

Dear Shareholders

The directors of your Company are presenting un-audited financial statements for the quarter ending September 30, 2007.

Operating Results

During the quarter ending September 30, 2007 your Company registered a Sale of Rs. 1.729 million, with a Gross Loss of Rs. 7.986 million and Rs. 18.057 million as Net Loss for the period.

During the whole period under review, production capacity was under utilized as the plant operated on standby arrangements. This fact resulted in reduction in sales. As far as negotiations with WAPDA, for supply of electricity is concerned, these are still in process and it is hoped that it may bring a favourable conclusion. Any favourable conclusion, with government support, will definitely bring your Company 100% operational and this will result into a turnaround in financial position of the Company.

These operating results brought EPS to Rs. (0.91) as compared to Rs. (1.04) of the corresponding period last year.

Acknowledgement

Directors wish to place on record their appreciation for the dedicated work of staff and executives of the company, during the period under review.

For and on behalf of
Board of Directors

Jahangir Elahi
Chief Executive

Lahore: November 24, 2007.

GENERTECH PAKISTAN LIMITED
BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2007

		September 2007 RUPEES	June 2007 RUPEES		September 2007 RUPEES	June 2007 RUPEES
	NOTE				NOTE	
EQUITY AND LIABILITIES				FIXED ASSETS		
SHARE CAPITAL AND RESERVES				PROPERTY PLANT & EQUIPMENT	435,359,870	444,556,041
Authorized share capital 20,000,000(2005 :20,000,000) Ordinary shares of Rupees 10/- each		<u>200,000,000</u>	<u>200,000,000</u>			
Issued, subscribed and paid up capital	3	198,000,000	198,000,000	LONG TERM DEPOSITS	239,794	239,794
Reserves	4	<u>(279,952,509)</u> (81,952,509)	<u>(261,895,026)</u> (63,895,026)			
NON CURRENT LIABILITIES						
LONG TERM FINANCING		55,536,475	65,158,072			
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE		-	-			
CURRENT LIABILITIES				CURRENT ASSETS		
Trade and other payables		58,824,739	59,556,848	Stores, spares and loose tools	17,240,729	17,240,521
Mark-up accrued on loans		160,220,123	149,299,729	Stock in trade	5,723,074	5,792,187
Short term bank borrowings		154,429,081	154,429,081	Trade debts	144,358,803	144,431,355
Current portion of long term liabilities		304,885,459	295,290,027	Advances, prepayments and other receivables	47,092,260	46,136,029
		<u>678,359,402</u>	<u>658,575,685</u>	Cash and bank balances	1,928,838	1,442,804
					<u>216,343,704</u>	<u>215,042,896</u>
CONTINGENCIES AND COMMITMENTS	5	-	-			
		<u>651,943,368</u>	<u>659,838,731</u>		<u>651,943,368</u>	<u>659,838,731</u>

The annexed notes form an integral part of these accounts.

CHIEF EXECUTIVE

DIRECTOR

GENERTECH PAKISTAN LIMITED
PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2007

	September 2007 RUPEES	September 2006 RUPEES
Sales - Net	1,728,864	6,040,056
Cost of sales	9,714,503	14,224,379
Gross (loss)	<u>(7,985,639)</u>	<u>(8,184,323)</u>
Administrative expenses	<u>910,618</u>	<u>1,069,605</u>
Operating (loss)	(8,896,257)	(9,253,928)
Other income	1,762,120	-
	<u>(7,134,137)</u>	<u>(9,253,928)</u>
Other charges		
Financial charges	10,923,346	11,297,209
Net loss for the period	<u>(18,057,483)</u>	<u>(20,551,137)</u>
Accumulated loss brought forward	(541,840,776)	(443,552,422)
Accumulated loss carried forward	<u>(559,898,259)</u>	<u>(464,103,559)</u>
Earnings per share	<u>(0.91)</u>	<u>(1.04)</u>

The annexed notes form an integral part of these accounts.

