AEL

INTERIM FINANCIAL INFORMATION

(UN-AUDITED)
FOR THE QUARTER AND HALF YEAR
ENDED DECEMBER 31, 2017

ALTERN ENERGY LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Abdul Razak Dawood	(Chairman)
Mr. Taimur Dawood	(Chief Executive)
Mr. Farooq Nazir	
Mr. Fazal Hussain Asim	
Mr. Khalid Salman Khan	
Mr. Shah Muhammad Chaudhry	
Syed Rizwan Ali Shah	(Independent Director)

AUDIT COMMITTEE

Mr. Farooq Nazir	(Chairman)
Mr. Fazal Hussain Asim	
Mr. Shah Muhammad Chaudhry	
Syed Rizwan Ali Shah	(Independent Director)

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Farooq Nazir	(Chairman)
Mr. Fazal Hussain Asim	
Mr. Shah Muhammad Chaudhry	

CFO AND COMPANY SECRETARY

Mr. Umer Shehzad

HEAD INTERNAL AUDIT

Mr. Shafique Ur Rahman Bhatti

EXTERNAL AUDITORS

A.F. Ferguson & Co. Chartered Accountants

INTERNAL AUDITORS

Horwath Hussain Chaudhury & Co. Chartered Accountants

BANKERS

MCB Bank Limited
The Bank of Punjab
Habib Bank Limited
Habib Metropolitan Bank Limited

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

The Board of Directors of the Company takes pleasure to present the operational performance and (un-audited) financial statements of the Company for the half year ended December 31, 2017.

General:

The principal activities of the Company continue to be ownership, operation and maintenance of a 32 Mega Watts gas based thermal power plant located near Fateh Jang, district Attock, Punjab, and sale of electricity produced to its sole customer Central Power Purchasing Agency (Guarantee) Limited (CPPA-G). The Company's shares are listed on Pakistan Stock Exchange.

The Company owns 100% shares of Power Management Company (Private) Limited which in turn holds 59.98% shares of Rousch (Pakistan) Power Limited (RPPL). RPPL is an unlisted public company and an independent power producer having a gross ISO capacity of 450 Mega Watts from its gas-fired combined cycle thermal power plant, located near Sidhnai Barrage, Abdul Hakeem, District Khanewal, Punjab.

Finance:

During the period under review, the total turnover of the Company was Rs. 1,011 million resulting in a gross profit of Rs. 86 million (Rs. 161 million in corresponding period of last year). The Company posted net profit after tax of Rs. 1,507 million (Rs 140 million in the corresponding period of last year) delivering an earnings per share (EPS) of Rs. 4.15 (EPS of Rs. 0.38 during the corresponding period of last year). Besides operating revenue, EPS includes component of Rs. 4 per Ordinary Share on account of dividend income from the subsidiary company Power Management Company (Private) Limited.

CPPA-G, the sole power purchaser of the Company, continues to delay payments due to circular debt issue which has been affecting the liquidity position of your Company adversely. As a result, the total receivables as of December 31, 2017 stand at Rs. 1,145 million as compared to Rs. 800 million as on June 30, 2017. Despite the delayed inflows from CPPA-G, the Company has been able to manage the cashflows to meet all its obligations. The Company's management continues to pursue the off-taker for timely release of due payments.

Operations and Maintenance:

During the period under review, the Company witnessed frequent suspensions of gas supply by Sui Northern Gas Pipelines Limited (SNGPL). Furthermore, the Company also frequently witnessed reduced despatch demand from NPCC on account of low demand of electricity in winter period. As a result of both factors, your Company lost 44 days of operations leading to substantial loss of revenue (Rs 40 million). Despite these uncontrollable factors, the plant performance has been satisfactory during the period where it despatched 105.7 GWh electricity to CPPA-G as compared to 112.5 GWh delivered during the same period of last year. By availing the benefit of gas outages by SNGPL, the management has performed major overhaul on two gensets.

During the period the company has successfully conducted Annual Dependable Capacity Test. We confidently report that all the gensets and allied equipment are in sound mechanical fettle for smooth and reliable operations.

Health, Safety, Environment & Security:

During the period, the overall Health, Safety, Environment and Security performance of the plant remained satisfactory. There was no Lost Time Injury (LTI) and any environmental excursion reported during the period under review.

Future Outlook:

Energy is a sustenance for development, particularly for a developing country like Pakistan. Ever increasing supply and demand for power in our country has created a challenge for the Government as well as private power sector companies. Ever depleting gas resources in Pakistan have put gas fired IPPs in particular, in a difficult situation. A positive step taken by the Government was introduction of RLNG in the energy mix which provided some respite to the power sector in particular and industrial sector as a whole. As you are aware, 1st RLNG terminal started delivering gas into the national system in 2016 and the second terminal has further improved the overall supply of RLNG in December 2017. However the current merit order situation has created a big challenge for the Company and management is fully aware of it and is continuously following up on this matter.

Subsidiary Review:

We are pleased to inform you that during the period under review, RPPL continued to operate smoothly. The turnover for the review period was Rs. 12,516 million; and the cost of sales were Rs. 10,625 million. Net profit for the period was Rs. 1,473 million (compared to Rs. 2,221 million in the corresponding period last year) delivering an earnings per share (EPS) of Rs. 1.71 per share of Rs.10 each (EPS Rs. 2.58 in corresponding period last year). Current year's profit decreased due to decline in capacity revenue resulting from Other Force Majeure Event (OFME) due to gas suspension.

Payment default from the company's sole customer, CPPA-G continues. On December 31, 2017, the overdue receivables from CPPA-G were Rs. 8,504 million. The company continues to pursue CPPA-G for timely payments of its receivables.

The company continues to discharge its liabilities to its lenders. During the period, the company has paid Rs 1,371 million to its lenders.

During the period, complex was shut down for a period of 37 days due to suspension of gas supplies resulting in Other Force Majeure Events under the interim Gas Supply Agreement.

During the period, 1,253 GWh of electricity was delivered to CPPA-G as compared to 1,587 GWh delivered during the corresponding period of last year. During the period under review, the company has passed on Rs. 177 million to CPPA-G as its share of gas efficiency, which was accrued as a result of the efficient operation of plant.

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

For and behalf of the Board of Directors

Taimur Dawood
Chief Executive

Lahore
February 26, 2018

ڈائریکٹرز کی جائزہ رپورٹ

کمپنی کا بورڈ آف ڈائریکٹرز 31 دسمبر 2017ء کوختم ہونے والی ششماہی کے لئے کمپنی کی آپریشنل کارکردگی اور (غیر نظرثانی شدہ) مالیاتی حسابات پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

جنرل:

کمپنی فتح جنگ، ضلع اٹک، پنجاب کے قریب واقع ایک اپنا ذاتی 32 میگاواٹ گیس فائرڈ تھرمل پاور پلانٹ چلاتی ہے۔ کمپنی کے کی اصل سرگرمی بجلی پیدا کرنا اور اپنے واحد خریدار سنٹرل پاور پرچیزنگ ایجنسی (گارنٹی) لمیٹڈ (CPPA-G) کو فروخت کرنا ہے۔ کمپنی کے حصص پاکستان اسٹاک ایکسچینج میں درج ہیں۔

کمپنی پاور مینجمنٹ کمپنی (پرائیویٹ) لمیٹڈ کے 100% حصص رکھتی ہے جو Rousch (پاکستان) پاور لمیٹڈ (RPPL) کے 59.98% حصص ملکیت کا بدل ہیں۔ RPPL ایک غیر مندرج پبلک کمپنی اور سدھنائی بیراج کے نزدیک، عبدالحکیم، ضلع خانیوال، پنجاب میں واقع گیس فائرڈ کمبائن سائیکل تھرمل پاور پلانٹ سے 450 میگاواٹ کی مجموعی آئی ایس او صلاحیت کی حامل ایک آزاد پاور پروڈیوسر ہے۔

فنانس:

زیر جائزہ مدت کے دوران، کمپنی کی کل آمدنی 1,011 ملین روپے تھی جس کے نتیجہ میں مجموعی منافع 86 ملین روپے (گزشتہ سال کی اسی مدت میں 161 ملین روپے) ہوا۔ کمپنی نے بعد از ٹیکس خالص منافع 1,507 ملین روپے درج (گزشتہ سال کی اسی مدت میں 140 ملین روپے)، (EPS) فی شیئر آمدنی 4.15 روپے (گزشتہ سال کی اسی مدت کے دوران 0.38 EPS روپے) ظاہر کیا ہے۔

