,500
Legal and professional	93,500	118,880

Auditors remuneration ( 14.1 )	55,000	55,000
Vehicles running	77,437	59,437
Advertisement	47,840	101,460
Entertainment	64,417	25,759
Depreciation	298,123	100,404
	-----	-----
	6,902,232	6,753,558
	=====	=====

**14.1 Auditors remuneration**

Audit fees	50,000	50,000
Out of pocket expenses	5,000	5,000
	-----	-----
	55,000	55,000
	=====	=====

**15. OTHER INCOME**

Interest on advance to associated undertaking	6,187,992	6,188,000
Return on deposits - net of Zakat	176,962	284,343
Scrap sale	--	220,500
	-----	-----
	6,364,954	6,692,843
	=====	=====

<b>2000</b>	<b>1999</b>
<b>Rupees</b>	<b>Rupees</b>

**16. FINANCIAL CHARGES**

W.P.P.F.	1,754,829	1,609,516
Bank Charges	415,628	614,410
	-----	-----
	2,170,457	2,223,926
	=====	=====

**17. OTHER ALLOCATIONS**

Amortization of deferred costs	1,678,689	1,678,673
workers' profit participation fund	1,385,766	2,340,892
	-----	-----
	3,064,455	4,019,565
	=====	=====

**18. TRANSACTION WITH ASSOCIATED UNDERTAKINGS**

Transactions with associated undertakings include sale of electricity Rs. 130,254,750/- (1999 - Rs. 165,277,084/-) and interest on advances Rs. 6,187,992/- (1999 -Rs. 6,188,000/-).

**19. REMUNERATION TO DIRECTORS AND EXECUTIVES**

Chief Executive and Directors are providing services without any remuneration and have also waived their meeting fee.

Executives:		
Basic salary	278,136	240,177
House rent allowance	125,128	108,076
Utility allowance	50,604	36,569
	-----	-----

	453,868	384,822
	=====	=====
No. of persons	2	1

**20. PLANT CAPACITY AND ACTUAL PRODUCTION**

	ELECTRICITY KWH		STEAM KGS	
	2000	1999	2000	1999
Annual Capacity	84,954,240	84,954,240	57,456,000	57,456,000
Actual Generation	54,781,500	51,657,335	27,490,250	27,983,960

**Reason for low generation**

The capacity is in excess of present demand.

	<b>2000</b>	<b>1999</b>
	<b>Rupees</b>	<b>Rupees</b>

**21. EARNINGS PER SHARE**

There is no dilutive effect on the basic earning per share of the Company which is based on:

Profit after taxation	Rs.	20,741,168	38,905,688
Average ordinary shares in issue during the year ended June 30, 2000	Rs.	17,833,267	17,833,267
Earnings per share	Rs.	1.16	2.18

**22. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES****Concentration of Credit Risk**

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. The Company applies credit limit to its customer and does not have significant exposure to its customer.

**Interest Rate Risk**

Interest rate risk arise from the possibility that changes in interest rates will effect the value of financial instruments. The Company is not exposed to interest rate risk.

**Fair Value of Financial Instruments**

The carrying value of all the financial instruments reported in the financial statements approximate their fair value.

**23. NUMBER OF EMPLOYEES**

Number of employees as at year end	33	33
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**24. GENERAL**

24.1 Figures have been rounded off nearest to Rupee.

24.2 Corresponding figures have been re-arranged and regrouped wherever necessary for the purpose of comparison.

**CHIEF EXECUTIVE****DIRECTOR****Pattern of Share Holding  
as at June30, 2000**

NUMBER OF SHARE HOLDERS	HOLDINGS		TOTAL SHARES HELD
	FROM	TO	

136	1	100	13,600
2399	101	500	1,193,800
96	501	1000	94,800
109	1001	5000	311,100
31	5001	10000	240,300
10	10001	15000	123,000
5	15001	20000	86,000
4	20001	25000	95,400
1	30001	35000	31,000
1	35001	40000	35,500
1	40001	45000	41,500
2	45001	50000	100,000
1	75001	80000	76,000
1	170001	175000	170,500
2	295001	300000	600,000
1	655001	660000	656,480
3	1185001	1190000	3,568,653
1	2360001	2365000	2,364,069
1	2370001	2375000	2,373,350
1	2490001	2495000	2,494,069
1	3160001	3165000	3,164,146
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2807			17,833,267

**CATEGORIES OF  
SHARE HOLDERS**

	<i>NUMBERS</i>	<i>SHARES</i>	<i>PERCENTAGE</i>
		<i>HELD</i>	
individuals	2795	12,770,634	71.61%
Financial Institutions	5	1,438,480	8.07%
Foreign Investors	3	3,568,653	20.01%
Modaraba Companies	1	41,500	0.23%
Joint Stock Companies	3	14,000	0.08%
Insurance Companies	--	--	0.00%
Others	--	--	0.00%
	-----	-----	-----
Total	2807	17,833,267	100.00%