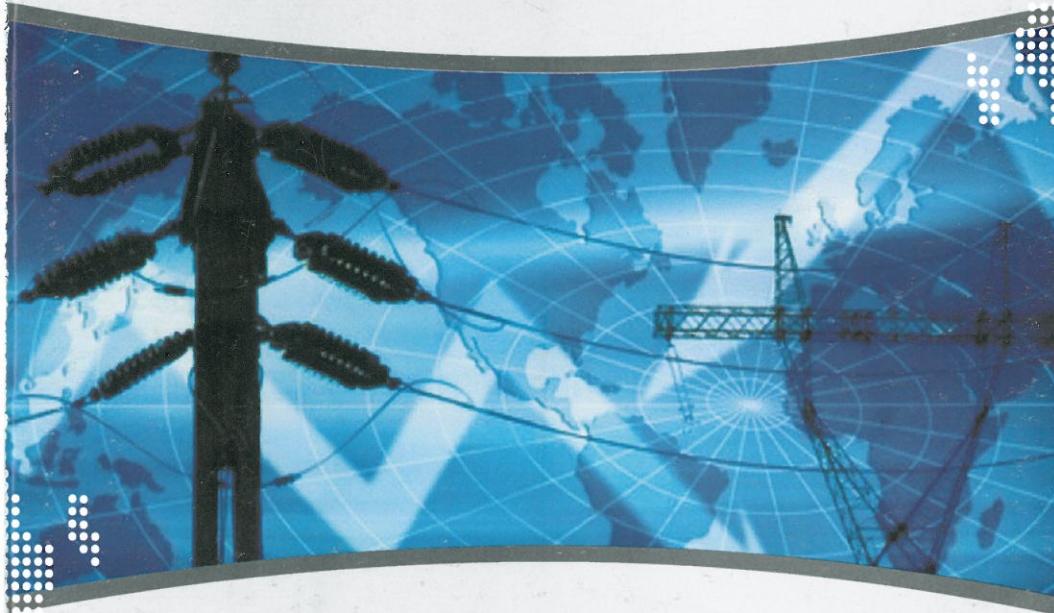


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ALTERN ENERGY LIMITED



**INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)**
**FOR THE QUARTER ENDED
SEPTEMBER 30, 2012**



**INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE QUARTER ENDED
SEPTEMBER 30, 2012**

ALTERN ENERGY LIMITED

**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
Mr. Shah Muhammad Chaudhry
Mr. Zahid Mohammad Khawaja (Alternate Director to Mr. Khalid Salman Khan)

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

ALTERN ENERGY LIMITED 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, 2012.

During the period under review, the total turnover of the Company reached at Rs. 442.18 million, earning gross profit of Rs. 52.12 million. The Company posted net profit after tax of Rs. 2.18 million (earning per share of Rs. 0.01) which is lower than the net profit after tax of Rs. 10.38 million (earning per share of Rs. 0.03), incurred during the same period of the previous financial year.

During the period under review, the Company dispatched 57 GWhr to WAPDA as compared to 57.5 GWhr delivered during the 1st Quarter ended September 30, 2011.

Circular debt of WAPDA continues to be matter of extreme concern since the overdues has reached to an alarming level. The growing indebtedness of WAPDA has dealt severe blow to the liquidity of the Company as well as IPP sector as a whole. The Company along with other IPPs is regularly pursuing the relevant Ministries and officials of WAPDA for early resolution of the matter.

As approved by the Shareholders in Extra Ordinary General Meeting and subsequently approved by SECP, the Company received share subscription money of Rs.249.96 million from Descon Engineering Limited as subscription for 20,830,000 shares at premium of Rs.2/- per share.

The Company during the period paid off debt servicing of Rs. 112.3 million due against local and foreign currency loan.

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 country wide power crises.

Subsidiary Review

We are pleased to inform you that during the period under review, Rousch (Pakistan) Power Limited which is a subsidiary of the Company has operated smoothly. The total turnover of the Company for the three months was Rs. 5,715.48 million, resultantly the Company earned gross profit of Rs. 1,370.93 million. The net profit for the 1st Quarter is Rs. 763.61 million (earning per share of Rs. 0.89) is higher than the profit of Rs. 684.67 million (earning per share of Rs. 0.79) of the corresponding period.

