



growth through energy

SEC-1347 KSE

02 July 2014

The General Manager,
Karachi Stock Exchange Limited
Karachi.

Fax No. 111-573-329

Dear Sir,

Dissemination of Material Information

Please refer note 12.1 to the half yearly unconsolidated financial statements for the period ended December 2013 which is already available with you and is also readily available on the Company's website (for easy reference copy of the note is attached).

We are pleased to inform you that the Honourable Supreme Court of Pakistan ("SCP") has decided the case in favor of the Company. Consequently, the Company shall be entitled to receive a refund of Rs 1,912 million which was paid to the Federal Board of Revenue ("FBR").

It is pertinent to state that the FBR may seek review of the aforementioned judgment pursuant to Article 188 of The Constitution of the Islamic Republic of Pakistan, 1973.

You are requested to kindly inform the members of the Exchange accordingly. Should you require any further assistance please do not hesitate to contact us.

Yours sincerely,

Shamsul Islam
Company Secretary

Extract from the Financial Statement for the half year ended December 2013

12. COMMITMENTS AND CONTINGENCIES

12.1 In 1998, the Federal Board of Revenue (FBR) made assessments under section 52/86 of the Income Tax Ordinance, 1979 [ITO,79] amounting to Rs. 1,896 million stating that the Company did not withhold tax at the time of issue of shares to sponsors against project development costs incurred by them. The Company deposited Rs. 297 million against the above assessments in accordance with the departmental procedures prevalent at that time. Appeals filed by the Company before the Commissioner of Income tax (Appeals) and thereafter with the Income Tax Appellate Tribunal (the "ITAT") were decided against the Company. Against the decision of the ITAT, the Company filed appeals before the High Court (the "HC") which were also decided against the Company in March 2012. Against the decision of the HC, the Company filed further appeals before the Honourable Supreme Court of Pakistan (SCP) along with stay application which are pending adjudication.

In order to restrict the penal exposure of the Company, in May 2012 the Company availed the scheme offered by the FBR vide SRO 547(I)/2012 dated May 22, 2012 and made payment of Rs. 1,615 million. In accordance with the scheme, the FBR has informed the Company that penalties and default surcharge amounting to Rs. 2,925 million levied on the Company in connection with the above tax demand have been waived.

The Company's case in the SCP will continue as provided in the above SRO. The management and their tax and legal advisors are of the opinion that the position of the Company is sound on technical basis and eventual outcome ought to be in favour of the Company in the case filed before the SCP. Pending the outcome of the case, no provision has been made in these condensed interim financial statements.