آپریٹنگ آمدنی کے علاوہ، EPS میں ذیلی کمپنی پاور مینجمنٹ کمپنی (پرائیویٹ) لمیٹڈ سے ڈیویڈینڈ آمدنی کی مد میں 4 روپے فی عام شیئر کا جزو شامل ہے۔

کمپنی کی بجلی کا واحد خریدار، CPPA-G گردشی قرضہ جاری کرنے میں واجب ادائیگیوں میں مسلسل تاخیر کر رہا ہے، جس سے آپ کی کمپنی کی لیکویڈیٹی کی حالت بُری طرح متاثر ہو رہی ہے۔ نتیجتاً، 31 دسمبر 2017 کے مطابق کل وصولیاں 1,145 ملین روپے ہونی ہیں جو 30 جون 2017 کے مطابق 800 ملین روپے تھیں۔ CPPA-G سے تاخیری بہاؤ کے باوجود، کمپنی اپنی تمام ذمہ داریاں پوری کرنے کے لئے نقد بہاؤ کا انتظام کرنے کے قابل رہی ہے۔ کمپنی کی انتظامیہ آف ٹیکر سے واجب ادائیگیوں کی بروقت واگزاری کے لئے اصرار کر رہی ہے۔

آپریشنز اور دیکھ بھال:

کمپنی کو زیرِ جائزہ مدت کے دوران، کمپنی نے سوئی ناردرن گیس پائپ لائن لمیٹڈ (SNGPL) کی طرف سے گیس کی فراہمی کی بار بار معطلی ظاہر کی ہے۔ اس کے علاوہ، کمپنی نے سردیوں کے موسم میں بجلی کی کم طلب کی مد میں NPCC سے کم ترسیل طلب بھی ظاہر کی ہے۔ دونوں عناصر کے نتیجہ میں، آپ کی کمپنی نے آپریشنز کے 44 دن کھو دیئے جس کے باعث (40 ملین روپے) آمدنی کو کافی نقصان ہوا۔ ان بے قابو عناصر کے باوجود، زیرِ جائزہ مدت کے دوران پلانٹ کی کارکردگی تسلی بخش ہے جہاں گزشتہ سال کی اسی مدت میں GWh 112.5 ترسیل کے مقابلے CPPA-G کو GWh 105.7 بجلی ترسیل کی ہے۔ SNGPL کی طرف سے گیس کی معطلی کا فائدہ اُٹھاتے ہوئے، انتظامیہ نے دو جنریٹرز کی اہم مرمت مکمل کروائی ہے۔ زیرِ جائزہ مدت کے دوران کمپنی نے کامیابی سے سالانہ ڈیپنڈ ایبل کپیسٹی ٹیسٹ قابلِ اعتماد صلاحیت کا انعقاد کیا ہے۔ ہم یقین سے بیان کرتے ہیں کہ تمام جنریٹرز اور متعلقہ ساز و سامان ہموار اور قابل اعتماد آپریشن کے لئے میکانیکلی درست ہیں۔

صحت، سیفٹی، ماحولیات اور سیکورٹی:

اس مدت کے دوران، پلانٹ کی مجموعی صحت، سیفٹی، ماحولیات اور سیکورٹی کی کارکردگی تسلی بخش رہی ہے۔ زیر جائزہ مدت کے دوران وقت کے ضیاع کا کوئی حادثہ (LTI) اور کوئی ماحولیاتی حملہ نہیں ہوا تھا۔

مستقبل کا نقطہ نظر:

خاص طور پر پاکستان جیسے ترقی پذیر ملک کی ترقی کے لئے بجلی بہت اہمیت رکھتی ہے۔ ہمارے ملک میں بجلی کی طلب اور فراہمی کے درمیان مسلسل بڑھتا ہوا خلاء حکومت اور نجی پاور سیکٹر کمپنیوں کے لئے ایک بڑا چیلنج ہے۔ چیلنج پاکستان میں کم گیس کے وسائل کی وجہ سے بڑھ رہا ہے جس نے گیس فائرڈ IPPs کو مشکل حالات میں ڈال دیا ہے۔

حکومت کی طرف سے ایک مثبت قدم توانائی مرکب میں آر ایل این جی کی شمولیت نے خاص طور پر بجلی کے شعبہ اور مجموعی طور پر صنعتی شعبے کو بہت ضروری مدد فراہم کی ہے۔ جیسا کہ آپ جانتے ہیں، پہلے RLNG ٹرمینل نے 2016 میں قومی نظام میں گیس فراہم کرنا شروع کر دی اور دوسرے ٹرمینل نے دسمبر 2017 میں آر ایل این جی کی مجموعی فراہمی کو مزید بہتر بنایا ہے۔

ذیلی جائزہ :

ہم آپ کو بخوشی مطلع کرتے ہیں کہ زیر جائزہ مدت کے دوران، Rousch (پاکستان) پاور لمیٹڈ (RPPL)، جو کمپنی کا ایک ذیلی ادارہ ہے، ہموار چلتا رہا ہے۔ زیرِ جائزہ مدت کے دوران آمدنی 12,516 ملین روپے اور قیمت فروخت 10,625 ملین روپے تھی۔ مدت کے لئے خالص منافع 1,473 ملین روپے (بمقابلہ گزشتہ سال کی اسی مدت میں 2,221 ملین روپے) فی شیئر آمدنی (EPS) 1.71 روپے فی شیئر ہر ایک -/10 روپے (گزشتہ سال کی اسی مدت میں EPS 2.58 روپے) تھا۔ گیس کی تعطلی کے باعث دیگر فورس میجر ایونٹ (OFME) سے صلاحیت آمدنی کے نتیجہ میں کمی کی وجہ سے رواں سال کا منافع کم ہوا۔

کمپنی کا واحد کسٹمر، CPPA-G ادائیگی میں مسلسل تاخیر کر رہا ہے۔ 31 دسمبر 2017ء کو CPPA-G سے واجب الادا وصولی 8,504 ملین روپے تھے۔ کمپنی CPPA-G سے اپنی واجب الادا وصولیوں کی بروقت واگزاری کے لئے اصرار کر رہی ہے۔

کمپنی اپنے قرض دہندگان کو ان کے واجبات ادا کر رہی ہے۔ اس مدت کے دوران، کمپنی نے اپنے قرض دہندگان کو 1,371 ملین روپے ادا کئے ہیں۔

عبوری گیس سپلائی معاہدہ کے تحت دیگر فورس میجر ایونٹ (OFME) کے نتیجے میں گیس سپلائز کی تعطلی کی وجہ سے کمپلیکس 37 دنوں کی مدت کے لئے بند ہو گیا تھا۔ اس مدت کے دوران، گزشتہ سال کی اسی مدت میں ترسیل 1,587 GWh کے مقابلے CPPA-G کو 1,253 GWh بجلی ترسیل کی گئی۔ زیر جائزہ مدت کے دوران، کمپنی نے CPPA-G کی خاطر 177 ملین روپے گیس صلاحیت کے حصہ کے طور پر خرچ کئے جو پلانٹ کی مؤثر کارروائیوں کے نتیجے میں برداشت کرنا پڑے۔

ہم اپنے بینکاروں، CPPA-G، SNGPL، اپنے عملے، ہمارے ٹھیکیداروں اور کمپنی کے قابل قدر حصص یافتگان کی مسلسل حمایت کے شکر گزار ہیں۔

منجانب بورڈ آف ڈائریکٹرز

لاہور: 26 فروری 2018ء

بحکم بورڈ

تیمور داؤد

چیف ایگزیکٹو

CHAIRMAN'S REVIEW

I am pleased to present to you financial results of the Company for the half year ended December 31, 2017.

Energy sector is one of the most critical sectors for growth of any country. For a developing country like Pakistan, this is basically a lifeline for economic viability and sustainability. Our country had struggled over the last many years in meeting the affordable energy needs due to political and economic instability. GDP of Pakistan has been adversely affected due to in-efficient energy mix resulting in high cost of production of electricity leading to un-competitiveness of Pakistani products in international markets. With declining domestic production of oil and gas and increasingly heavy dependence on imported oil, the Country is now standing in a very unfavourable position in international business market as compared to its competitors.

The Board fully aware of its role and responsibility to contribute towards rehabilitation of the energy sector which will ultimately benefit the country in the longer run. We believe that solution to energy crisis lies in sustainable and affordable electricity, for which we are striving hard upto our maximum capabilities. Our active role in the power sector is evident from investment in two thermal power plants; namely Rousch (Pakistan) Power Limited; a 450 Mega Watts combined cycle thermal power plant.