The Company continues to discharge its liabilities to its lenders. During the period, the Company has repaid Rs. 1,848.52 million being the debt servicing due in September 2012 to the senior and subordinated debt lenders. However, due to circular debt issue, the capability of the Company to pay gas supplier has been adversely impacted.

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 819,072 GWhr of electricity to WAPDA during the three months of the financial year 2012-2013 as compared to 825,669 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. 95.15 million to WAPDA as its share of gas efficiency, which accrued as a result of the efficient operation of plant.

We are thankful and acknowledge the continuous support of our bankers, WAPDA, SNGPL, our staff, our contractors as well as valued Shareholders of the Company.

For and behalf of the Board of Directors

Lahore
October 24, 2012

Syed Zamanat Abbas
Chief Executive

ALTERN ENERGY LIMITED
CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET (UN-AUDITED)

EQUITY AND LIABILITIES	<i>Note</i>	Unaudited 30 September 2012	Audited 30 June 2012
		(Rupees in Thousand)	
Share Capital			
Authorized capital			
400,000,000 (30 June 2012: 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 2012: 342,550,000) ordinary shares of Rs. 10/- each		3,425,500	3,425,500
Share deposit money		249,960	-
Accumulated loss		<u>(662,472)</u>	<u>(664,658)</u>
		<u>3,012,988</u>	<u>2,760,842</u>
 Non-current Liabilities			
Sponsors' loan -unsecured		579,490	569,583
Long term loans		648,657	652,001
Deferred liabilities		1,040	1,072
	4	1,229,187	1,222,656
 Current Liabilities			
Trade and other payables		511,464	511,570
Mark up accrued		47,978	73,823
Current portion of long term loans		134,824	189,638
Provision for taxation		1,601	1,601
	4	695,867	776,632
		<u>4,938,042</u>	<u>4,760,130</u>
 Contingencies and Commitments	5		

The annexed notes 1 to 12 form an integral part of these financial statements.


Chief Executive

**ALTERN ENERGY LIMITED
AS AT SEPTEMBER 30, 2012**

ASSETS	<i>Note</i>	Unaudited	Audited	
		30 September 2012	30 June 2012	
(Rupees in Thousand)				
Non-current Assets				
Property, plant and equipment				
-Operating fixed assets	6	1,020,936	1,027,714	
Long term investment	7	3,204,510	3,204,510	
Long term deposits		38	38	
		4,225,484	4,232,262	
Current Assets				
Stores and spares				
Trade debts - secured, considered good		32,158	53,695	
Advances, prepayments and other receivables		586,858	448,777	
Cash and bank balances		17,844	13,461	
		75,698	11,935	
		712,558	527,868	
		<hr/>	<hr/>	
		4,938,042	4,760,130	

President
Director

ALTERN ENERGY LIMITED
CONDENSED INTERIM UNCONSOLIDATED PROFIT & LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2012

	<i>Note</i>	30 September 2012	30 September 2011
		(Rupees in Thousand)	
Revenue - net	8	442,186	325,625
Direct costs	9	(390,063)	(264,305)
Gross profit		52,123	61,320
Administrative expenses		(3,497)	(2,886)
Other operating income		364	1,826
Profit from operations		48,990	60,261
Finance cost	10	(46,677)	(49,237)
Profit before taxation		2,313	11,024
Taxation		(127)	(639)
Profit after taxation		2,186	10,385
Earnings per share - basic and diluted - Rupee		0.01	0.03

The annexed notes 1 to 12 form an integral part of these financial statements.



Chief Executive

ALTERN ENERGY LIMITED

**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2012**

	30 September 2012	30 September 2011
	(Rupees in Thousand)	
Profit for the period	2,186	10,385
Other comprehensive income	-	-
Total comprehensive income for the period	<u>2,186</u>	<u>10,385</u>

The annexed notes 1 to 12 form an integral part of these financial statements.



