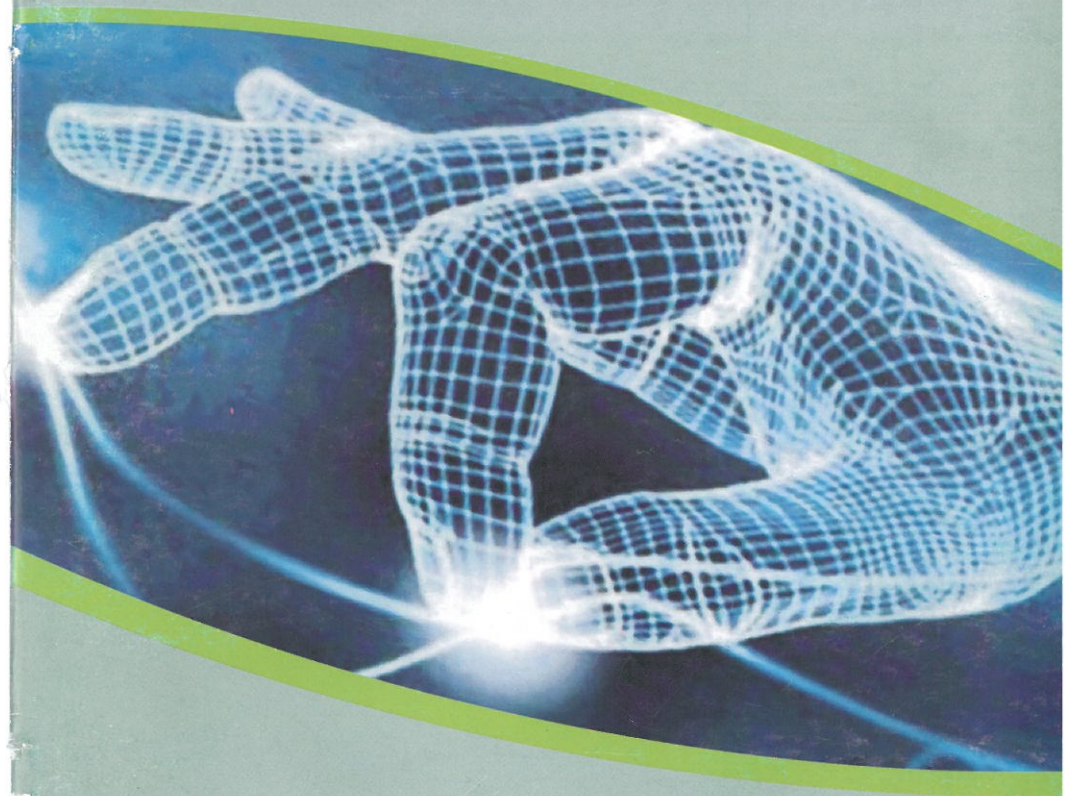




ALTERN ENERGY LIMITED



INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)

FOR THE QUARTER ENDED
SEPTEMBER 30, 2011



INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)

FOR THE QUARTER ENDED
SEPTEMBER 30, 2011

ALTERN ENERGY LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Abdul Razak Dawood

(Chairman)

Syed Zamanat Abbas

(Chief Executive)

Mr. Salman Zakaria

Mr. Fazal Hussain Asim

Mr. Khalid Salman Khan

Syed Ali Nazir Kazmi

(Alternate Director to Mr. Khalid Salman Khan)

Mr. Shah Muhammad Chaudhry

Mr. Sabah T. Barakat

AUDIT COMMITTEE

Mr. Abdul Razak Dawood

(Chairman)

Mr. Shah Muhammad Chaudhry

Mr. Fazal Hussain Asim

CFO AND COMPANY SECRETARY

Mr. Umer Shehzad

AUDITORS

KPMG Taseer Hadi & Co.

Chartered Accountants

BANKERS

MCB Bank Ltd.

The Bank of Punjab

REGISTERED OFFICE

DESCON HEADQUARTERS

18-km Ferozpur Road, Lahore.

REGISTRAR SHARES

Corplink (Pvt.) Limited

Wings Arcade, 1-k Commercial Model Town, Lahore.

Tel: (92-42) 35839182 Fax: (92-42) 35869037

DIRECTORS' REVIEW

Altern Energy Limited Review

The Board of Directors of the Company feels pleasure in presenting you the operational performance and (un-audited) financial statements of the Company for the 1st Quarter ended September 30, 2011.