CHIEF EXECUTIVE

GENERTECH PAKISTAN LIMITED
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2007

	September 2007 RUPEES	September 2006 RUPEES
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	(18,057,483)	(20,551,137)
Adjustments for non cash charges and other items		
Depreciation	9,196,171	10,240,947
Financial charges	10,923,346	11,297,209
Profit on sale of fixed assets	-	-
	<u>20,119,517</u>	<u>21,538,156</u>
Cash flows from operating activities before working capital changes	2,062,034	987,019
(Increase) / decrease in current assets		
Stocks, Stores, Spares and Loose tools	68,905	(348,587)
Trade debts	72,552	(5,459,451)
Advances, prepayments and other receivables	(956,231)	(308,870)
	<u>(814,774)</u>	<u>(6,116,908)</u>
Increase/(decrease) in current liabilities		
Short term borrowings	-	-
Trade and other payables	(732,109)	6,993,078
	<u>(732,109)</u>	<u>6,993,078</u>
Cash generated from operating activities	515,151	1,863,189
Income tax paid	-	(40,194)
Financial charges paid	(2,952)	(24,285)
Net cash generated from operating activities	512,199	1,798,710
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed assets acquired	-	-
Long term deposits	-	-
Sale proceeds of fixed assets	-	-
Net cash used in investing activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term financing	-	-
Lease rentals paid	(26,165)	(212,694)
Dividend paid	-	-
Net cash flows from financing activities	(26,165)	(212,694)
Net increase /(decrease) in cash and cash equivalents	486,034	1,586,016
Cash and cash equivalents at the beginning of the period	1,442,804	2,437,295
Cash and cash equivalents at the end of the period	<u>1,928,838</u>	<u>4,023,311</u>

CHIEF EXECUTIVE

DIRECTOR

GENERTECH PAKISTAN LIMITED
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2007

	Share Capital	Reserves		Accumulated Loss	TOTAL
		Capital	Revenue		
	RUPEES	RUPEES	RUPEES	RUPEES	RUPEES
Balance as at June 30, 2006	198,000,000	114,945,750	165,000,000	(443,552,422)	34,393,328
Net loss for the period	-	-	-	(20,551,137)	(20,551,137)
Balance as at September 30, 2006	198,000,000	114,945,750	165,000,000	(464,103,559)	13,842,191
Net loss for the period	-	-	-	(77,737,217)	(77,737,217)
Balance as at June 30, 2007	198,000,000	114,945,750	165,000,000	(541,840,776)	(63,895,026)
Net loss for the period	-	-	-	(18,057,483)	(18,057,483)
Balance as at September 30, 2006	198,000,000	114,945,750	165,000,000	(559,898,259)	(81,952,509)

CHIEF EXECUTIVE

DIRECTOR

GENERTECH PAKISTAN LIMITED
NOTES TO THE ACCOUNTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2007

1 STATUS AND ACTIVITY

Genertech Pakistan Limited is a public limited company and its shares are quoted on all Stock Exchanges of Pakistan. The principal activity of the company is generation and distribution of electric power.

2 ACCOUNTING POLICIES

The accounting policies adopted for the preparation of Quarterly Accounts are the same as applied, in the preparation of the preceeding annual published accounts of the company.

3 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

18,000,000 (2005: 18,000,000) Ordinary shares of Rs. 10/- each fully paid in cash

**September
2007
RUPEES**

June
2007
RUPEES

180,000,000

180,000,000

1,800,000 (2005: 1,800,000) Ordinary shares of Rs. 10/- each issued as fully paid bonus shares

18,000,000

18,000,000

198,000,000

198,000,000

4 RESERVES

Capital Reserve

Premium on issue of shares

114,945,750

114,945,750

Revenue Reserve

Revenue reserves
Accumulated loss

165,000,000

165,000,000

(559,898,259)

(541,840,776)

(394,898,259)

(376,840,776)

(279,952,509)

(261,895,026)

5 TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

During the three months, the company sold electricity to associated undertaking, in the aggregate sum of Rs. Nil million (2006: Rs.1.512) million.

6 CONTINGENCIES AND COMMITMENTS

Contingencies

Standard Bank ,Faysal Bank Limited,MCB Bank Limited and The Bank of Punjab filed a recovery suits for Rs. 14.224 Million, Rs. 66.263 Million, Rs. 65.959 Million and Rs. 96.298 Million respectively in the Lahore High Court, lahore.

Escorts Investment Bank Limited filed a recovery suit of Rs. 19.560 Million in the banking court , Lahore

BRR International Modaraba filed a recovery suit of Rs. 76.807 Million in the Modaraba Tribunal.

Commitments

Commitment for the purchase of asset is Rs.100 Million (2006: 100 Million)

7 DATE OF AUTHORIZATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on November 24 ,2007 by the Board of Directors of the company.

8 FIGURES

Figures have been rounded off to the nearest rupee.