Chief Executive



Director

ALTERN ENERGY LIMITED
CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2012

	30 September 2012	30 September 2011
	(Rupees in Thousand)	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	2,313	11,024
<i>Adjustments for:</i>		
Depreciation	19,223	17,821
Provision for staff retirement benefits	-	67
Finance cost	46,677	49,237
	65,900	67,125
Operating profit before working capital changes	68,213	78,149
(Increase) / decrease in current assets:		
Stores and spares	10,873	5,117
Advances, prepayments, and other receivables	(4,117)	89
Trade debts	(138,080)	(6,943)
	(131,324)	(1,737)
Increase/(decrease) in current liabilities		
Trade and other payables	(105)	10,923
Cash generated from operations	(63,216)	87,335
Finance cost paid	(60,406)	(3,850)
Tax adjusted	(128)	(268)
Staff retirement benefits paid	(32)	
	(60,566)	(4,118)
Net cash generated / (used) from operating activities	(A)	(123,782)
		83,217
CASH FLOW FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,781)	(15,585)
Capital work in progress	-	(513)
Net cash used in investing activities	(B)	(1,781)
		(16,098)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long term loans	(60,634)	(6,875)
Sponsors' Loan, net	-	16,000
Receipt of share deposit money	249,960	-
Net cash generated from financing activities	(C)	189,326
		9,125
Net increase in cash and cash equivalents	(A+B+C)	63,763
Cash and cash equivalents at beginning of the period		11,935
Cash and cash equivalents at the end of the period	75,698	76,244
		5,934
The annexed notes 1 to 12 form an integral part of these financial statements.		


Chief Executive


Director

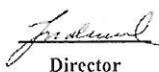
ALTERN ENERGY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2012

	SHARE CAPITAL	SHARE MONEY	DEPOSIT AMOUNT	ACCUMULATED LOSS	TOTAL
(Rupees in Thousand)					
Balance as at 01 July 2011	3,425,500	-	-	(627,673)	2,797,827
Total comprehensive income for the period	-	-	-	(36,985)	(36,985)
Share deposit money received	-	-	-	-	-
Balance as at 30 June 2012	3,425,500	-	-	(664,658)	2,760,842
Total comprehensive income for the period	-	-	-	2,186	2,186
Share deposit money received	-	249,960	-	-	249,960
Balance as at 30 September 2012	3,425,500	249,960	-	(662,472)	3,012,988

The annexed notes 1 to 12 form an integral part of these financial statements.



Chief Executive



Director

ALTERN ENERGY LIMITED**NOTES TO CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2012****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 2012.

4 LONG TERM LOANS	Note	30 September	30 June
		2012	2012
(Rupees in Thousand)			
Long term loans - secured			
Syndicate finance - local currency	4.1	640,502	693,877
Syndicate finance - foreign currency	4.2	74,551	81,225
Power Management Company (Private) Ltd (PMCL)	4.3	50,000	50,000
		765,053	825,102
Interest on loan from PMCL	4.4	18,428	16,537
		783,481	841,639
Less: Current maturity		(134,824)	(189,638)
		648,657	652,001

4.1 The Company had obtained a long term syndicate facility of Rs.1,100 million (2012: Rs. 1,100 million), which includes foreign currency loan limit of US Dollars 3.6 million (2012: US Dollars 3.6 million), from consortium of banks under the lead of MCB Bank Limited. The outstanding loan amount is repayable in 13 equal six monthly installments ending on 25 January 2018.

The loan carries mark-up at six month KIBOR plus 275 basis points (2012: six month KIBOR plus 275 basis points), payable in half yearly installments in arrears. The loan is secured by way of first ranking pari-passu charge on existing property, plant and equipment of the Company at Fateh Jang site.

4.2 The limit of foreign currency portion of loan is of US Dollars 3.6 million (2012: US Dollars 3.6 million). The outstanding loan amount is repayable in fourteen un-equal quarterly installments payable upto 31 December 2015. It is secured by way of first ranking pari passu charge on existing property, plant and equipment of Company at the Fateh Jang site. It carries mark-up at three month LIBOR plus 295 basis points (2012 : three month LIBOR plus 295 basis) payable quarterly in arrears.