During the period under review, the total turnover of the Company for the 1st quarter reached at Rs. 325.63 million. The Company earned a gross profit of Rs. 61.32 million and reported a net profit after tax of Rs. 10.38 million which is lower by Rs. 28.05 million as compared to the 1st quarter of the previous financial year.

During the period under review, the Company dispatched 57.51 GWhr to WAPDA as compared to 60.17 GWhr delivered during the first quarter ended September 30, 2010.

Under the current circumstances involving huge circular debt, WAPDA is partially releasing due payments, but with applicable late payments mark-up amount. This has caused huge liquidity problems to the whole IPP sector. AEL and other IPPs are regularly pursuing WAPDA and GoP for early resolution of matter.

During the period, the overall health, safety and environment performance of the plant remained satisfactory and the Company has been successfully dispatching electricity to national grid for minimizing the countrywide power crises.

Subsidiary Review

We are pleased to inform you that during the period under review, Rousch (Pakistan) Power Limited, AEL's subsidiary, has been operating smoothly and has resulted in net profit of Rs. 684.67 million (2010: Rs. 422.40 million), giving earning per share of Rs. 0.79 (2010: Rs. 0.49). We are confident that Rousch will continue to operate at optimum level in future.

The Company continues to discharge its liabilities as they become due. During the period, the Company has repaid Rs. 1.83 billion being the debt servicing due in September '11 to the senior and subordinated debt lenders.

The Plant performance remained satisfactory during the period under review which has been dispatched at base load to the national grid. The power station delivered 825.669 GWhr of electricity to WAPDA during the three months of the financial year 2011-2012 as compared to 808.003 GWhr delivered during the corresponding period of the previous financial year. During the first three months of the financial year, the Company has passed on Rs. 42.58 million to WAPDA as its share of gas efficiency, which accrued as a result of the efficient operation of plant.

The Company is working with Siemens for carrying out Life Time Extension Measures in 2012 in efficient and cost effective manner. These measures will not only extend the life of the machinery but would also help in optimizing the plant capacity.

We take this opportunity to thank our shareholders, our bankers, our staff and our contractors for their continued support and hard work.

For and behalf of the Board of Directors

Lahore
October 20, 2011

Syed Zamanat Abbas
Chief Executive

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET (UN-AUDITED)

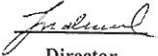
		Unaudited 30 September 2011	Audited 30 June 2011
		(Rupees in Thousand)	
EQUITY AND LIABILITIES	Note		
Share Capital			
Authorized capital			
400,000,000 (30 June 2011: 400,000,000) ordinary shares of Rs. 10/- each		<u>4,000,000</u>	<u>4,000,000</u>
Issued, subscribed and paid up capital			
342,550,000 (30 June 2011: 342,550,000) ordinary shares of Rs. 10/- each		3,425,500	3,425,500
Accumulated loss		<u>(617,289)</u>	<u>(627,673)</u>
		<u>2,808,211</u>	<u>2,797,827</u>
Non-current liabilities			
Sponsors' loan -unsecured		538,679	511,646
Long term loans	4	770,015	773,356
Deferred liabilities		1,007	940
		<u>1,309,701</u>	<u>1,285,942</u>
Current liabilities			
Trade and other payables		286,732	275,809
Mark up accrued		55,720	23,922
Current portion of long term loan	4	138,214	138,912
Provision for taxation		2,032	1,660
		<u>482,698</u>	<u>440,303</u>
		<u>4,600,610</u>	<u>4,524,072</u>
Contingencies and commitments	5		

The annexed notes form an integral part of these financial statements.


