

**AEL**

**INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED)  
FOR THE QUARTER ENDED  
SEPTEMBER 30, 2015**

**ALTERN ENERGY LIMITED**

**ALTERN ENERGY LIMITED  
COMPANY INFORMATION**

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**BOARD OF DIRECTORS**

Mr. Abdul Razak Dawood (Chairman)  
Mr. Taimur Dawood (Chief Executive)  
Mr. Farooq Nazir  
Mr. Fazal Hussain Asim  
Syed Ali Nazir Kazmi  
Mr. Shah Muhammad Chaudhry  
Syed Rizwan Ali Shah  
Mr. Mohammad Saleh Al Shaikh

**AUDIT COMMITTEE**

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

**HUMAN RESOURCE & REMUNERATION  
COMMITTEE**

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

**CFO & COMPANY SECRETARY**

Mr. Umer Shehzad

**AUDITORS**

A.F. Ferguson & 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

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## **ALTERN ENERGY LIMITED DIRECTORS' REVIEW**

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The Board of Directors of the Company feel pleasure in presenting you with the operational performance and (un-audited) financial statements of the Company for the quarter ended September 30, 2015.

### **General:**

The Company owns and operates a 32 MW gas based thermal power plant located near Fateh Jang, District Attock, Punjab. The principal activity of the Company is to produce and sell electricity to Water and Power Development Authority (WAPDA) under a long term Power Purchase Agreement.

### **Finance:**

During the period under review, the total turnover of the Company was Rs. 536 million resulting in a gross profit of Rs. 103 million. The Company posted net profit after tax of Rs. 78 million (Rs. 69 million in corresponding period last year) delivering an earnings per share (EPS) of Rs. 0.21 (EPS of Rs. 0.19 during the corresponding period last year).

Payment defaults by the off-taker, WAPDA continued, which have exposed the Company to liquidity risk. The total receivables as of September 30, 2015 stand at Rs. 810 million as compared to Rs. 797 million as at June 30, 2015. The Company's management continues to pursue the relevant Ministries and officials of WAPDA for timely release of due payments.

The Company during the period paid debt servicing of Rs. 5.2 million due against foreign currency loans.

### **Operations and Maintenance:**

The plant performance has been satisfactory during the period where it despatched electricity at base load to the national grid. During the period, the Company dispatched 61.9 GWh to WAPDA as compared to 52.5 GWh delivered during the same period last year. All the routine maintenance activities were executed as per schedule. We confidently report that all the gensets and allied equipment are in sound health for smooth and reliable operations.

### **Health, Safety, Environment and Security:**

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

### **Subsidiary Review:**

We are pleased to inform you that during the period under review, Roush (Pakistan) Power Limited (RPPL), which is a subsidiary of the Company, continued to operate smoothly. The turnover for the period was Rs. 6,831 million; and the cost of sales were Rs. 5,533 million. Net profit for the period was Rs. 881 million (compared to Rs. 848 million in the corresponding period in 2014) delivering an earnings per share (EPS) of Rs. 1.02 per share of Rs. 10 each (EPS Rs. 0.98 in corresponding period in 2014).

Payment default from the company's sole customer, WAPDA continues. On September 30, 2015, the overdue receivables from WAPDA were Rs. 8,614 million. The company continues to pursue WAPDA for timely payment of its receivables.

The company continues to discharge its liabilities to its lenders. During the period, the company has repaid Rs. 762 million being the debt repayment till September 30, 2015. Supplier loan and EPC deferred (AMSA) loan repayments due on March 31, 2015 and September 30, 2015 respectively could not be paid in accordance with conditions of MOU signed with lenders by the company.

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 837 GWh of electricity to WAPDA during period under review as compared to 843 GWh delivered during the corresponding period of the previous financial year. During the period under review, the company has passed on Rs. 104 million to WAPDA as its share of gas efficiency, 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 and our contractors as well as valued Shareholders of the Company.

