

ALTERN ENERGY LIMITED



**INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)**

**FOR THE QUARTER ENDED
SEPTEMBER 30, 2010**



INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)

FOR THE QUARTER ENDED
SEPTEMBER 30, 2010

ALTERN ENERGY LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Abdul Razak Dawood	(Chairman)
Mr. Sabeeh U Faruqui	(Chief Executive)
Mr. Salman Zakaria	
Syed Zamanat Abbas	
Mr. Khalid Salman Khan	
Syed Ali Nazir Kazmi	
Mr. Shah Muhammad Chaudhry	
Mr. Sabah T. Barakat	(Alternate Director to Mr. Khalid Salman Khan)

AUDIT COMMITTEE

Mr. Abdul Razak Dawood	(Chairman)
Mr. Salman Zakaria	
Syed Zamanat Abbas	

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 HEADQUARTER
18-km Ferozpur Road, Lahore.

REGISTRAR SHARES

Corplink (Pvt.) Limited
Wings Arcade, 1-k Commercial Model Town, Lahore.
Tel: (92-42) 5839182 Fax: (92-42) 5869037

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, 2010.

During the period under review, the total turnover of the Company for the 1st quarter reached at Rs. 336.964 million. The Company earned a gross profit of Rs. 85.67 million and reported a net profit after tax of Rs. 38.44 million which is higher by Rs. 29.05 million as compared to the same period of previous financial year.

During the period under review, the Company dispatched 60.174 GWhrs to WAPDA as compared to 40.377 GWhrs delivered during the first quarter ended September 30, 2009.

Considering present liquidity crunch caused by circular debt, WAPDA is partially releasing due payments, but with applicable late payments mark-up amount. AEL is regularly pursuing WAPDA and GoP for early resolution of late payments.

During the period, the overall health, safety and environment performance of the plant remained good 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. 422.40 million, earning of forty nine paisa (Rs. 0.49) per share. We are confident that Rousch will continue to operate at optimum level in future.

During the period, the Company has repaid Rs. 1,840 million being the debt servicing due in September 10 to the senior and subordinated lenders.

The plant performance remained satisfactory during the period under review and the plant dispatched at base load to the national grid. The power station delivered 808.003 GWhrs of electricity to WAPDA during the 1st quarter of the financial year 2010-2011 as compared to 826.76 GWhrs delivered during the same quarter of the previous financial year. During the first three months of the financial year, the Company has passed on Rs. 40.8 million to WAPDA as its share of gas efficiency, which accrued as a result of the efficient operation of plant.

The Company has completed negotiations on the terms and conditions of Long Term Maintenance Agreement (LTMSA) including Life Time Extension (LTE) measures with Siemens. The Company intends to execute the agreement after having the approval from the lenders of the Company. By virtue of this agreement, the Company would be making an investment for Life Time Extension measures which will not only extend the life of the machinery but would also help in optimizing the plant capacity. The agreement would also take care of the maintenance requirement of the plant upto 2016.

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

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET (UN-AUDITED)

EQUITY AND LIABILITIES	NOTE	Unaudited	Audited	
		30 September 2010	30 June 2010	
(Rupees in Thousand)				
Share Capital				
Authorized capital				
400,000,000 (30 June 2010: 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 2010: 342,550,000) ordinary shares of Rs. 10/- each		3,425,500 (581,178) 2,844,322	3,425,500 (619,619) 2,805,881.	
Non-current liabilities				
Sponsors' loan -unsecured		472,808	463,599	
Long term loans		896,081	903,055	
Deferred liability -staff gratuity		1,165	1,135	
		1,370,054	1,367,789	
Current liabilities				
Trade and other payables		195,981	223,198	
Mark up accrued		23,671	55,993	
Current portion of long term loan		147,216	149,512	
		366,868	428,703	
		4,581,244	4,602,373	
Contingencies and commitments	4			
The annexed notes form an integral part of these financial statements.				