 Chief Executive

AS AT SEPTEMBER 30, 2011

		Unaudited 30 September 2011	Audited 30 June 2011
ASSETS	Note	(Rupees in Thousand)	
Non-current assets			
Property, plant and equipment			
-Operating fixed assets	6	1,050,952	1,051,137
-Capital work-in-progress		-	1,538
Long term investments	7	3,204,510	3,204,510
Long term deposits		38	38
		4,255,500	4,257,223
Current assets			
Stores and spares		41,372	46,489
Trade debts - unsecured, considered good		215,925	208,982
Advances, prepayments and other receivables		5,635	5,444
Cash and bank balances		82,178	5,934
		345,110	266,849
		4,600,610	4,524,072


Director

**CONDENSED INTERIM UNCONSOLIDATED PROFIT & LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011**

		30 September 2011	30 September 2010
	<i>Note</i>	(Rupees in Thousand)	
Revenue - net	8	325,625	338,216
Direct cost	9	(264,305)	(251,302)
Gross profit		61,320	86,914
Administrative expenses		(2,886)	(4,811)
Other operating income		1,826	1,249
Profit from operations		60,261	83,352
Finance cost	10	(49,237)	(44,036)
Profit before taxation		11,024	39,316
Taxation		(639)	(875)
Profit after taxation		10,385	38,441
Earnings per share - basic and diluted		0.03	0.11

The annexed notes form an integral part of these financial statements.



Chief Executive



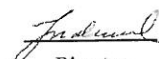
Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	30 September 2011	30 September 2010
	(Rupees in Thousand)	
Profit for the period	10,385	38,441
Other comprehensive income	-	-
Total comprehensive income for the period	10,385	38,441

The annexed notes form an integral part of these financial statements.


Chief Executive


Director

**CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011**

	30 September 2011	30 September 2010
	(Rupees in Thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	11,024	39,316
<i>Adjustment for:</i>		
Depreciation	17,821	14,576
Provision for staff retirement benefits	67	30
Finance cost	49,237	44,036
	67,125	58,642
Operating profit before working capital changes	78,149	97,958
(Increase) / decrease in current assets:		
Stores and spares	5,117	(14,004)
Advances, prepayments, and other receivables	89	5,429
Trade debts	(6,943)	70,051
	(1,737)	61,476
Increase/(decrease) in current liabilities		
Trade and other payables	10,923	(28,026)
CASH GENERATED FROM OPERATIONS	87,335	131,408
Finance cost paid	(3,850)	(66,867)
Income tax paid	(268)	(67)
Net cash generated from operating activities	83,217	64,474
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(15,585)	(707)
Capital work in progress	(513)	-
Net cash used in investing activities	(16,098)	(707)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long term loans	(6,875)	(10,292)
Sponsors' Loan, net	16,000	-
Net cash used in financing activities	9,125	(10,292)
Net increase in cash and cash equivalents	76,244	53,475
Cash and cash equivalents at beginning of the period	5,934	55,752
Cash and cash equivalents at the end of the period	82,178	109,227

The annexed notes form an integral part of these financial statements.


Chief Executive


Director

CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	SHARE CAPITAL	ACCUMULATED LOSS	TOTAL
	----- (Rupees in Thousand) -----		
Balance as at 01 July 2010	3,425,500	(619,619)	2,805,881
Total comprehensive loss for the period	-	(8,054)	(8,054)
Balance as at 30 June 2011	3,425,500	(627,673)	2,797,827
Total comprehensive income for the period	-	10,385	10,385
Balance as at 30 September 2011	3,425,500	(617,289)	2,808,211

The annexed notes form an integral part of these financial statements.


Chief Executive


Director

**NOTES TO CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011**

1 STATUS & NATURE OF BUSINESS

Altern Energy Limited ("the Company") was incorporated in Pakistan on 17 January 1995 and is listed on Karachi Stock Exchange. The principal objective of the Company is to generate and supply electric power to Water and Power Development Authority of Pakistan (WAPDA) from its thermal power plant having a gross capacity of 32 Mega Watts (2011: 32 Mega Watts). The Company commenced commercial operations with effect from 06 June 2001. The registered office of the Company is situated at Descon Headquarters, 18 km, Ferozepur Road, Lahore.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements are unaudited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984. These financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of this condensed interim unconsolidated financial information are the same as those applied in the preparation of the financial statements for the year ended 30 June 2011.

	<i>Note</i>	30 September 2011	30 June 2010
4 LONG TERM LOANS		(Rupees in Thousand)	
Long term loans - secured			
Syndicate finance - local currency		747,253	747,253
Syndicate finance - foreign currency		100,204	106,358
		847,457	853,611
Less: Current maturity		(138,215)	(138,912)
		709,242	714,699
Power Management Company (Private) Limited - unsecured		60,773	58,657
		<u>770,015</u>	<u>773,356</u>

5 CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies and commitments set out in note 10 to the financial statements of the Company for the year ended 30 June 2011.