4.3 This represents long term loan obtained by the Company from its wholly owned subsidiary, Power Management Company (Private) Limited. As per agreement between the Company, MCB Bank Limited and Power Management Company (Private) Limited all amounts (including mark-up) due under the loan shall be subordinated to the loan facility from MCB Bank Limited. These are unsecured and carry mark up at six months KIBOR plus 300 basis points (2012: six months KIBOR plus 300 basis points).

4.4 It represent mark-up payable to Power Management Company (Private) Limited of Rs. 18,428 million (2012: Rs. 16,537 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.

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 2012.

6 OPERATING FIXED ASSETS	Note	30 September	30 June
		2012	2012
(Rupees in Thousand)			
Opening written down value		1,027,714	1,051,137
Additions / transfers-in during the period - net	6.1	12,445	53,930
Depreciation charge for the period		(19,223)	(77,353)
Closing written down value		<u>1,020,936</u>	<u>1,027,714</u>

6.1 Additions to plant and equipment include net exchange loss of Rs. 0.47 million on related foreign currency loans during the period from 1 July 2012 to 30 September 2012. This has resulted in accumulated capitalization of exchange losses of Rs. 82.97 million (30 June 2012: 82.50 million) in the cost of plant and equipment upto 30 September 2012, with book value of Rs. 80.11 million (2012: Rs. 79.65 million).

7 LONG TERM INVESTMENTS

7.1 This represents 100% (2012: 100%) shares in Power Management Company (Private) Limited, which holds 59.98% (2012: 59.98%) shares of Roush (Pakistan) Power Limited.

7.2 As per terms of agreement for acquisition of shares of Roush (Pakistan) Power Limited, Power Management Company (Private) Limited has deposited these shares with the trustees of Roush (Pakistan) Power Limited's lenders.

8 REVENUE - NET		30 September	30 September
		2012	2011
(Rupees in Thousand)			
Energy revenue - gross		380,952	255,702
Sales tax		(52,545)	(35,269)
Energy revenue - net		<u>328,407</u>	<u>220,433</u>
Capacity revenue		104,449	101,300
Other supplemental charges		9,330	3,892
		<u>442,186</u>	<u>325,625</u>

9 DIRECT COSTS

Gas cost	332,296	208,388
Repairs and maintenance	23,803	26,208
Energy import	291	464
Lube oil consumed	6,107	3,530
Depreciation / amortization	19,208	17,818
Operation and maintenance contractor's fee	7,260	6,600
Insurance cost	818	968
Generation license fee	107	96
Others	173	233
	<u>390,063</u>	<u>264,305</u>

	30 September 2012	30 September 2011
	(Rupees in Thousand)	
10 FINANCE COST		
Mark up on loans		
Long term loans	36,906	45,105
Short term loan - Power Management Company (Private) Limited (PMCL)	585	721
Mark-up on late payments to SNGPL	8,841	2,392
Amortization of bank guarantee cost	266	281
Miscellaneous	79	738
	<u><u>46,677</u></u>	<u><u>49,237</u></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><u>9,906</u></u>	<u><u>11,033</u></u>
-----------------------------------	---------------------	----------------------

Subsidiary company

Power Management Company (Private) Limited

Repayment of short term loan	309	1,006
Mark up accrued on loan	<u><u>2,476</u></u>	<u><u>2,837</u></u>

Associated companies

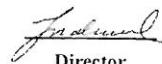
Descon Power Solutions (Private) Limited

Operation and maintenance contractor's fee	7,260	6,600
Payment against supplies of spares	<u><u>60,622</u></u>	<u><u>20,076</u></u>

12 GENERAL

- 12.1 These financial statements were authorized for issue on October 24, 2012 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)