Although, both Altern and Rousch have faced challenges in recent past in terms of gas availability and impact of circular debt issue of the off-taker, Central Power Purchasing Agency Guarantee Limited (CPPA-G), yet we have been able to manage the operations with dedication and perseverance. In view of persistent shortfall in gas resources, the Board of Directors authorized management to avail Re-gasified Liquid Natural Gas (RLNG) to produce electricity in place of indigenous gas. During the period under review, the Parent Company, Altern, entered into negotiations for signing interim tri-partite Gas Supply Agreement (GSA) with SNGPL and CPPA-G to avail RLNG for producing electricity, whereas Rousch has already signed interim GSA and is negotiating long term GSA with relevant authorities.

Despite extensive challenges of liquidity, low-demand in winter period, and frequent suspensions of gas, the Company has managed to maintain its focus on reliable plant operations by executing routine and major maintenance activities of the Complex; thereby valuing its role as a guardian of the Public investment.

I would conclude by placing my gratitude to the Board of Directors of the Company who have contributed immensely by leading management to achieve the Goals in line with Company's mission. I would further extend my appreciation to Company's management for their perseverance and dedication amid challenges being faced by the power sector. I also acknowledge the support of our valued Shareholders for their trust in the abilities of the Board and management to deliver results.

Abdul Razak Dawood
Chairman

چیئرمین کا جائزہ

میں 31 دسمبر 2017 کو ختم ہونے والے نصف سال کے لئے کمپنی کے مالی نتائج پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

کسی ملک کی ترقی کے لئے توانائی کا شعبہ بہت ہی اہم شعبوں میں سے ایک ہے۔ پاکستان جیسے ترقی پذیر ملک کے لئے، یہ اقتصادی استحکام اور پائیداری کے لئے بنیادی لائف لائن ہے۔ سیاسی اور اقتصادی عدم استحکام کی وجہ سے ہمارا ملک سستی بجلی کی ضروریات کو پورا کرنے میں گزشتہ کئی سالوں سے مشکلات کا شکار تھا۔ پاکستان کا جی ڈی پی غیر مؤثر انرجی مکس کے نتیجے بجلی کی پیداوار کی اعلیٰ لاگت کی وجہ سے بُری طرح متاثر ہوا ہے جس کے باعث پاکستانی مصنوعات بین الاقوامی مارکیٹوں کا مقابلہ نہیں کرسکتی ہیں۔ تیل اور گیس کی مقامی پیداوار میں کمی اور درآمد شدہ تیل پر بہت زیادہ انحصار کے ساتھ، ملک اب اپنے حریفوں کے مقابلے بین الاقوامی بزنس مارکیٹ میں بہت ہی غیر موزوں مقام پر کھڑا ہے۔

بورڈ میں، ہم توانائی کے شعبے کی بحالی میں حصہ لینے کے لئے اپنے کردار اور ذمہ داری سے مکمل طور پر واقف ہیں جو بالآخر طویل عرصہ تک ملک کو فائدہ پہنچائے گا۔ ہم یقین رکھتے ہیں کہ توانائی کے بحران کا حل پائیدار اور سستی بجلی پر منحصر ہے، جس کے لئے ہم اپنی زیادہ سے زیادہ صلاحیتوں تک محنت کر رہے ہیں۔ بجلی کے شعبے میں ہمارا فعال کردار دو تھرمل پاور پلانٹس یعنی 450 میگاواٹ کا کمبائنڈ سائیکل تھرمل پاور پلانٹ روسو (پاکستان) پاور لمیٹڈ میں سرمایہ کاری سے ظاہر ہوتا ہے۔

اگرچہ، آلٹرن اور روسو دونوں نے حالیہ ماضی میں گیس کی دستیابی اور آف ٹیکر سنٹرل پاور پرچیزنگ ایجنسی گارنٹی لمیٹڈ (CPPA-G) کے گردشی قرضہ کے مسئلہ کے اثرات کے لحاظ سے مشکلات کا سامنا کیا ہے۔ ابھی تک ہم لگن اور ہمت کے ساتھ آپریشنز کا انتظام کرنے میں کامیاب رہے ہیں۔ گیس کے وسائل میں مستقل کمی کے سلسلے میں، بورڈ آف ڈائریکٹرز نے انتظامیہ کو مقامی گیس کی جگہ بجلی پیدا کرنے کے لئے ری گیسیفائیڈ لیکویڈ نیچرل گیس (RLNG) سے مستفید ہونے کا اختیار دیا ہے۔ زیرِ جائزہ مدت کے دوران، پیرنٹ کمپنی، آلٹرن، بجلی پیدا کرنے کے لئے RLNG سے مستفید ہونے کے لئے SNGPL اور CPPA-G کے ساتھ عبوری تھرڈ پارٹی گیس سپلائی معاہدہ (جی ایس اے) پر دستخط کرنے کے لئے مذاکرات کر رہی ہے، جبکہ روسو پہلے ہی عبوری جی ایس اے دستخط کر چکی ہے اور متعلقہ حکام کے ساتھ طویل مدتی GSA کے لئے مذاکرات کر رہی ہے۔

لیکویڈیٹی کے وسیع تر چیلنجوں، موسم سرما میں کم طلب، اور گیس کی بار بار معطّلی کے باوجود، کمپنی نے کمپلیکس کی معمول کی اور اہم دیکھ بھال کی سرگرمیاں انجام دے کر قابل اعتماد پلانٹ آپریشنز پر اپنی توجہ برقرار رکھی ہے، اس طرح عوامی سرمایہ کاری کے محافظ کے طور پر اپنا کردار ادا کیا ہے۔

میں کمپنی کے بورڈ آف ڈائریکٹرز کا شکر گزار ہوں جنہوں نے کمپنی کے مشن کے اہداف کو حاصل کرنے میں انتظامیہ کی مدد کی ہے۔ بجلی کے شعبے کو پیش آنے والے چیلنجوں سے نمٹنے کے لئے کمپنی کی انتظامیہ کی لگن اور ہمت کو بھی سراہوں گا۔ میں نتائج کے حصول کے لئے بورڈ اور انتظامیہ کی صلاحیتوں پر ان کے اعتماد کے لئے اپنے قابلِ قدر حصص یافتگان کے تعاون کا بھی شکر گزار ہوں۔

عبدالرازق داؤد

چیئرمین

ALTERN ENERGY LIMITED
AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of Altern Energy Limited (the “Company') as at December 31, 2017 and the related condensed -interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes 'to the accounts for the half year then ended (here-in-after referred to as the “interim financial information”). Management is responsible for the preparation and presentation of this interim information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2016 and 2017 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2017:

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial information by the independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review less in substantially less in scope than an audit conducted in accordance with International standards on Auditing and consequently does not enable us to obtain assurance that

we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on the review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the half year ended December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards applicable in Pakistan for interim financial reporting

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

	Note	Un-audited December 31, 2017	Audited June 30, 2017
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital			
400,000,000 (June 30, 2017: 400,000,000) ordinary shares of Rs 10 each		4,000,000	4,000,000
Issued, subscribed and paid up share capital			
363,380,000 (June 30, 2017: 363,380,000) ordinary shares of Rs 10 each		3,633,800	3,633,800
Capital reserve : Share premium		41,660	41,660
Revenue reserve : Un-appropriated profit		1,133,063	1,079,514
		4,808,523	4,754,974
NON-CURRENT LIABILITIES			
Long term financing-unsecured	6	-	-
Deferred liabilities		3,937	3,402
		3,937	3,402
CURRENT LIABILITIES			
Current portion of long term financing -unsecured	6	77,993	94,851
Trade and other payables		164,194	173,943
Short term borrowings-secured		279,778	-
Dividend payable		1,295	1,453,520
Markup accrued		13,529	10,732
		536,789	1,733,046
CONTINGENCIES AND COMMITMENTS	7		
		5,349,249	6,491,422

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

Chief Executive | Chief Financial Officer | Director

	Note	Un-audited December 31, 2017	Audited June 30, 2017
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	726,743	741,536
Intangible assets	9	1,116	1,955
Long term investment	10	3,204,510	3,204,510
Long term deposit		38	38
		3,932,407	3,948,039
CURRENT ASSETS			
Stores and Spares		101,568	112,468
Trade debts - secured		1,145,106	800,155
Advances, deposits, prepayments and other receivables		127,681	112,849
Dividend receivable		-	1,435,108
Income tax recoverable		34,848	34,232
Cash and bank balances		7,639	48,571
		1,416,842	2,543,383
		5,349,249	6,491,422