Chief Executive

AS AT SEPTEMBER 30, 2010

ASSETS	NOTE	Unaudited	Audited
		30 September 2010	30 June 2010
			(Rupees in Thousand)
Non-current assets			
Property, plant and equipment			
-Operating fixed assets	5	1,087,737	1,100,585
Long term investments	6	3,204,510	3,204,510
Long term deposits		38	38
		4,292,285	4,305,133
Current assets			
Stores and spares		43,435	29,431
Trade debts		130,384	200,435
Advances, prepayments and other receivables		5,913	11,622
Cash and bank balances		109,227	55,752
		288,959	297,240
		4,581,244	4,602,373

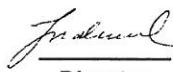
CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

	NOTE	30 September 2010	30 September 2009
		(Rupees in Thousand)	
Revenue - net	7	336,964	204,803
Direct cost	8	(251,302)	(142,100)
Gross profit		85,662	62,703
Administrative expenses		(4,811)	(2,171)
Other operating income		2,501	430
Operating profit		83,352	60,962
Finance cost	9	(44,036)	(51,420)
Profit before taxation		39,316	9,542
Taxation		(875)	(150)
Profit after taxation		38,441	9,392
Earnings per share - Basic and Diluted		0.11	0.03

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



Chief Executive



Director

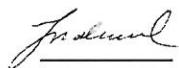
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

	30 September 2010	30 September 2009
	(Rupees in Thousand)	
Profit for the period	38,441	9,392
Other Comprehensive Income	-	-
Total comprehensive income for the period	<u>38,441</u>	<u>9,392</u>

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



Chief Executive

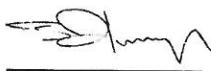


Director

**CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010**

	30 September 2010	30 September 2009
	(Rupees in Thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	39,316	9,542
Adjustment for non-cash items:		
Depreciation	14,576	13,665
Gratuity	30	-
Finance cost	44,036	51,420
Cash flows from operating activities	<u>58,642</u>	<u>65,085</u>
	97,958	74,627
Changes in Working Capital		
(Increase) / decrease in current assets:		
Stores & Spares	(14,004)	1,051
Advances, deposits, prepayments, and other receivables	5,429	(3,523)
Trade debts	70,051	45,069
	61,476	42,597
Increase/(decrease) in current liabilities		
Trade and other payables	(28,026)	(26,496)
Cash generated from operations	<u>131,408</u>	<u>90,728</u>
Finance cost paid	(66,867)	(79,822)
Income tax paid	(67)	-
Net cash (used in)/generated from operating activities	<u>64,474</u>	<u>10,906</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant & equipment	(707)	(29)
Net cash used in investing activities	<u>(707)</u>	<u>(29)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans - net	(10,292)	(17,966)
Net cash (used in)/generated from financing activities	<u>(10,292)</u>	<u>(17,966)</u>
Net increase / (decrease) in cash and cash equivalents	53,475	(7,089)
Cash and cash equivalents at beginning of the period	55,752	84,916
Cash and cash equivalents at the end of the period	<u>109,227</u>	<u>77,827</u>

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



Chief Executive

8



Director

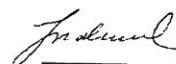
**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010**

	SHARE CAPITAL	ACCUMULATED LOSS	TOTAL
----- (Rupees in Thousand) -----			
Balance as at 01 July 2009	3,425,500	(626,662)	2,798,838
Total comprehensive profit for the period	-	7,043	7,043
Balance as at 30 June 2010	3,425,500	(619,619)	2,805,881
Total comprehensive profit for the period	-	38,441	38,441
Balance as at 30 September 2010	3,425,500	(581,178)	2,844,322

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



Chief Executive



Director

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 gas based thermal power plant having a gross capacity of 32 Mega Watts (2010: 32 Mega Watts), located at Kohat Road, Fateh Jang, District Attock. The Company commenced commercial operations with effect from 06 June 2001. The registered office of the Company is situated at Descon Headquarter, 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

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, 2010.

4 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 2010.