**For and behalf of the Board of Directors**

Lahore  
October 28, 2015



**Taimur Dawood**  
Chief Executive

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

	<b>Note</b>	<b>Un-audited September 30, 2015</b>	<b>Audited June 30, 2015</b>
		<b>-----Rupees in thousand-----</b>	
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized share capital			
400,000,000 (June 30, 2015: 400,000,000) ordinary shares of Rs. 10 each		<b>4,000,000</b>	<b>4,000,000</b>
Issued, subscribed and paid up share capital			
363,380,000 (June 30, 2015: 363,380,000) ordinary shares of Rs. 10 each		<b>3,633,800</b>	<b>3,633,800</b>
Share premium		<b>41,660</b>	<b>41,660</b>
Accumulated profit		<b>727,263</b>	<b>649,677</b>
		<b>4,402,723</b>	<b>4,325,137</b>
<b>NON-CURRENT LIABILITIES</b>			
Sponsors' loan - unsecured	<b>5</b>	<b>261,763</b>	<b>261,763</b>
Long term financing	<b>6</b>	<b>87,344</b>	<b>86,078</b>
Deferred liabilities		<b>1,898</b>	<b>1,898</b>
		<b>351,005</b>	<b>349,739</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>537,119</b>	<b>559,978</b>
Unclaimed dividend		<b>1,381</b>	<b>1,381</b>
Mark up accrued		<b>9,855</b>	<b>9,710</b>
Current portion of long term financing	<b>6</b>	<b>4,608</b>	<b>32,754</b>
		<b>552,963</b>	<b>603,823</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	<b>7</b>	<b>5,306,691</b>	<b>5,278,699</b>

The annexed notes 1 to 18 form an integral part of these financial statements.

  
**Chief Executive**

**AS AT SEPTEMBER 30, 2015**

<b>ASSETS</b>	<i>Note</i>	<b>Un-audited</b>	<b>Audited</b>	
		<b>September 30, 2015</b>	<b>June 30, 2015</b>	
<b>-----Rupees in thousand-----</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	8	826,785	839,812	
Intangible assets	9	5,324	5,816	
Long term investment	10	3,204,510	3,204,510	
Long term deposits	38	38	38	
		4,036,657	4,050,176	
<b>CURRENT ASSETS</b>				
Stores, spares and loose tools		53,461	51,406	
Trade debts - secured, considered good		809,709	796,723	
Advances, prepayments and other receivables		74,193	80,060	
Income tax receivable		31,449	31,231	
Cash and bank balances		301,222	269,103	
		1,270,034	1,228,523	
		<b><u>5,306,691</u></b>	<b><u>5,278,699</u></b>	

  
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Director

**ALTERN ENERGY LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED PROFIT & LOSS ACCOUNT (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

		September 30, 2015	September 30, 2014
	<i>Note</i>	-----Rupees in thousand-----	
Revenue - net	<i>11</i>	<b>535,564</b>	438,579
Direct costs	<i>12</i>	<u>(432,628)</u>	<u>(353,260)</u>
<b>Gross profit</b>		<b>102,936</b>	85,319
Administrative expenses		<b>(5,854)</b>	(4,226)
Other income		<b>7,870</b>	-
<b>Profit from operations</b>		<b>104,952</b>	81,093
Finance cost		<u>(27,176)</u>	<u>(11,920)</u>
<b>Profit before taxation</b>		<b>77,776</b>	69,173
Taxation		<b>(190)</b>	-
<b>Profit after taxation</b>		<b>77,586</b>	<b>69,173</b>
Earnings per share - basic and diluted - Rupees		<b>0.21</b>	<b>0.19</b>

The annexed notes 1 to 18 form an integral part of these financial statements.