6 OPERATING FIXED ASSETS

Opening net book value	1,051,137	1,100,585
Additions / transfers-in during the period - net	17,636	8,974
Depreciation for the period	(17,821)	(58,422)
Closing net book value	<u>1,050,952</u>	<u>1,051,137</u>

7 LONG TERM INVESTMENTS

This represents 100% (2011: 100%) shares in Power Management Company (Private) Limited, which holds 59.98% (2011: 59.98%) shares of Rousch (Pakistan) Power Limited.

	30 September 2011	30 September 2010
	(Rupees in Thousand)	
8 REVENUE		
Energy revenue - gross	255,702	252,249
Sales tax	(35,269)	(36,652)
Energy revenue - net	220,433	215,597
Capacity revenue	101,300	121,367
Other supplemental charges	3,892	1,252
	<u>325,625</u>	<u>338,216</u>
9 DIRECT COSTS		
Gas cost	208,388	204,840
Repair and maintenance	26,208	18,809
Energy import	464	475
Lube oil consumed	3,530	4,916
Depreciation / amortization	17,818	14,569
Operation and maintenance contractor's fee	6,600	6,000
Insurance Cost	968	1,494
Generation license fee	96	-
Others	233	199
	<u>264,305</u>	<u>251,302</u>
10 FINANCE COST		
Mark-up on		
long term loans	42,989	41,655
short term loan - Power Management Company (Pvt) Limited	2,837	-
Mark-up on late payments to SNGPL	2,392	2,084
Amortization of bank guarantee cost	281	281
Miscellaneous	738	16
	<u>49,237</u>	<u>44,036</u>
11 RELATED PARTY TRANSACTIONS		
The related parties comprise holding company, associated companies, related group companies, directors and their close family members, staff retirement contribution fund, key management personnel and major shareholders of the Company. Amounts due from and to related parties are shown under receivable and payable. Other significant transactions with related parties not disclosed elsewhere in these financial statements are as follows:		
Holding company		
Descon Engineering Limited		
Mark up accrued on long term loan	<u>11,033</u>	<u>9,209</u>
Subsidiary company		
Power Management Company (Private) Limited		
Repayment of short term loan	<u>1,006</u>	<u>-</u>
Associated companies		
Descon Power Solutions (Private) Limited		
Payment against O & M services	<u>470</u>	<u>1,229</u>
Payment against supplies	<u>20,076</u>	<u>10,000</u>

12 GENERAL

- 12.1 These financial statements were authorized for issue on October 20, 2011 by the Board of Directors of the Company.
- 12.2 Previous period's figures have been rearranged, wherever necessary for the purpose of comparison.
- 12.3 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.



Chief Executive

Director

**CONSOLIDATED
FINANCIAL
STATEMENTS**

ALTERN ENERGY LIMITED AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED BALANCE SHEET (UN-AUDITED)

		30 September 2011	30 June 2011
EQUITY AND LIABILITIES	<i>Note</i>	(Rupees in Thousand)	
Share capital			
Authorized capital			
400,000,000 (30 June 2011: 400,000,000)			
ordinary shares of Rs.10/- each		<u>4,000,000</u>	<u>4,000,000</u>
Issued, subscribed and paid up capital			
342,550,000 (30 June 2011: 342,550,000)			
ordinary shares of Rs. 10/- each		<u>3,425,500</u>	<u>3,425,500</u>
Accumulated profit		<u>5,140,119</u>	<u>4,716,532</u>
		<u>8,565,619</u>	<u>8,142,032</u>
Non-controlling interest		<u>5,926,255</u>	<u>5,652,276</u>
		<u>14,491,874</u>	<u>13,794,308</u>
Non current liabilities			
Sponsors' loan -unsecured	5	538,679	511,646
Long term loans - secured and unsecured	6	13,863,486	14,416,014
Interest rate swap liabilities		1,185,727	1,293,890
Deferred liabilities		1,007	940
		<u>15,588,899</u>	<u>16,222,490</u>
Current liabilities			
Trade and other payables		2,226,339	1,925,464
Short term loan		793,253	5,000
Mark up accrued		51,683	315,933
Current portion of long term loan	6	2,075,016	2,150,993
Provision for taxation		5,625	5,254
		<u>5,151,916</u>	<u>4,402,644</u>
Contingencies and commitments	7		
		<u>35,232,689</u>	<u>34,419,442</u>