5 OPERATING FIXED ASSETS	30 September 2010	30 June 2010
	(Rupees in Thousand)	
Opening net book value	1,100,585	1,135,669
Additions / transfers-in during the period - net	1,728	29,211
Deletions during the period - at WDV	-	(7,000)
Depreciation for the period	(14,576)	(57,295)
Closing net book value	1,087,737	1,100,585

6 LONG TERM INVESTMENTS

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

	30 September 2010	30 September 2009
	(Rupees in Thousand)	
7 REVENUE		
Energy revenue - gross	252,249	147,539
Sales tax	(36,652)	(20,350)
Energy revenue - net	<u>215,597</u>	<u>127,189</u>
Capacity revenue	121,367	77,614
	<u><u>336,964</u></u>	<u><u>204,803</u></u>
8 DIRECT COSTS		
Fuel Consumed	204,840	116,250
Store & Spares consumed	18,110	-
Purchase of energy from WAPDA	475	641
Lube oil	4,916	3,241
Operation and maintenance costs	6,000	6,200
Insurance Cost	1,494	1,229
Generation license fee	-	75
Repairs and maintenance	699	620
Others	199	219
Depreciation / amortization	14,569	13,625
	<u><u>251,302</u></u>	<u><u>142,100</u></u>
9 FINANCE CHARGES		
Bank charges	16	827
Mark-up on long term loans/ Late payment charges	43,739	45,009
Exchange loss	-	5,297
Others	281	287
	<u><u>44,036</u></u>	<u><u>51,420</u></u>
10 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

9,209**9,060**

Subsidiary company

Power Management Company (Pvt.) Limited

-Repayment of short term loan

500

Associated companies

Descon Power Solutions (Pvt.) Limited

-Payment against O & M services

1,229**5,400**

-Payment against supplies

10,000

11 GENERAL

11.1 These financial statements were authorized for issue on October 26, 2010 by the Board of Directors of the Company.

11.2 Previous period's figures have been rearranged, wherever necessary for the purpose of comparison.

11.3 Figures have been rounded off to the nearest thousand of rupees unless otherwise stated.

**Chief Executive****Director**

**CONSOLIDATED
FINANCIAL
STATEMENTS**

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET (UN-AUDITED)

EQUITY AND LIABILITIES	Note	30 September	30 June
		2010	2010
Share capital			(Rupees in thousand)
Authorized capital			
400,000,000 (June 2010: 400,000,000)			
ordinary shares of Rs.10 each		<u>4,000,000</u>	<u>4,000,000</u>
Issued, subscribed and paid up			
342,550,000 (June 2010: 342,550,000)			
ordinary shares of Rs. 10 each		<u>3,425,500</u>	<u>3,425,500</u>
Interest rate swap revaluation reserve		<u>(644,557)</u>	<u>(653,694)</u>
Accumulated profit		<u>4,214,155</u>	<u>3,923,568</u>
Total equity		<u>6,995,098</u>	<u>6,695,374</u>
Non-controlling interest		<u>4,860,523</u>	<u>4,685,392</u>
Total equity and minority interest		<u>11,855,621</u>	<u>11,380,766</u>
Non-current liabilities			
Sponsors' loan -unsecured	5	<u>472,808</u>	<u>463,599</u>
Long term loans	6	<u>15,275,818</u>	<u>16,210,791</u>
Interest rate swap liability		<u>1,525,830</u>	<u>1,541,061</u>
Deferred liability - staff gratuity		<u>1,165</u>	<u>1,135</u>
		<u>17,275,621</u>	<u>18,216,586</u>
Current liabilities			
Trade and other payables		<u>1,754,339</u>	<u>1,943,895</u>
Mark-up accrued		<u>30,379</u>	<u>373,140</u>
Current portion of long term loans		<u>2,177,421</u>	<u>1,849,721</u>
		<u>3,962,139</u>	<u>4,166,756</u>
Contingencies and commitments	7		
		<u>33,093,381</u>	<u>33,764,108</u>

The annexed notes form an integral part of these financial statements



Chief Executive

AS AT SEPTEMBER 30, 2010

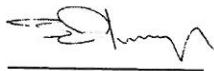
ASSETS	Note	30 September	30 June
		2010	2010
ASSETS			(Rupees in thousand)
Non-current assets			
Property, plant and equipment			
-Operating fixed assets	8	26,288,694	26,510,724
Long term deposits		3,124	1,074
Long term loan to employee		-	1,309
		26,291,818	26,513,107
Current assets			
Store and spares		393,946	358,820
Stock in trade		341,596	318,057
Trade debts		5,615,450	5,983,422
Advances, prepayments and other receivables		199,268	268,601
Cash and bank balances		251,303	322,101
		6,801,563	7,251,001
		33,093,381	33,764,108