  
Chief Executive

  
Director

**ALTERN ENERGY LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	September 30, 2015	September 30, 2014
	-----Rupees in thousand-----	
Profit after taxation	<b>77,586</b>	69,173
Other comprehensive income		
<i>Items that will not be reclassified subsequently to profit or loss</i>	-	-
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-
<b>Total comprehensive income for the period</b>	<b><u>77,586</u></b>	<b><u>69,173</u></b>

The annexed notes 1 to 18 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, 2015**

	September 30, 2015	September 30, 2014
-----Rupees in thousand-----		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	13      68,293	149,124
Finance cost paid	(69)	(462)
Income tax paid	(408)	-
	(477)	(462)
<b>Net cash generated from operating activities</b>	<hr/> 67,816	<hr/> 148,662
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	-	(3,407)
Dividend received	-	617,880
<b>Net cash generated from investing activities</b>	-	614,473
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayments of long term loans	(5,103)	(5,478)
Dividend paid	-	(362,338)
Sponsors' Loan - net	(30,594)	(231,348)
<b>Net cash used in financing activities</b>	(35,697)	(599,164)
 Net increase in cash and cash equivalents	<hr/> 32,119	<hr/> 163,971
Cash and cash equivalents at beginning of the period	269,103	227,329
 <b>Cash and cash equivalents at the end of the period</b>	<hr/> 14 <hr/> 301,222	<hr/> 391,300

The annexed notes 1 to 18 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, 2015**

	Share capital	Share premium	Equity portion of sponsors' loan	Accumulated profit	Total
Rupees in thousand					
<b>Balance as at July 01, 2014 - Audited</b>	3,633,800	41,660	15,899	534,600	<b>4,225,959</b>
Imputed interest on sponsors' loan	-	-	(2,485)	-	<b>(2,485)</b>
Profit for the period				69,173	<b>69,173</b>
Other comprehensive income for the period				-	-
Total comprehensive income for the quarter ended September 30, 2014	-	-	-	69,173	<b>69,173</b>
<b>Balance as at September 30, 2014 - Un-audited</b>	<b>3,633,800</b>	<b>41,660</b>	<b>13,414</b>	<b>603,773</b>	<b>4,292,647</b>
Imputed interest on sponsors' loan	-	-	(13,414)	-	<b>(13,414)</b>
Profit for the period	-	-	-	45,904	<b>45,904</b>
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	45,904	<b>45,904</b>
<b>Balance as at July 01, 2015 - Audited</b>	<b>3,633,800</b>	<b>41,660</b>	<b>-</b>	<b>649,677</b>	<b>4,325,137</b>
Profit for the period	-	-	-	77,586	<b>77,586</b>
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the quarter ended September 30, 2015	-	-	-	77,586	<b>77,586</b>
<b>Balance as at September 30, 2015 - Un-audited</b>	<b>3,633,800</b>	<b>41,660</b>	<b>-</b>	<b>727,263</b>	<b>4,402,723</b>

The annexed notes 1 to 18 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, 2015****1 STATUS & NATURE OF BUSINESS**

Altern Energy Limited (the 'Company') is a public limited company incorporated in Pakistan on January 17, 1995. The Company is a subsidiary of Descon Engineering Limited. The Company's ordinary shares are listed on the Karachi Stock Exchange Limited.

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 (June 30, 2015 : 32 Mega Watts). 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, WAPDA, 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.

**2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The condensed interim financial statements have been prepared in accordance with approved Accounting Standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 30 June 2015.

This condensed interim unconsolidated financial information is being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984.

**3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in 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, 2015.

**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, 2015.

<b>Un-audited</b>	<b>Audited</b>
September 30, 2015	June 30, 2015
<b>-----Rupees in thousand-----</b>	

**5 SPONSORS' LOAN - UNSECURED**

Long term finances	5.1	261,763	261,763
Interest on long term finances	5.2	1,985	25,508
		<hr style="border: 0.5px solid black;"/>	<hr style="border: 0.5px solid black;"/>
		263,748	287,271
Less: Current portion under current liabilities		<hr style="border: 0.5px solid black;"/>	<hr style="border: 0.5px solid black;"/>
		(1,985)	(25,508)
		<hr style="border: 0.5px solid black;"/>	<hr style="border: 0.5px solid black;"/>
		261,763	261,763

5.1 This includes funds amounting to Rs. 261.763 million (June 30, 2015: Rs. 261.763 million) received from Descon Engineering Limited for investment in Roush (Pakistan) Power Limited through its subsidiary Company, Power Management Company (Private) Limited.