The annexed notes form an integral part of these financial statements


Chief Executive

AS AT SEPTEMBER 30, 2011

ASSETS	Note	30 September 2011	30 June 2011
(Rupees in Thousand)			
Non-current assets			
Property, plant and equipment			
-Operating fixed assets	8	25,795,948	25,672,937
-Capital work-in-progress		-	1,538
Long term deposits		938	938
Long term loan to employee		13,944	1,694
		25,810,830	25,677,107
Current assets			
Store, spares and loose tools		893,489	396,850
Inventory of fuel oil		-	497,117
Trade debts - unsecured, considered good		8,292,106	6,161,625
Advances, prepayments and other receivables		102,554	195,258
Cash and bank balances		133,710	1,491,485
		9,421,859	8,742,335
		35,232,689	34,419,442

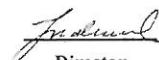

Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

		30 September 2011	30 September 2010
	<i>Note</i>	(Rupees in Thousand)	
Revenue - net	9	4,504,124	4,307,336
Direct cost	10	(3,293,194)	(3,124,972)
Gross profit		<u>1,210,930</u>	<u>1,182,364</u>
Administrative expenses		(31,387)	(28,200)
Other operating income		36,735	6,953
Profit from operations		<u>1,216,278</u>	<u>1,161,117</u>
Finance cost		(518,073)	(700,620)
Profit before taxation		<u>698,205</u>	<u>460,497</u>
Taxation		(639)	(875)
Profit for the year		<u><u>697,566</u></u>	<u><u>459,622</u></u>
Attributable to:			
Equity holders of the parent		423,587	290,587
Non-controlling interest		273,979	169,035
		<u><u>697,566</u></u>	<u><u>459,622</u></u>
Earnings per share - basic and diluted		<u><u>1.24</u></u>	<u><u>0.85</u></u>

The annexed notes form an integral part of these financial statements


Chief Executive

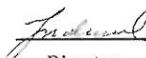

Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	30 September 2011	30 September 2010
	(Rupees in Thousand)	
Profit for the period	697,566	459,622
Other Comprehensive Income:		
Effective portion of changes in fair value of cashflow hedges	-	15,233
Total comprehensive income	<u>697,566</u>	<u>474,855</u>

The annexed notes form an integral part of these financial statements


 Chief Executive

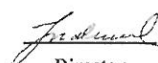

 Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	30 September 2011	30 September 2010
	(Rupees in Thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	698,205	460,497
Adjustment for non-cash items:		
Depreciation	358,000	341,449
Gain on sale of property, plant & equipment	-	(2,463)
Provision of staff retirement benefits	67	30
Capital spares consumed	370	957
Finance cost	520,910	700,620
	879,347	1,040,593
Operating Profit Before Working Capital Changes	1,577,552	1,501,090
(Increase) / decrease in current assets:		
Stores, spares and loose tools	288	(35,126)
Inventory of fuel oil	190	(23,539)
Trade debts	(2,130,481)	367,971
Advances, prepayments, and other receivables	97,325	70,322
	(2,032,678)	379,628
Increase / (decrease) in current liabilities		
Trade and other payables	407,644	(10,648)
CASH GENERATED FROM OPERATIONS	(47,482)	1,870,070
Long term advances	(12,250)	(741)
Finance cost paid	(903,750)	(1,066,433)
Tax adjusted	(6,441)	(460)
	(922,441)	(1,067,634)
Net cash (used in) / generated from operating activities	(969,923)	802,436
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(257,231)	(9,806)
Capital work-in-progress	(513)	-
Proceeds from sale of property, plant & equipment	-	2,978
Net cash used in investing activities	(257,744)	(6,828)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term finances	(934,361)	(866,406)
Sponsors' loan, net	16,000	-
Proceeds from short term finance	788,253	-
Net cash used in from financing activities	(130,108)	(866,406)
Net decrease in cash and cash equivalents	(1,357,775)	(70,798)
Cash and cash equivalents at beginning of the period	1,491,485	322,101
Cash and cash equivalents at the end of the period	133,710	251,303