Prashant
Director

**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010**

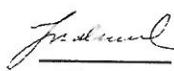
		30 September 2010	30 September 2009
	Note	(Rupees in thousand)	
Revenue - net	9	4,307,336	4,072,108
Direct costs	10	<u>(3,124,972)</u>	<u>(2,759,888)</u>
Gross profit		<u>1,182,364</u>	<u>1,312,220</u>
Administrative expenses		<u>(28,200)</u>	<u>(29,540)</u>
Other Operating expenses - FED on insurance premium		-	(39,353)
Other operating income		<u>6,953</u>	<u>2,700</u>
Operating profit		<u>1,161,117</u>	<u>1,246,027</u>
Finance cost		<u>(700,620)</u>	<u>(637,402)</u>
Net profit before taxation		<u>460,497</u>	<u>608,625</u>
Taxation		<u>(875)</u>	<u>(150)</u>
Profit after taxation		<u>459,622</u>	<u>608,475</u>
Non-controlling interest		<u>(169,035)</u>	<u>(239,879)</u>
Attributable to holding company		<u>290,587</u>	<u>368,596</u>
Earnings per share - Basic and diluted		<u>0.85</u>	<u>1.08</u>

The annexed notes form an integral part of these financial statements



Chief Executive

16



Director

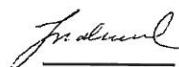
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

	30 September 2010	30 September 2009
	(Rupees in thousand)	
Profit for the period	459,622	608,475
Other Comprehensive Income:		
Effective portion of changes in fair value of Cashflow hedge	15,233	(33,988)
Total comprehensive income for the period	474,855	574,487

The annexed notes form an integral part of these financial statements



Chief Executive



Director

**CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010**

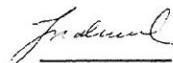
	30 September 2010	30 September 2009
	(Rupees in thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	460,497	608,625
Adjustment for non-cash items:		
Depreciation	341,449	335,240
Profit on sale of property, plant & equipment	(2,463)	(627)
Capital spares consumed	957	2,305
Finance cost	700,620	637,395
Cash flows from operating activities	<u>1,040,593</u>	<u>974,313</u>
	<u>1,501,090</u>	<u>1,582,938</u>
Changes in working capital		
(Increase) / decrease in current assets:		
Stores & spares	(35,126)	5,731
Stock in trade	(23,539)	(39,674)
Trade debts	367,971	(256,804)
Advances, deposits, prepayments, and other receivables	70,322	(118,538)
	<u>379,628</u>	<u>(409,285)</u>
Increase/(decrease) in current liabilities		
Trade and other payables	(10,648)	(164,327)
Cash generated from operations	1,870,070	1,009,326
Long term deposits paid	(741)	(160)
Finance cost paid	(1,066,433)	(1,039,321)
Income tax paid	(460)	(276)
Retirement benefits paid	-	2,393
Net cash (used in)generated from operating activities	802,436	(28,038)
CASH FLOW FROM INVESTING ACTIVITIES		
Property plant & equipment	(9,806)	(4,283)
Proceeds from disposal of property, plant & equipment	2,978	853
Net cash used in investing activities	(6,828)	(3,430)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term loans - net	(866,406)	(1,899,350)
Short term borrowings	-	378,099
Net cash (used in) / generated from financing activities	(866,406)	(1,521,251)
Net increase / (decrease) in cash and cash equivalents	(70,798)	(1,552,719)
Cash and cash equivalents at beginning of the period	322,101	1,819,418
Cash and cash equivalents at the end of the period	251,303	266,699

The annexed notes form an integral part of these financial statements



Chief Executive

18



Director

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010**

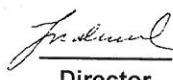
Attributable to equity holders of Parent Company