Chief Executive | Chief Financial Officer | Director

ALTERN ENERGY LIMITED
CONDENSED INTERIM UN-CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2017

	Note	Quarter ended		Half year ended	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
		(Rupees in thousand)		(Rupees in thousand)	
Revenue-net	11	610,146	489,102	1,010,987	1,059,387
Direct costs	12	(583,309)	(428,552)	(925,375)	(898,107)
Gross profit		26,837	60,550	85,612	161,280
Administrative expenses		(10,959)	(8,363)	(21,193)	(16,387)
Other income		1,455,266	41	1,455,681	112
Profit from operations		1,471,144	52,228	1,520,100	145,005
Finance cost		(8,458)	(1,934)	(13,356)	(5,133)
Profit before taxation		1,462,686	50,294	1,506,744	139,872
Taxation	13	-	-	325	(23)
Profit for the period		1,462,686	50,294	1,507,069	139,849
Earnings per share - basic and diluted	(Rupees)	4.03	0.14	4.15	0.38

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

Chief Executive **Chief Financial Officer** **Director**

ALTERN ENERGY LIMITED
CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2017

	Quarter ended		Half year ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	(Rupees in thousand)		(Rupees in thousand)	
Profit for the period	1,462,686	50,294	1,507,069	139,849
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
	-	-	-	-
Total comprehensive income for the period	1,462,686	50,294	1,507,069	139,849

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

Chief Executive	**Chief Financial Officer**	**Director**

ALTERN ENERGY LIMITED
CONDENSED INTERIM UN-CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Note	Half year ended	
		December 31, 2017	December 31, 2016
		(Rupees in thousand)	
Cash flows from operating activities			
Cash used in operations	14	(260,632)	(37,347)
Finance cost paid		(10,559)	(2,319)
Income tax paid		(291)	(7)
Net cash outflow from operating activities		(271,482)	(39,673)
Cash flows from investing activities			
Purchases of property, plant and equipment		(17,081)	(13,856)
Purchases of intangible asset		(370)	-
Dividend received		2,888,628	951,739
Profit on bank deposits received		2,201	72
Net cash inflow from investing activities		2,873,378	937,955
Cash flows from financing activities			
Repayment of sponsor's loan - unsecured		-	(103,876)
Repayment of current portion of long term finances - unsecured		(16,861)	-
Dividend paid		(2,905,745)	(847,326)
Net cash outflow from financing activities		(2,922,606)	(951,202)
Net decrease in cash and cash equivalents		(320,710)	(52,920)
Cash and cash equivalents at the beginning of the period		48,571	51,756
Cash and cash equivalents at the end of the period	15	(272,139)	(1,164)

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

Chief Executive **Chief Financial Officer** **Director**

ALTERN ENERGY LIMITED
CONDENSED INTERIM UN-CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Share Capital	Capital reserve: Share Premium	Revenue reserve: Unappropriated Profit	Total Share capital and reserves
	(Rupees in thousand)			
Balance as on July 1, 2016 (audited)	3,633,800	41,660	900,314	4,575,774
Profit for the period	-	-	139,849	139,849
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the half year ended December 31, 2016	-	-	139,849	139,849
Total contributions by and distributions to owners of the Company recognised directly in equity	-	-	-	-
Balance as on December 31, 2016 (un-audited)	3,633,800	41,660	1,040,163	4,715,623
Balance as on July 1, 2017 (audited)	3,633,800	41,660	1,079,514	4,754,974
Profit for the period	-	-	1,507,069	1,507,069
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the half year ended December 31, 2017	-	-	1,507,069	1,507,069
Dividend to equity holders of the Company :				
-Interim dividend for the half year ended December 31, 2017 (Rs 4 per ordinary share)	-	-	(1,453,520)	(1,453,520)
Total contributions by and distributions to owners of the Company recognised directly in equity	-	-	(1,453,520)	(1,453,520)
Balance as on December 31, 2017 (un-audited)	3,633,800	41,660	1,133,063	4,808,523

The annexed notes 1 to 18 form an integral part of this condensed interim financial information.

Chief Executive	Chief Financial Officer	Director

1 LEGAL STATUS AND NATURE OF BUSINESS

Altern Energy Limited (the 'Company') is a public limited company incorporated in Pakistan on January 17, 1995 under the Companies Ordinance, 1984 (now the Companies Act, 2017 and hereinafter referred to as the 'Act'). The Company is a subsidiary of Descon Engineering Limited. The Company's ordinary shares are listed on the Pakistan Stock Exchange Limited. The principal objective of the Company is to generate and supply electric power to Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G') from its thermal power plant having a gross capacity of 32 Mega Watts (2017: 32 Mega Watts). The Company commenced its commercial operations on June 6, 2001. The registered office of the Company is situated at Descon Headquarters, 18 km, Ferozepur Road, Lahore.

The Company has a Power Purchase Agreement ('PPA') with its sole customer, CPPA-G for thirty years which commenced from June 06, 2001.

Company's Gas Supply Agreement (GSA) with Sui Northern Gas Pipelines Limited (SNGPL) expired on June 30, 2013. Thereafter, the Company has signed a supplemental deed dated March 17, 2014 with SNGPL, whereby SNGPL has agreed to supply gas to the Company on as-and-when available basis till the expiry of PPA on June 06, 2031. The Ministry of Petroleum and Natural Resources, empowered for Re-liquified natural gas ('RLNG') allocation by the Economic Co-ordination Committee ('ECC') of Cabinet , issued an allocation of 06 MMCFD of RLNG to the Company on April 28, 2017 and advised the Company and SNGPL to negotiate a GSA. Currently, the Company, SNGPL and CPPA-G are in the process of execution of an interim GSA for supply of RLNG. Under the interim GSA, RLNG will be supplied on 'as available' basis till the execution of a long term GSA between the parties.

2 BASIS OF PREPARATION

This condensed interim financial information is un-audited and is being submitted to the members as required by section 237 of the Act. In May 2017, the Companies Ordinance, 1984 (the “Ordinance”) was repealed after the enactment of the Act. However, as allowed by SECP vide Circular No. 23 of 2017 dated October 4, 2017 in continuation of SECP’s earlier Circular No. 17 of 2017 dated July 20, 2017, companies whose financial year, and other interim period, closes on or before December 31, 2017, shall prepare their financial statements in accordance with the provisions of the repealed Ordinance. Accordingly, this condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard ("IAS") 34 - 'Interim Financial Reporting', and provisions of and directives issued under the repealed Ordinance. In case where requirements differ, the provisions of or directives issued under the repealed Ordinance have been followed. The figures for the half year ended December 31, 2017 have, however, been subjected to limited scope review by the auditors as required by the Code of Corporate Governance. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements for the year ended June 30, 2017.

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended June 30, 2017.

3.2 Initial application of standards, amendments or an interpretation to existing standards

The following amendments to existing standards have been published that are applicable to the Company's condensed interim financial information covering annual periods, beginning on or after the following dates:

3.2.1 Standards, amendments and interpretations to approved accounting standards effective in the current year

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2017 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in this condensed interim financial information except for:

- IAS 7, 'Cashflow statements: Disclosure initiative' (effective for periods beginning on or after January 1, 2017). This amendment requires disclosure to explain changes in liabilities for which cash flows have been, or will be classified as financing activities in the statement of cash flows. The amendment only covers balance sheet items for which cash flows are classified as financing activities. In case other items are included within the reconciliation, the changes in liabilities arising from financing activities will be identified separately. A reconciliation of the opening to closing balance is not specifically required but instead the information can be provided in other ways. In the first year of adoption, comparative information need not be provided. The application of this amendment does not have any material impact on the Company's condensed interim financial information.

3.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The following amendments and interpretations to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after July 01, 2018 or later periods, and the Company has not early adopted them:

	Effective date (accounting periods beginning on or after)
Other standards or interpretations	
IFRS 9, 'Financial instruments'	July 1, 2018
IFRS 15, 'Revenue from contracts with customers'	July 1, 2018
Amendments to IFRS 15, 'Revenue from contracts with customers' on gross versus net revenue presentation	July 1, 2018
IFRIC 22, 'Foreign currency transactions and advance consideration'	January 1, 2018
IFRS 16, 'Leases'	January 1, 2019
IFRIC 23, 'Uncertainty over income tax treatments'	January 1, 2019

The Company will apply these standards/amendments from their respective effective dates and has yet to assess the impact of these amendments on its condensed interim financial information.

4 ACCOUNTING ESTIMATES

The preparation of the condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim financial information, the significant judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the financial statements for the year ended June 30, 2017.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2017.

There have been no changes in the risk management department since year end or in any risk management policies.

5.2 Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash outflows for financial liabilities.