EQUITY AND LIABILITIES	Note	Unaudited	Audited	
		30 September 2012	30 June 2012	
(Rupees in Thousand)				
Share capital				
Authorized capital				
400,000,000 (30 June 2012: 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 2012: 342,550,000) ordinary shares of Rs. 10/- each	4	3,425,500 249,960 6,257,465 9,932,925 6,699,072 16,631,997	3,425,500 - 5,795,938 9,221,438 6,393,505 15,614,943	
Share deposit money				
Accumulated profit				
Non-controlling interest				
Non-current liabilities				
Sponsors' loan -unsecured	5	579,490	569,583	
Long term loans - secured and unsecured	6	13,305,897 908,459 1,040 14,794,886	14,153,605 1,169,105 1,072 15,893,365	
Interest rate swap liabilities				
Deferred liabilities				
Current liabilities				
Trade and other payables				
Short term loan				
Mark up accrued				
Current portion of long term loans	6	6,828,930 616,000 41,499 2,098,742 9,910 9,595,081	5,326,440 636,000 67,929 2,143,187 5,465 8,179,021	
Provision for taxation				
Contingencies and Commitments	7	<u>41,021,964</u>	<u>39,687,329</u>	

The annexed notes 1 to 12 form an integral part of these financial statements



Chief Executive

ASSETS	Note	Unaudited	Audited
		30 September 2012	30 June 2012
		(Rupees in Thousand)	
Non-current assets			
Property, plant and equipment			
-Operating fixed assets	8	26,785,791	27,097,944
-Capital work-in-progress		-	-
Long term deposits		1,071	1,069
Long term loan to employees		9,971	9,971
		26,796,833	27,108,984
Current assets			
Store, spares and loose tools		388,883	423,744
Inventory of fuel oil		491,100	491,285
Trade debts - secured, considered good		12,784,614	10,756,568
Advances, prepayments and other receivables		311,327	339,494
Cash and bank balances		249,207	567,254
		14,225,131	12,578,345
		41,021,964	39,687,329

Pradeep
Director

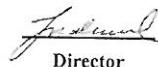
ALTERN ENERGY LIMITED AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2012

	<i>Note</i>	30 September 2012	30 September 2011
		(Rupees in Thousand)	
Revenue - net	9	6,157,667	4,504,124
Direct cost	10	(4,734,402)	(3,293,194)
Gross profit		1,423,265	1,210,930
Administrative expenses		(26,365)	(31,387)
Other operating expenses		-	-
Other operating income		14,784	36,735
Profit from operations		1,411,684	1,216,278
Finance cost		(643,596)	(518,073)
Profit before taxation		768,088	698,205
Taxation		(994)	(639)
Profit after taxation		767,094	697,566
Attributable to:			
Equity holders of the parent		461,527	423,587
Non-controlling interest		305,567	273,979
		767,094	697,566
Earnings per share - basic and diluted - Rupees		1.35	1.24

The annexed notes 1 to 12 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, 2012

	30 September 2012	30 September 2011
	(Rupees in Thousand)	
Profit after tax	767,094	697,566
Other Comprehensive Income:		
Effective portion of changes in fair value of cash flow hedges	-	-
Total comprehensive income	767,094	697,566
 Attributable to:		
Equity holders of the parent	461,527	423,587
Non-controlling interest	305,567	273,979
	767,094	697,566

The annexed notes 1 to 12 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, 2012**