The annexed notes form an integral part of these financial statements


Chief Executive

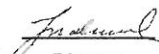

Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	Attributable to equity holders of Parent Company				
	Interest rate swap		Accumulated profit	Non-Controlling Interest	Total
	Share capital	revaluation reserve			
	------(Rupees in Thousand)-----				
Balance as at 01 July 2010	3,425,500	(653,694)	3,923,568	4,685,392	11,380,766
Profit after tax for the period			792,964	530,797	1,323,761
Net adjustment on account of effective portion of hedging and changes in fair value of interest rate swap liabilities	-	148,264	-	98,909	247,173
Net amount reclassified / transferred to profit and loss account	-	505,430	-	337,178	842,608
Total comprehensive income for the year	-	653,694	792,964	966,884	2,413,542
Balance as at 30 June 2011	3,425,500	-	4,716,532	5,652,276	13,794,308
Net adjustment on account of effective portion of hedging and changes in fair value of interest rate swap liabilities	-	-	-	-	-
Net amount reclassified / transferred to profit and loss account	-	-	423,587	273,979	697,566
Net profit for the period	-	-	423,587	273,979	697,566
Balance as at 30 September, 2011	3,425,500	-	5,140,119	5,926,255	14,491,874

The annexed notes form an integral part of these financial statements


Chief Executive


Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARY COMPANIES
NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

1 STATUS AND NATURE OF BUSINESS

1.1 The group comprises of:

Altern Energy Limited (AEL); and

Subsidiary Companies:

-Power Management Company (Private) Limited (PMCL)

-Rousch (Pakistan) Power Limited (RPPL)

Altern Energy Limited ("the Company") was incorporated in Pakistan on 17 January 1995 and is listed on Karachi Stock Exchange. The principal objective of the Company is to generate and supply electric power to Water and Power Development Authority of Pakistan (WAPDA) from its thermal power plant having a gross capacity of 32 Mega watts (2011: 32 Mega Watts). The Company commenced commercial operations with effect from 06 June 2001. The registered office of the Company is situated at Descon Headquarters, 18 km, Ferozepur Road, Lahore.

Power Management Company (Private) Limited (PMCL) was incorporated in Pakistan on 24 February 2006. The principal objective of the PMCL is to invest, manage, operate, run, own and build power projects. The registered office of the PMCL is situated at 18 km Ferozepur Road, Lahore.

Rousch (Pakistan) Power Limited (RPPL) is a public unlisted company, incorporated in Pakistan on 04 August 1994. The principal activity of the RPPL is to generate and supply electricity to Water and Power Development Authority (WAPDA) from its combined cycle thermal power plant having a gross ISO capacity of 450 Mega Watts (2011: 450 Mega Watts), located near Sidhnai Barrage, Abdul Hakim, District Khanewal, in Punjab. RPPL started commercial operations from 11 December 1999. The registered office of the RPPL is situated at 68 - Studio Apartments, Park Towers, F - 10 Markez, Jinnah Avenue, Islamabad.

1.2 In terms of Amendment No. 3 to the Power Purchase Agreement (PPA) executed between the RPPL and WAPDA on 21 August 2003, RPPL has agreed to transfer ownership of the Complex to WAPDA at a token value of US\$ 1 at the expiry of 30 years term of PPA (starting from 11 December 1999), if WAPDA does not opt for a renewal of the PPA for the additional term pursuant to section 4.1 (c) of the PPA.

2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These financial statements are unaudited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984. These financial statements have been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" as applicable in Pakistan.

3 SIGNIFICANT ACCOUNTING POLICIES

Accounting policies followed for preparation of these financial statements are the same as those applied in preparing the financial statements for the year ended June 30, 2011

4 SUBSIDIARY COMPANIES

Following subsidiary companies have been consolidated in the financial statements of the Parent Company and acquisition date is November 7, 2006.

	Percentage of Holding	
	30 September 2011	30 June 2011
Power Management Company (Private) Limited	100.000%	100.000%
Rousch (Pakistan) Power Limited	59.984%	59.984%
	30 September 2011	30 June 2011
	(Rupees in Thousand)	

5 SPONSORS' LOAN -UNSECURED

Descon Engineering Limited - the ultimate parent	5.1	331,218	315,218
Crescent Standard Business Management (Private) Ltd.	5.2	23,152	23,152
		354,370	338,370
Interest on long term financing	5.3	184,309	173,276
		538,679	511,646