5.3 Fair value estimation

The carrying values of all financial assets and liabilities reflected in the condensed interim financial information approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

During the period, there were no significant changes in the business or economic circumstances that affect the fair value of the Company's financial assets and financial liabilities. Furthermore, there were no reclassifications of financial assets.

6. Long term financing

		Un-audited December 31, 2017	Audited June 30, 2016
		(Rupees in thousand)	
Power Management Company (Private) Limited ('PMCL') - unsecured	- note 6.1	31,500	50,000
Interest on loan from PMCL	- note 6.2	46,493	44,851
		77,993	94,851
Less: Current portion shown under current liabilities		(77,993)	(94,851)
		-	-

6.1 This represents long term loan obtained by the Company from its wholly owned subsidiary, PMCL. These are unsecured and carries mark-up at the rate of six months Karachi Inter Bank Offer Rate ('KIBOR') plus 100 basis points (June 30, 2017: six months KIBOR plus 100 basis points). The mark-up rate charged during the year on the outstanding balance was 7.15% (2017: 9.36%) per annum.

6.2 This represents mark-up payable to PMCL of Rs 46.493 million (June 30, 2017: Rs 44.851 million) on the long term loan obtained from it.

7. Contingencies and commitments

There is no significant change in the contingencies and commitments from the preceeding annual published financial statements of the Company for the year ended June 30, 2017 except for the following:

7.1 Contingencies

The taxation authorities issued show cause notice to amend the original assessment filed under secion 120 of the Income Tax Ordinance, 2001 and therby passed amended assessment order under section 122(5A) for tax year 2015, creating income tax demand amounting to Rs 81.603 million which mainly relates to denying the claim of exemption of dividend income from the subsiidary company. Aggreived with the said department order, the Company is now in the process of filing of appeal against the impugned order before relevant Appelate Forums.

Based on the advice of the Company's legal counsel, management believes that there are sufficient grounds to defend the Company's stance in respect of the abovementioned case. Consequently, no provision has been recognized in the condensed interim financial information.

7.2 Commitments in respect of

Habib Metropolitan Bank Limited has issued bank guarantee for Rs 326.32 million (June 30, 2017 : Rs 326.32 million) in favour of Sui Northern Gas Pipelines Limited as a security to cover gas supply for which payments are made in arrears. The guarantee will expire on March 14, 2018, which is renewable.

		Un-audited December 31, 2017	Audited June 30, 2016
		(Rupees in thousand)	

8. Property, plant and equipment

Operating fixed assets	- note 8.1	722,873	737,666
Major spare parts and stand-by equipment		3,870	3,870
		726,743	741,536

8.1 Operating fixed assets

Opening book value		737,666	785,621
Additions during the period/year	- note 8.1.1	17,083	14,606
Depreciation charged during the period/year		(31,876)	(62,561)
Closing book value		722,873	737,666

8.1.1 Additions during the period/year

Plant and machinery	14,409	12,182
Electric equipment	-	1,162
Office equipment	-	1,262
Vehicle	2,674	-
	17,083	14,606

9. Intangible assets

Opening book value	1,955	3,800
Additions during the period/year	370	631
Amortization charged during the period/year	(1,209)	(2,476)
Closing book value	1,116	1,955

10. Long term investment

Investment in subsidiary company - at cost	- note 10.1& 10.2	3,204,510	3,204,510

10.1 This represents 100% shares held in PMCL, which in turn holds 59.98% shares of Rousch (Pakistan) Power Limited ('RPPL').

10.2 As per terms of agreement for acquisition of shares of RPPL, PMCL has deposited these shares with the trustees of RPPL lenders.

	Un-audited Quarter ended December 31, 2017	Un-audited Quarter ended December 31, 2016	Un-audited Half year ended December 31, 2017	Un-audited Half year ended December 31, 2016
	(Rupees in thousand)		(Rupees in thousand)	
11. Revenue - net				
Energy revenue - gross	586,494	446,151	926,064	962,816
Sales tax	(85,217)	(64,825)	(134,556)	(139,896)
Energy revenue - net	501,277	381,326	791,508	822,920
Capacity revenue - gross	89,929	99,476	194,206	219,386
Other supplemental charges	18,940	8,300	25,273	17,081
	610,146	489,102	1,010,987	1,059,387
12. Direct costs				
Gas cost	502,739	367,385	774,041	799,160
Salaries wages and other benefits	195	283	481	677
Operation and maintenance contractor's fee	14,523	13,579	29,045	27,159
Stores and spares consumed	41,480	20,642	73,020	25,714
Purchase of energy from CPPA-G	337	584	898	919
Insurance	300	527	1,000	1,046
Lube oil consumed	5,235	2,423	7,286	3,795
Repairs and maintenance	902	6,229	4,807	6,654
Security expenses	1,370	1,183	2,724	1,692
Travelling and conveyance	157	167	260	235
Depreciation on operating fixed assets	15,904	15,472	31,414	30,824
Fees and subscription	-	-	149	144
Miscellaneous expenses	167	78	250	88
	583,309	428,552	925,375	898,107
13. Taxation				
Current tax (income)/expense				
-For the year	-	-	(325)	23
-Prior years'	-	-	-	-
	-	-	(325)	23

13.1 The Company had obtained certificate of registration and designation letter of a group from SECP on June 05, 2015 and September 09, 2016 respectively and the Company was registered as a group with SECP under Group Companies Registration Regulations 2008.Subsequent to the registration of the group, a group return will now be filed. At the time of registration of group, inter-corporate dividend (PMCL to Altern Energy Limited) was exempt from tax for companies entitled for group relief under section 59 B of the Income Tax Ordinance, 2001 under Clause (103A) of Part I of the Second Schedule to the Income Tax Ordinance, 2001. However, through Finance Act, 2016 this law was amended subsequent to the registration of the group and the exemption available to the group was withdrawn. The Company is of the view that since the Company had been registered as a group before the amendment in law, the Company is entitled for relief. Based on the advice of the Company's legal advisor, management believes that there are meritorious grounds to defend its case in the court of Law with the taxation authorities .Consequently, no provision of Rs 516.384 million on dividend income from the subsidiary company has been recognized in these condensed interim financial information.

	Un-audited Half year ended	
	December 31, 2017	December 31, 2016
	(Rupees in thousand)	

14. Cash used in operations

Profit before taxation	1,506,744	139,872
Adjustment for non cash charges and other items:		
- Dividend income	(1,453,520)	-
- Depreciation on operating fixed assets	31,877	31,089
- Amortization of intangible assets	1,209	1,094
- Amortization of bank guarantee cost	1,469	979
- Profit on bank deposits	(2,161)	(112)
- Finance cost	13,356	5,133
- Provision for doubtful debts	1,744	772
- Provision for employee retirement benefits	535	375
Profit before working capital changes	101,253	179,202
Effect on cash flow due to working capital changes:		
- Decrease/(increase) in stores, spares and loose tools	10,900	(39,822)
- Increase in trade debts-secured	(345,744)	(84,384)
- Increase in advances, deposits, prepayments and other receivables	(17,292)	(22,284)
- Decrease in trade and other payables	(9,749)	(70,059)
	(361,885)	(216,549)
	(260,632)	(37,347)

15. Cash and cash equivalents

Cash and bank balances	7,639	8,321
Short term borrowings-secured	(279,778)	(9,485)
	(272,139)	(1,164)

16. Transactions and balances with related parties

The related parties include the holding company, subsidiary companies, associated companies, other related companies, directors and key management personnel of the Company and post employment plans. The Company in the normal course of business carries out transactions with various related parties. Significant related party trasactions during the period include:

Relationship with the Company	Nature of transactions	Un-audited December 31, 2017	Un-audited December 31, 2016
		(Rupees in thousand)	
i. Holding company			
Descon Engineering Limited :			
	Mark-up accrued on long term loan	-	641
	Dividend paid	1,691,177	492,625
	Repayment of Sponsors' loan	-	100,000
	Mark up paid on Sponsors' loan	-	3,876
	Common cost charged	1,104	1,239
ii. Subsidiary company			
Power Management Company (Private) Limited :			
	Dividend received	2,888,628	951,739
	Dividend income	1,453,520	-
	Repayment of short term loan	-	3
	Repayment of current portion of long term financing	18,500	-
	Mark up accrued on loan	1,643	2,362
iii. Associated undertakings			
Descon Power Solutions (Private) Limited :			
	O&M contractor's fee	26,404	24,004
	Service agreement of generators	2,640	3,155
	Spare parts purchased	58,516	86,070
	Major maintenance fee	870	-
	Common cost charged	10	156
Descon Corporation (Private) Limited :			
	ERP implementation fees and running cost	1,669	1,379
	Building rent	264	76
iv. Key management personnel	Salaries and other employment benefits	2,256	1,961
v. Director's fee	Meeting fees	250	461
vi. Post employment plans	Expense charged in respect of post employment plans	535	375

	Unaudited December 31, 2017	Audited June 30, 2017
Period/year end balances are as follows:	(Rupees in thousand)	
Payable to related parties		
Descon Engineering Limited (Holding company)	7,650	6,546
Power Management Company (Private) Limited (Subsidiary company)	16,634	16,428
Descon Corporation (Private) Limited (Associated company)	669	420
Descon Power Solutions (Private) Limited (Associated company)	56,273	28,289
Rousch (Pakistan) Power Limited (Subsidiary company)	75	25
	81,301	51,708

17 DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorised for issue on February 26, 2018 by the Board of Directors of the Company.