	<i>Note</i>	30 September 2012	30 September 2011
		(Rupees in Thousand)	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		768,088	698,205
Adjustment for non-cash items:			
Depreciation		397,409	358,000
Provision for staff retirement benefits		-	67
Capital spares consumed		1,968	370
Finance cost		646,073	520,910
Interest income		(2,477)	-
		1,042,973	879,347
Operating profit before working capital changes		1,811,061	1,577,552
(Increase)/decrease in current assets:			
Stores, spares and loose tools		24,198	288
Inventory of fuel oil		185	190
Trade debts		(2,068,393)	(2,130,481)
Advances, prepayments, and other receivables		30,980	97,325
		(2,013,030)	(2,032,678)
Increase / (decrease) in current liabilities			
Trade and other payables		1,802,936	407,644
Cash generated from operations		1,600,968	(47,482)
Long term advances		-	(12,250)
Finance cost paid		(1,100,062)	(903,750)
Taxes adjusted		(2,365)	(6,441)
Retirement and other benefits paid		(32)	-
		(1,102,459)	(922,441)
Net cash generated / (used) from operating activities	(A)	498,508	(969,923)
CASH FLOW FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(2,962)	(257,231)
Capital work-in-progress		-	(513)
Long term deposits		(2)	-
Net cash used in investing activities	(B)	(2,964)	(257,744)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term finances		(1,043,547)	(934,361)
Sponsors' loan, net		-	16,000
Share deposit money		249,960	-
Net cash used in financing activities	(C)	(793,587)	(918,361)
Net increase / (decrease) in cash and cash equivalents	(A+B+C)	(298,043)	(2,146,028)
Cash and cash equivalents at beginning of the period		(68,746)	1,486,485
Cash and cash equivalents at the end of the period		(366,789)	(659,543)

The annexed notes 1 to 12 form an integral part of these financial statements.


Chief Executive
18


Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARY COMPANIES
 CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
 FOR THE QUARTER ENDED SEPTEMBER 30, 2012

Attributable to equity holders of Parent Company

	Share capital	Share deposit money	Accumulated profit	Non-controlling interest	Total
(Rupees in Thousand)					
Balance as at 01 July 2011	3,425,500	-	4,716,532	5,652,276	13,794,308
Profit after tax for the period	-	-	1,079,406	741,229	1,820,635
Share deposit money received	-	-	-	-	-
Total comprehensive income for the year	-	-	1,079,406	741,229	1,820,635
 Balance as at 30 June 2012	 3,425,500	 -	 5,795,938	 6,393,505	 15,614,943
Share deposit money received	-	249,960	-	-	249,960
Net profit for the period	-	-	461,527	305,567	767,094
	-	249,960	461,527	305,567	1,017,054
 Balance as at 30 September 2012	 3,425,500	 249,960	 6,257,465	 6,699,072	 16,631,997

The annexed notes 1 to 12 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, 2012

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 Parent Company") was incorporated in Pakistan on 17 January 1995 and is listed on Karachi Stock Exchange. The principal objective of the Parent 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 (2012 : 32 Mega Watts). The Parent Company commenced commercial operations with effect from 06 June 2001. The registered office of the Parent 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 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 MW (2012:450 MW), located near Sindhaini Barrage, Abdul Hakim, District Khanewal, in Punjab. RPPL started commercial operations from 11 December 1999. The registered office of RPPL is situated at 68 - Studio Apartments, Park Towers, F10 Markaz, 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 and methods of computation adopted for preparation of these condensed interim consolidated financial information are the same as those applied in preparing the financial statements for the year ended 30 June 2012.

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 2012	30 June 2012
Power Management Company (Private) Limited	100.000%	100.000%
Rousch (Pakistan) Power Limited	59.984%	59.984%

	(Rupees in Thousand)	
Descon Engineering Limited - the ultimate parent	5.1	331,218
Crescent Standard Business Management (Private) Ltd.	5.2	23,152
		354,370
Interest on long term financing	5.3	225,120
		579,490
		331,218
		23,152
		215,213
		569,583

5 SPONSORS' LOAN -UNSECURED

Descon Engineering Limited - the ultimate parent

5.1 331,218

Crescent Standard Business Management (Private) Ltd.

5.2 23,152

Interest on long term financing

5.3 354,370

225,120

579,490

215,213

569,583

5.1 This includes funds amounting to Rs. 315.218 million (2012: Rs. 315.218 million) received from Descon Engineering Limited for investment in Rousch (Pakistan) Power Limited through its subsidiary company, Power Management Company (Private) Limited. The loan amount includes Rs. 69.455 million as interest free loan as per terms of acquisition arrangement.