- 5.1 This represent funds amounting to Rs. 331.218 million (2011: Rs. 315.218 million) received by the parent company from Descon Engineering Limited for investment in Rousch (Pakistan) Power Limited (the subsidiary company) through Power Management Company (Private) Limited (the subsidiary company). As per agreement between the parent company, MCB Bank Limited and Descon Engineering Limited all amounts (including mark-up) due under the sponsors' loan shall be subordinated to the loan facility from MCB Bank Limited. These are unsecured and carry mark up at KIBOR + 300bps. It includes Rs. 69.455 million (2011 : Rs. 69.455 million) as interest free loan.
- 5.2 This includes an amount of Rs. 23.152 million (2011 : Rs.23.152 million) paid by ex-sponsors of the parent company previously . This loan is payable to Crescent Standard Business Management (Private) Limited and is unsecured and interest free and will be repaid on available liquidity basis.
- 5.3 It represent mark-up payable to Descon Engineering Limited of Rs. 184.30 million (2011: Rs. 173.27 million). As per terms of agreement the mark up payment is subordinated to loan facility from MCB Bank Limited and additional mark up is not due on this amount.

	30 September 2011	30 June 2011
	(Rupees in Thousand)	
6 LONG TERM LOANS - SECURED AND UNSECURED		
Loans from financial institutions	14,462,521	15,035,953
Loans from related parties	1,475,981	1,531,054
	15,938,502	16,567,007
Current portion of long term loan	(2,075,016)	(2,150,993)
	13,863,486	14,416,014
7 CONTINGENCIES AND COMMITMENTS		
There is no change in the status of contingencies and commitments set out in note 11 to the financial statements of the Company for the year ended 30 June 2011.		
8 OPERATING FIXED ASSETS		
Opening book value	25,672,937	26,510,724
Additions / transfers-in during the period - net:	481,009	514,756
Depreciation for the period	(357,998)	(1,352,543)
Closing book value	25,795,948	25,672,937
9 REVENUE - NET		
Energy revenue - gross	3,342,691	3,201,338
Sales tax	(461,061)	(465,152)
Energy revenue - net	2,881,630	2,736,186
Capacity	1,466,306	1,463,750
Other supplemental charges	198,773	148,185
Gas efficiency passed to WAPDA	(42,585)	(40,785)
	4,504,124	4,307,336
10 DIRECT COST		
Energy import	463	2,393
Fuel consumed	2,609,293	2,402,559
Chemicals, stores and spares consumed	40,454	26,234
Depreciation	356,402	339,957
Operating and maintenance costs	225,963	276,333
Insurance	36,201	54,139
Generation licence fee	1,124	909
Electricity duty	1,069	954
Repair and maintenance	5,599	6,191
Miscellaneous expenses	16,626	15,303
	3,293,194	3,124,972

11 RELATED PARTY TRANSACTIONS / ASSOCIATED UNDERTAKINGS

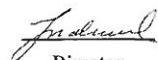
The related parties comprise holding company, associated companies, related group companies, directors and their close family members, staff retirement contribution fund, key management personnel and major shareholders of the Company. Amounts due from and to related parties are shown under receivable and payable. Other significant transactions with related parties not disclosed elsewhere in these financial statements are as follows:

	30 September 2011	30 September 2010
	(Rupees in Thousand)	
Descon Engineering Limited - the ultimate parent		
Mark up accrued on long term loan	11,033	9,209
Associated Companies		
Descon Power Solutions (Private) Limited		
Payment against O & M services	470	1,229
Payment against spare parts purchased	20,076	10,000
Subsidiary Companies		
Rousch (Pakistan) Power Limited		
-Operator's fee paid to ESB International Contracting Ltd.	86,543	145,057
-Payments to Siemens AG as maintenance contractor	-	61,241
-Payments to Siemens AG as LTMSA contractor	84,135	-
-Payments to Siemens Pakistan as LTMSA contractor	20,407	-
-Payment to Siemens AG on GTG 11/STG Rotor Replacement	8,840	18,538
-Payment to Presson Descon (Pvt) Ltd against services	-	934
-Payment to Siemens Pakistan Ltd for supply of spares and services	18	4

12 GENERAL

- 12.1 These financial statements were authorized for issue on October 20, 2011 by the Board of Directors of the Company.
- 12.2 Previous period's figures have been rearranged, wherever necessary for the purpose of comparison.
- 12.3 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.


Chief Executive


Director