18 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Chief Executive	Chief Financial Officer	Director

CONSOLIDATED
FINANCIAL
INFORMATION

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

EQUITY AND LIABILITIES	Note	Un-audited December 31, 2017	Audited June 30, 2017
		(Rupees in thousand)	
SHARE CAPITAL AND RESERVES			
Authorized share capital			
400,000,000 (June 30, 2017: 400,000,000) ordinary shares of Rs 10 each		**4,000,000**	4,000,000
Issued, subscribed and paid up share capital			
363,380,000 (June 30, 2017: 363,380,000) ordinary shares of Rs 10 each		**3,633,800**	3,633,800
Share premium		**41,660**	41,660
Revenue reserve: Accumulated profit		**11,797,773**	12,379,592
		15,473,233	16,055,052
Non-controlling interests		**9,763,355**	10,209,062
		25,236,588	26,264,114
NON-CURRENT LIABILITIES			
Long term financing	5	**2,838,294**	4,045,532
Deferred liabilities		**27,592**	23,399
Deferred taxation		**863,039**	913,145
		3,728,925	4,982,076
CURRENT LIABILITIES			
Trade and other payables		**1,734,039**	3,345,083
Short term borrowings - secured		**412,123**	-
Mark up accrued		**5,414**	3,409
Current portion of long term financing		**2,838,294**	2,697,021
Derivative financial instrument	6	**92,757**	157,389
Dividend payable		**1,462**	2,488,523
		5,084,089	8,691,425
CONTINGENCIES AND COMMITMENTS	7		
		34,049,602	39,937,615

The annexed notes 1 to 16 form an integral part of these financial statements.

Chief Executive	Chief Financial Officer	Director

AS AT DECEMBER 31, 2017

ASSETS	Note	Un-audited December 31, 2017	Audited June 30, 2017
		(Rupees in thousand)	
NON-CURRENT ASSETS			
Property, plant and equipment	8	**19,703,931**	20,376,788
Intangible assets		**2,010**	3,742
Long term deposits		**539**	539
Long term loan to employees		**7,432**	8,886
		19,713,912	20,389,955
CURRENT ASSETS			
Store, spares and loose tools		**618,279**	653,568
Inventory of fuel oil		**470,340**	471,793
Trade debts - secured, considered good		**10,633,432**	12,864,950
Advances, deposits, prepayments and other receivables		**808,723**	541,817
Income tax recoverable		**75,542**	271,645
Cash and bank balances		**1,729,374**	4,743,887
		14,335,690	19,547,660
		34,049,602	39,937,615

Chief Executive   Chief Financial Officer   Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2017

		Quarter ended		Half year ended	
		December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	Note	(Rupees in thousand)		(Rupees in thousand)	
Revenue - net	9	**6,055,096**	9,052,488	**13,526,565**	16,643,989
Direct costs	10	**(5,315,478)**	(7,629,185)	**(11,549,113)**	(13,823,448)
Gross profit		**739,618**	1,423,303	**1,977,452**	2,820,541
Administrative expenses		**(72,072)**	(37,202)	**(133,499)**	(95,252)
Other income		**67,276**	31,682	**137,768**	93,645
Profit from operations		**734,822**	1,417,783	**1,981,721**	2,818,934
Finance cost		**(255,043)**	(207,314)	**(433,498)**	(455,536)
Profit before taxation		**479,779**	1,210,469	**1,548,223**	2,363,398
Taxation		**(30,773)**	(52,504)	**(87,226)**	(100,729)
Profit after taxation		**449,006**	1,157,965	**1,460,997**	2,262,669
Attributable to:					
Equity holders of the parent		**265,076**	694,116	**871,701**	1,373,777
Non-controlling interest		**183,930**	463,849	**589,296**	888,892
		449,006	1,157,965	**1,460,997**	2,262,669
Earnings per share - basic and diluted	Rupees	**0.73**	1.91	**2.40**	3.78

The annexed notes 1 to 16 form an integral part of these financial statements.

Chief Executive	Chief Financial Officer	Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER AND HALF YEAR ENDED DECEMBER 31, 2017

	Quarter ended		Half year ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	(Rupees in thousand)		(Rupees in thousand)	
Profit for the period	**449,006**	1,157,965	**1,460,997**	2,262,669
Other comprehensive income:				
Items that will be reclassified subsequently to profit or loss	-	-	-	-
Items that will not be reclassified subsequently to profit or loss	-	-		
			-	-
Total comprehensive income for the period	**449,006**	1,157,965	**1,460,997**	2,262,669
Attributable to:				
Equity holders of the parent	**265,076**	694,116	871,701	1,373,777
Non-controlling interest	**183,930**	463,849	589,296	888,892
	449,006	1,157,965	**1,460,997**	2,262,669

The annexed notes 1 to 16 form an integral part of these financial statements.

Chief Executive	Chief Financial Officer	Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Note	December 31, 2017	December 31, 2016
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	11	**3,484,014**	(1,567,055)
Finance cost paid		**(303,711)**	(381,069)
Tax paid		**(238,154)**	(110,415)
Retirement and other benefits paid		**-**	(2,415)
		(541,865)	(493,899)
Net cash inflow / (outflow) from operating activities		**2,942,149**	(2,060,954)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(26,854)**	(26,427)
Purchase of intangible assets		**(370)**	-
Profit on bank deposits received		**2,201**	72
Proceeds from sale of property, plant and equipment		**1,161**	607
Long term advances		**1,454**	2,175
Net cash (outflow) / inflow from investing activities		**(22,408)**	(23,573)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loans		**(1,370,625)**	(1,597,237)
Repayment of sponsors' loan		**-**	(103,876)
Dividend paid		**(4,975,752)**	(1,537,329)
Net cash outflow from financing activities		**(6,346,377)**	(3,238,442)
Net decrease in cash and cash equivalents		**(3,426,636)**	(5,322,969)
Cash and cash equivalents at the beginning of the period		**4,743,887**	9,220,127
Cash and cash equivalents at the end of the period	12	**1,317,251**	3,897,158

The annexed notes 1 to 16 form an integral part of these financial statements.

Chief Executive	**Chief Financial Officer**	**Director**

ALTERN ENERGY LIMITED AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017

	Attributable to equity holders of Parent Company				
	Share capital	Share premium	Un-appropriated profit	Non-controlling Interests	Total
	------------------------------------(Rupees in thousand)----------------------------				
Balance as on July 1, 2016 (audited)	3,633,800	41,660	12,051,716	10,102,809	25,829,985
Profit for the period	-	-	1,373,777	888,892	2,262,669
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the half year ended December 31, 2016	-	-	1,373,777	888,892	2,262,669
Transactions with owners in their capacity as owners	-	-	-	-	-
Balance as on December 31, 2016 (Un-audited)	3,633,800	41,660	13,425,493	10,991,701	28,092,654
Profit for the period	-	-	409,090	253,346	662,436
Other comprehensive income for the period	-	-	(1,471)	(982)	(2,453)
Total comprehensive income for the period	-	-	407,619	252,364	659,983
Transactions with owners in their capacity as owners:					
Interim dividend @4 per ordinary share by AEL	-	-	(1,453,520)	-	(1,453,520)
Dividend relating to 2017 paid to non-controlling interest	-	-	-	(1,035,003)	(1,035,003)
Balance as on June 30, 2017 (Audited)	3,633,800	41,660	12,379,592	10,209,062	26,264,114
Profit for the period	-	-	871,701	589,296	1,460,997
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the half year ended December 31, 2017	-	-	871,701	589,296	1,460,997
Transactions with owners in their capacity as owners	-	-	-	-	-
Interim dividend @4 per ordinary share by AEL	-	-	(1,453,520)	-	(1,453,520)
Interim dividend @4 per ordinary share paid to non-controlling interest	-	-	-	(1,035,003)	(1,035,003)
Balance as on December 31, 2017 (Un-audited)	3,633,800	41,660	11,797,773	9,763,355	25,236,588

The annexed notes 1 to 16 form an integral part of these financial statements.