	Share capital	Interest rate swap revaluation reserve	Accumulated profit	Minority interest	Total
	(.....)	Rupees in thousand			(.....)
Balance as at 01 July 2009	3,425,500	(753,862)	2,682,458	3,794,821	9,148,917
Effective portion of changes in fair value of cashflow hedges	-	100,168	-	66,824	166,992
Net profit for the period	-	-	1,241,110	823,747	2,064,857
Balance as at 30 June 2010	3,425,500	(653,694)	3,923,568	4,685,392	11,380,766
Changes in fair value of interest rate swap	-	9,137	-	6,096	15,233
Net profit for the period	-	-	290,587	169,035	459,622
Balance as at 30 September 2010	3,425,500	(644,557)	4,214,155	4,860,523	11,855,621

The annexed notes form an integral part of these financial statements



Chief Executive



Director

1 Status and nature of business

1.1 The group comprises of:

Altern Energy Limited (AEL); and

Subsidiary Companies:

Power Management Company (Pvt) Limited

Rousch (Pakistan) Power Limited

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 gas based thermal power plant having a gross capacity of 32 Mega watts (2010: 32 Mega Watts), located at Kohat Road, Fateh Jang, District Attock. The Company commenced commercial operations with effect from 06 June 2001. The registered office of the Company is situated at Descon Headquarter, 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 (2010: 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, 2010

4 Subsidiary companies

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

Note	Percentage of Holding	
	30 September	30 June
	2010	2010
Power Management Company (Private) Limited	100.000%	100.000%
Rousch (Pakistan) Power Limited	59.984%	59.984%
Descon Engineering Ltd.	5.1	306,155
Crescent Standard Business Management (Pvt.) Ltd.	5.2	23,152
		329,307
Interest on long term financing	5.3	143,501
		472,808
		134,292
		463,599

5.1 This represent funds 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 (2010 : Rs. 69.455 million) as interest free loan.

5.2 This includes an amount of Rs. 23.152 million (2010 : 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. 143.5 million (2010: 134.3 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 2010	30 June 2010
	(Rupees in thousand)	
6 Long term loans		
Loans from financial institutions	15,977,258	16,706,523
Loans from related parties	1,475,981	1,353,989
	17,453,239	18,060,512
Less: Current portion of long term loan	(2,177,421)	(1,849,721)
	15,275,818	16,210,791
7 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 2010.		
8 Operating fixed assets		
Opening book value	26,510,724	26,955,013
Additions / transfers-in during the period - net	114,987	478,430
Depreciation for the period/year	(337,017)	(922,719)
Closing book value	26,288,694	26,510,724
9 Revenue		
Energy	2,736,186	2,302,495
Capacity	1,463,750	1,726,235
Other supplemental charges	148,185	85,380
Gas efficiency passed to WAPDA	(40,785)	(42,002)
	4,307,336	4,072,108
10 Direct costs		
Energy import	2,393	641
Fuel consumed	2,402,559	2,019,739
Chemicals, stores and spares consumed	26,234	32,257
O & M Contractors' fee	276,333	268,799
Insurance	54,139	93,202
Generation licence fee	909	882
Electricity duty	954	793
Miscellaneous expenses	21,494	10,033
Depreciation	339,957	333,542
	3,124,972	2,759,888

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 2010	30 September 2009
(Rupees in Thousand)		
Ultimate Parent Descon Engineering Limited		
-Mark up accrued on long term loan	<u>9,209</u>	<u>9,060</u>
Associated Companies		
Descon Power Solutions (Pvt.) Limited		
-Payment against O & M services	<u>1,229</u>	5,400
-Payment against O & M for supply of spares	<u>10,000</u>	-
Rousch (Pakistan) Power Limited		
-Operator's fee paid to ESB International Constructing Ltd.	<u>145,057</u>	125,295
-Payment to Siemens AG as maintenance contractor	<u>61,241</u>	100,066
-Payment to Siemens AG on GTG 11/STG Rotor replacement	<u>18,538</u>	185,225
-Payment to Presson Descon (Pvt) Ltd against services	<u>934</u>	-
-Payment to Siemens Pakistan Ltd for supply of spares & services	<u>4</u>	394

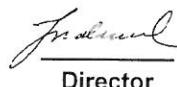
12 General

- 12.1 These financial statements were authorized for issue on October 26, 2010 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

23


Director