It also includes funds amounting to Rs. 16 million (2012: Rs. 16 million) received from Descon Engineering Limited in 2011. The loan amount shall be payable within a period of five (5) years from the Execution Date (the "term") in one or more installments. The term is extendable with mutual consent of the Parties. As per agreement between the Parent Company, MCB Bank Limited and Descon Engineering Limited, all amounts (including mark-up) due under the Sponsors' Loans shall be subordinated to the loan facility from MCB Bank Limited. These loans are unsecured and carry mark up at six months KIBOR plus 300 basis points (2012 : six months KIBOR plus 300 basis points).

5.2 It represents funds amounting to Rs. 23.152 million (2012: Rs. 23.152 million) paid by ex-sponsors previously. This loan is payable to Crescent Standard Business Management (Private) Limited and is unsecured and interest free.

5.3 It represents mark-up payable to Descon Engineering Limited of Rs. 225.12 million (2012: Rs. 215.21 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 till repayment of loan from MCB Bank Limited.

	Note	30 September	30 June
		2012	2012
6 LONG TERM LOANS - SECURED AND UN-SECURED			(Rupees in Thousand)
Loans from financial institutions		13,548,095	14,486,261
Loans from related parties		1,856,544	1,810,531
		15,404,639	16,296,792
Current portion of long term loans		(2,098,742)	(2,143,187)
		13,305,897	14,153,605

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 2012.

8 PROPERTY, PLANT AND EQUIPMENT

Opening written down value		27,097,944	25,672,937
Additions / transfers-in during the period - net	8.1	86,129	2,622,508
Depreciation charge for the period		(398,282)	(1,197,501)
Closing written down value		26,785,791	27,097,944

8.1 Additions to plant and equipment include net exchange loss of Rs. 74.07 million on related foreign currency loans during the period from 1 July 2012 to 30 September 2012. This has resulted in accumulated capitalization of exchange losses of Rs. 11,096.02 million (30 June 2012: 11,021.95 million) in the cost of plant and equipment upto 30 September 2012, with book value of Rs. 8,358.37 million (2012: Rs. 8,397.71 million).

9 REVENUE

Energy revenue - gross		5,060,062	3,342,691
Sales tax		(697,940)	(461,061)
Energy revenue- net		4,362,122	2,881,630
Capacity revenue		1,593,587	1,466,306
Other supplemental charges		297,107	198,773
Gas efficiency passed to WAPDA		(95,149)	(42,585)
		6,157,667	4,504,124

		30 September 2012	30 September 2011
		(Rupees in Thousand)	
10	DIRECT COST		
Energy import		2,460	463
Salaries, wages and other benefits		11,505	11,969
Fuel consumed		3,985,263	2,609,293
Chemicals, stores and spares consumed		48,068	40,454
Depreciation		396,095	356,402
Operating and maintenance costs		245,829	225,963
Insurance costs		32,892	36,201
Generation licence fee		1,257	1,124
Electricity duty		1,345	1,069
Repairs and maintenance		4,270	5,599
Others		5,418	4,657
		4,734,402	3,293,194

11 RELATED PARTY TRANSACTIONS

The related parties comprise of ultimate parent company, associated companies, related group companies, directors and their close family members, staff retirement contribution fund, key management personnel and major shareholders of the group. 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:

Descon Engineering Limited - the ultimate parent

- Mark up accrued on long term loan

9,906

11,033

Associated companies

Descon Power Solutions (Private) Limited

- Operation and maintenance contractor's fee

7,260

6,600

- Payment against supply of spares

60,622

20,076

Subsidiary companies

Rousch (Pakistan) Power Limited

- Operator's fee paid to ESB International Contracting Ltd.

115,964

86,543

- Payment to Descon Power Solutions (Pvt) Limited

65,030

-

- Payments to Siemens AG as maintenance contractor

73,376

-

- Payments to Siemens AG as LTMSA contractor

316,275

84,135

- Payments to Siemens Pakistan as LTMSA contractor

49,276

20,407

- Payment to Siemens AG on GTG 11/STG Rotor Replacement Agreement

-

8,840

- Payment to Siemens Pakistan Ltd for supply of spares and services

8,636

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12 GENERAL

- 12.1 These financial statements were authorized for issue on October 24, 2012 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