Chief Executive **Chief Financial Officer** **Director**

1 LEGAL STATUS & NATURE OF BUSINESS

Altern Energy Limited ('the Parent Company') and its subsidiaries, Power Management Company (Private) Limited and Rousch (Pakistan) Power Limited (together, 'the Group') are engaged in power generation activities.

1.1 The Group is structured as follows:

Parent Company:

Altern Energy Limited (AEL); and

Subsidiary companies:	**Un-audited**	**Audited**
	Percentage of Holding	
	December 31, 2017	**June 30, 2017**
Power Management Company (Private) Limited (PMCL)	**100.000%**	100.000%
Rousch (Pakistan) Power Limited (RPPL)	**59.984%**	59.984%

1.2 Altern Energy Limited (AEL) is a public limited company incorporated in Pakistan on January 17, 1995 under the Companies Ordinance, 1984 (now the Companies Act, 2017 and hereinafter referred to as the 'Act'). The company is a subsidiary of Descon Engineering Limited. AEL's ordinary shares are listed on the Pakistan Stock Exchange Limited. The principal objective of the company is to generate and supply electric power to Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G') from its thermal power plant having a gross capacity of 32 Mega Watts (June 30, 2017: 32 Mega Watts). AEL commenced its commercial operations on June 6, 2001. The registered office of the company is situated at Descon Headquarters, 18 km, Ferozepur Road, Lahore.

AEL has a Power Purchase Agreement ('PPA') with its sole customer, CPPA-G for thirty years which commenced from June 06, 2001.

AEL's Gas Supply Agreement (GSA) with Sui Northern Gas Pipelines Limited (SNGPL) expired on June 30, 2013. Thereafter, the company has signed a supplemental deed dated March 17, 2014 with SNGPL, whereby SNGPL has agreed to supply gas to the company on as-and-when available basis till the expiry of PPA on June 06, 2031. The Ministry of Petroleum and Natural Resources, empowered for Re-liquefied natural gas ('RLNG') allocation by the Economic Co-ordination Committee ('ECC') of Cabinet , issued an allocation of 06 MMCFD of RLNG to AEL on April 28, 2017 and advised the company and SNGPL to negotiate a GSA. Currently, the company, SNGPL and CPPA-G are in the process of execution of an interim GSA for supply of RLNG. Under the interim GSA, RLNG will be supplied on 'as available' basis till the execution of a long term GSA between the parties.

1.3 Power Management Company (Private) Limited (PMCL) was incorporated in Pakistan on February 24, 2006 under the Companies Ordinance, 1984 (now the Companies Act, 2017 and hereinafter referred to as the 'Act'). The company is fully owned subsidiary of AEL. The principal objective of PMCL is to invest, manage, operate, run, own and build power projects. The registered office of the company is situated at Descon Headquarters, 18 km Ferozepur Road, Lahore.

1.4 Rousch (Pakistan) Power Limited (RPPL) is an unlisted public company, incorporated in Pakistan on August 4, 1994 under the Companies Ordinance, 1984. The principal activities of the company are to generate and supply electricity to CPPA-G from its combined cycle thermal power plant ('the Complex') having a gross (ISO) capacity of 450 Mega Watts (June 30, 2017: 450 Mega Watts), located near Sidhnai Barrage, Abdul Hakim town, District Khanewal, Punjab province, Pakistan. The company started commercial operations from December 11, 1999. The registered office of RPPL is situated at 2nd Floor Emirates Tower, F-7 Markaz, Islamabad.

RPPL has a PPA with CPPA-G for sale of power to CPPA-G upto 2030. The plant was initially designed to operate with residual furnace oil and was converted the Complex to gas fired facility in 2003 after allocation of 85 MMSCFD by the Government for the period of twelve years under GSA with SNGPL till August 18, 2015. At that time, under the amended and restated Implementation Agreement (IA), the Government of Pakistan provided an assurance that the company will be provided gas post August 2015, in preference to the new projects commissioned after the company.

The Ministry of Petroleum and Natural Resources ('MOPNR'), empowered for RLNG allocation by the Economic Co-ordination Committee ('ECC') , issued an allocation of 85 MMSCFD of RLNG to the company on firm basis on September 23, 2015 and advised the company and SNGPL to negotiate a long term GSA on firm basis. While negotiations for the long term GSA are in process, ECC of the Cabinet approved interim GSA for supply of RLNG to the company upto June 2018 or signing of a long-term GSA, whichever is earlier. The interim GSA was executed with CPPA-G and SNGPL on June 01, 2017. Under the interim GSA, RLNG will be supplied on 'as-available' basis, however, the non-supply of RLNG will be treated as 'Other Force Majeure' under the PPA.

2 BASIS OF PREPARATION

This condensed interim consolidated financial information is un-audited and is being submitted to the members as required by section 237 of the Act. In May 2017, the Companies Ordinance, 1984 (the “Ordinance”) was repealed after the enactment of the Act. However, as allowed by SECP vide Circular No. 23 of 2017 dated October 4, 2017 in continuation of SECP’s earlier Circular No. 17 of 2017 dated July 20, 2017, companies whose financial year, and other interim period, closes on or before December 31, 2017, shall prepare their financial statements in accordance with the provisions of the repealed Ordinance. Accordingly, this condensed interim consolidated financial information has been prepared in accordance with the requirements of International Accounting Standard ("IAS") 34 - 'Interim Financial Reporting', and provisions of and directives issued under the repealed Ordinance. In case where requirements differ, the provisions of or directives issued under the repealed Ordinance have been followed. This condensed interim consolidated financial information does not include all the information required for annual consolidated financial statements and therefore, should be read in conjunction with the annual consolidated financial statements for the year ended June 30, 2017.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of preceding annual consolidated financial statements of the Group for the year ended June 30, 2017.

4 ACCOUNTING ESTIMATES

The preparation of the condensed interim consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing this condensed interim consolidated financial information, the significant judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the consolidated financial statements for the year ended June 30, 2017.

5 LONG TERM FINANCING

This represents two loans taken by RPPL from Standard Chartered Bank (SCB) UAE amounting to USD 36.515 million under facility-A and USD 27.7 million under facility-B. Facility-A is repayable in 5 equal semi-annual installments and it carries markup at LIBOR+4% to be served quarterly. Facility-B is repayable in 10 equal quarterly and it carries a markup at LIBOR+1.4%.

Facility-A is secured by first charge on fixed assets of the company amounting to USD 49 million, assignment of receivables relating to capacity payments and lien on debt service reserve account maintained with SCB Pakistan and Facility-B is secured by assignment of receivable relating to capacity payments and lien on collection account maintained with SCB Pakistan.

6 DERIVATIVE FINANCIAL INSTRUMENT

This represents derivative interest rate swap arrangement by RPPL with a commercial bank. Under the terms of the arrangement, the company pays a fixed interest rate of 4.80% to the arranging bank on the notional US Dollar (USD) amount for the purposes of the interest rate swap, and receives 3-Month US Dollar London Inter-Bank Offered Rate ('LIBOR') on the notional US Dollar (USD) amount from the arranging bank. There have been no transfer of liabilities under the arrangement, only the nature of interest payment has changed. The derivative interest rate swap outstanding as at December 31,2017 has been marked to market and the resulting gain has been included in the profit and loss account.

7 CONTIGENCIES & COMMITMENTS

There is no material change in the status of contingencies and commitments set out in note 13 to the consolidated financial statements of the Group for the year ended June 30, 2017 except for the following:

7.1 Contingencies

Altern Energy Limited - the Parent Company

The taxation authorities issued show cause notice to amend the original assessment filed under section 120 of the Income Tax Ordinance, 2001 and thereby passed amended assessment order under section 122(5A) for tax year 2015, creating income tax demand amounting to Rs 81.603 million which mainly relates to denying the claim of exemption of dividend income from the subsidiary company. Aggrieved with the said department order, the company is now in the process of filing of appeal against the impugned order before relevant Appellate Forums.

Based on the advice of the company's legal counsel, management believes that there are sufficient grounds to defend the company's stance in respect of the abovementioned case. Consequently, no provision has been recognized in the condensed interim consolidated financial information.

Rousch (Pakistan) Power Limited - the Subsidiary Company

Following the period end, RPPL has received demands from Deputy Commissioner Inland Revenue (DCIR) for tax years 2013, 2015 and 2016 where the DCIR has amended the assessments for these tax years under section 122(5) of Income Tax Ordinance 2001. The aggregate demands amount to Rs. 976.65 million. The DCIR has created this demand on the basis that the supplemental charges earned by the company on account of late payments by CPPA-G are subject to tax and that the income earned by the company cannot be set off against its depreciation loss. The management believes that supplemental charges come within the purview of the income of the company from the power plant which is exempt from tax. Furthermore, the depreciation loss is also available for set-off. In addition, Workers Welfare Fund (WWF) demand amounting in aggregate to Rs. 55.76 million for the respective tax years has also been created by the DCIR. The WWF levy is to be contested on the ground that the company does not fall within the definition of industrial undertaking as contained in the WWF Ordinance, 1971. Based on the foregoing, the company is filing appeal against these demands before the Commissioner Inland Revenue (Appeals) (CIR-A).

7.2 Commitments in respect of

Altern Energy Limited - the Parent Company

Habib Metropolitan Bank Limited has issued bank guarantee for Rs 326.32 million (June 30, 2017 : Rs 326.32 million) in favour of Sui Northern Gas Pipelines Limited as a security to cover gas supply for which payments are made in arrears. The guarantee will expire on March 14, 2018, which is renewable.

8 PROPERTY, PLANT AND EQUIPMENT

Additions to plant and equipment include net exchange loss of Rs 165 million on related foreign currency loans during the period from July 1, 2017 to September 30, 2017. This has resulted in accumulated capitalization of exchange losses of Rs. 12,402.817 million (June 30, 2017: Rs 12,293.477 million) in the cost of plant and equipment upto December 31, 2017, with net book value of Rs 5,801 million (June 30, 2017: Rs 6,946.903 million). The exchange gains / losses capitalized are amortized over the remaining useful life of the plant.

9 REVENUE - NET

	Un-audited Quarter ended		Un-audited Half year ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	(Rupees in thousand)		(Rupees in thousand)	
Energy purchase price - gross	**5,559,604**	8,598,092	**12,429,686**	15,453,134
Sales tax	**(807,806)**	(1,249,295)	**(1,806,023)**	(2,245,327)
Energy purchase price - net	**4,751,798**	7,348,797	**10,623,663**	13,207,807
Capacity purchase price - gross	**1,202,299**	1,712,085	**2,739,210**	3,459,079
Other supplemental charges	**165,350**	124,259	**340,493**	210,615
Gas efficiency passed to CPPA-G	**(64,351)**	(132,653)	**(176,801)**	(233,512)
	6,055,096	9,052,488	**13,526,565**	16,643,989

10 DIRECT COSTS

Gas cost	**4,478,237**	6,857,121	**9,900,761**	12,276,723
Operation and maintenance contractor's fee	**266,266**	255,009	**531,893**	525,064
Depreciation on operating fixed assets	**431,833**	420,592	**857,373**	840,877
Stores, and spares consumed	**68,906**	34,433	**131,196**	67,516
Lube oil consumed	**5,235**	2,423	**7,286**	3,795
Repairs & maintenance	**2,917**	9,520	**7,167**	14,421
Insurance costs	**25,158**	29,980	**50,315**	59,952
Purchase of energy from CPPA-G	**16,648**	4,929	**21,747**	5,265
Salaries, wages and other benefits	**9,160**	6,007	**20,560**	15,532
Generation license fee	**1,599**	1,538	**3,346**	3,220
Electricity duty	**580**	2,039	**2,717**	4,352
Security expenses	**1,370**	1,183	**2,724**	1,692
Liquidated damages	**3**	-	**4**	-
Miscellaneous	**7,566**	4,411	**12,024**	5,039
	5,315,478	7,629,185	**11,549,113**	13,823,448

11 CASH GENERATED FROM OPERATIONS

	Un-audited December 31, 2017	Un-audited December 31, 2016
	(Rupees in thousand)	
Profit before taxation	**1,548,223**	2,363,398
Adjustment for non cash charges and other items:		
- Depreciation on operating fixed assets	**862,660**	845,625
- Profit on bank deposits	**(4,008)**	(112)
- Amortization of bank guarantee cost	**1,469**	979
- Amortization of intangible assets	**1,209**	1,094
- Gain on sale of property, plant & equipment	**(435)**	-
- Capital spares consumed	**2,632**	1,761
- Gain on adjustment in fair value of DFI	**(64,632)**	-
- Finance cost	**435,346**	455,535
- Provision for doubtful debts	**28,339**	771
- Provision for employee retirement benefits	**4,193**	3,273
Profit before working capital changes	**2,814,996**	3,672,324
Effect on cash flow due to working capital changes:		
-Decrease / (increase) in stores, spares and loose tools	**36,742**	(26,630)
- Decrease / (increase) in trade debts	**2,203,973**	(5,212,048)
-Increase in advances, deposits, prepayments and other receivables	**(85,934)**	(235,864)
-(Decrease) / increase in trade and other payables	**(1,485,763)**	235,163
	669,018	(5,239,379)
Cash generated from / (used in) operations	**3,484,014**	(1,567,055)

12 CASH AND CASH EQUIVALENTS

Cash and bank balances	**1,729,374**	3,906,643
Short term borrowings - secured	**(412,123)**	(9,485)
	1,317,251	3,897,158

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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:

Relationship with the Company	Nature of transactions		
i. Ultimate Parent			
Descon Engineering Limited:			
	Mark up accrued on long term loan	**-**	641
	Dividend paid	**1,691,177**	492,625
	Repayment of Sponsors' loan	**-**	100,000
	Mark up paid on sponsors' loan	**-**	3,876
	Common costs charged	**1,104**	1,239
ii. Associated Undertakings			
Descon Power Solutions (Private) Limited:			
	O & M contractor's fee	**26,404**	24,004
	Service agreement of generators	**2,640**	3,155
	Spare parts purchased	**58,516**	86,070
	Major maintenance fee	**870**	-
	Common costs charged	**10**	156
Descon Corporation (Private) Limited:			
	ERP implementation fee & running cost	**1,669**	1,379
	Building rent	**264**	76
iii. Subsidiary Undertakings			
Rousch (Pakistan) Power Limited:			
	Purchase of O & M services from ESB International	**74,850**	136,502
	Purchase of O & M services from Siemens AG	**26,639**	20,543
	Purchase of O & M services from Siemens Pakistan Engineering Company Ltd	**1,170**	1,061
	Purchase of O & M services from Descon Power Solutions (Pvt) Ltd	**224,371**	192,392
	Purchase of long term maintenance services from Siemens AG	**141,236**	113,581
	Purchase of long term maintenance services from Siemens Pakistan Engineering Company Ltd	**60,772**	54,039
	Supply of spares and services from Siemens Pakistan Engineering Company Ltd	**562**	59,127
	Supply of spares and services from Descon Engineering Ltd	**2,745**	2,022
	Supply of spares and services from Descon Corporation (Pvt) Ltd	**4,086**	3,164
	Supply of services from Descon Power Solutions (Pvt) Ltd	**1,202**	1,551
	Dividend paid to Siemens Project Ventures GmbH	**1,345,176**	448,392
	Dividend paid to ESB International Luxembourg	**379,154**	126,385
iv. Key Management Personnel			
	Salaries and other employment benefits	**35,595**	30,957
v. Post Employment benefit plans			
	Expense charged in respect of retirement benefit plans	**7,888**	6,076

	Un-audited December 31, 2017	**Audited June 30, 2017**
Period end balances are as follows:	**(Rupees in thousand)**	
Payable to related parties		
Descon Engineering Limited (Holding company)	**30,712**	30,628
Descon Corporation (Private) Limited (Associated company)	**1,364**	753
Descon Power Solutions (Private) Limited (Associated company)	**94,098**	62,031
Siemens Pakistan Engineering Company Limited	**12,422**	136,231
Siemens AG	**393,374**	433,097
ESB International Ltd	**170,533**	124,312

14 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial information was authorized for issue on February 26, 2018 by the Board of Directors of the Company.

15 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim consolidated balance sheet have been compared with the balances of annual audited consolidated financial statements of preceding financial year, whereas, the condensed interim consolidated profit and loss account, condensed interim consolidated statement of comprehensive income, condensed interim consolidated cash flow statement and condensed interim consolidated statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purposes of comparison. The following re-arrangements have been made:

	Un-audited Quarter ended		Un-audited Half year ended	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
	(Rupees in thousand)		(Rupees in thousand)	
Transaction loss classified from 'finance cost' to ' exchange loss’	133,580	1,210	166,933	2,421

16 GENERAL

16.1 Figures have been rounded off to the nearest thousand of Rupees.

Chief Executive | Chief Financial Officer | Director