As per agreement between the 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 6-month Karachi Inter Bank Offer Rate (KIBOR) plus 300 basis points (June 30, 2015 : 6-month KIBOR plus 300 basis points). The mark-up rate charged during the period on the outstanding balance ranged from 9.59% to 11.25% (June 30, 2015: 11.62% to 13.15%) per annum.

5.2 This represents mark-up payable to Descon Engineering Limited of Rs. 1.985 million (June 30, 2015: Rs. 25.508 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.

6 LONG TERM FINANCING	Note	Un-audited September 30, 2015		Audited June 30, 2015	
		-----Rupees in thousand-----			
Long term loans - secured					
Syndicate finance - foreign currency	6.1	2,623		7,246	
Power Management Company (Private) Ltd (PMCL)	6.2	50,000		50,000	
		52,623		57,246	
Interest on loan from PMCL	6.3	37,344		36,078	
		89,967		93,324	
Less: Current portion of long term loan		(2,623)		(7,246)	
		87,344		86,078	

6.1 The Company had obtained a long term syndicate facility of Rs. 1,100 million ( June 30, 2015: Rs 1,100 million), which includes foreign currency loan limit of US Dollars 3.6 million (June 30, 2015: US Dollars 3.6 million), from consortium of banks under the lead of MCB Bank Limited. The outstanding loan amount is repayable in one quarterly installment payable up to December 31, 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 the rate of three month London Inter-Bank Offered Rate (LIBOR) plus 295 basis points (June 30, 2015 : three month LIBOR plus 295 basis) payable quarterly in arrears. The mark-up rate charged during the period on the outstanding balance ranged from 3.23% to 3.23% (June 30, 2015: 3.18% to 3.22%) per annum.

6.2 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 carries mark-up at the rate of six months Karachi Inter-Bank Offered Rate (KIBOR) plus 300 basis points (June 30, 2015: six months KIBOR plus 300 basis points). The mark-up rate charged during the period on the outstanding balance ranged from 10.04% to 10.04% (June 30, 2015: 12.31% to 14.99%) per annum.

6.3 It represent mark-up payable to Power Management Company (Private) Limited of Rs. 37.344 million (June 30, 2015: Rs. 36.078 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.

## 7 CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies and commitments set out in note 12 to the financial statements of the Company for the year ended June 30, 2015 except for the following:

### 7.1 Contingencies

In August 2014, the taxation authorities issued a Show cause notice amounting to Rs. 157 million on account of input sales tax alleged to be wrongly claimed for the period July 2009 to June 2013. The department is of the view that input tax paid by the Company should be splitted among taxable and non-taxable supplies. The Company based on the legal advice received, is of the view that component of capacity revenue is not considered value of supply and rule of apportionment is not applicable in case of IPPs for the reason that the ultimate product is electrical energy, which is taxable. The Company submitted reply for the Show Cause Notice which was rejected by the Authorities and a demand for this amount was created by the Tax Authorities. The Company filed an appeal with ATIR against the demand which was rejected. The Company lodged appeal with Honorable Lahore High Court who granted stay to the Company after payment of Rs. 10.12 million against the total demand of Rs. 157 million. The case is now pending adjudication and based on the advice of the Company's legal counsel, management believes that there are meritorious grounds to defend the Company's stance in respect of the above-mentioned input sales tax claimed by the Company. Consequently, no provision has been made in these financial statements.

## 7.2 Commitments

(i) Habib Metropolitan Bank Limited has issued bank guarantee for Rs. 326.32 million (June 30, 2015 : 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 September 14, 2016, which is renewable.

## 8 PROPERTY, PLANT AND EQUIPMENT

Additions to plant and equipment include net exchange loss of Rs. 0.202 million on foreign currency loans during the period from July 01, 2015 to September 30, 2015. This has resulted in accumulated capitalization of exchange losses of Rs. 88.191 million (June 30, 2015: Rs. 87.989 million) in the cost of plant and equipment upto September 30, 2015, with net book value of Rs. 65.632 million (June 30, 2015: Rs. 65.452 million).

	Un-audited September 30, 2015	Audited June 30, 2015
-----Rupees in thousand-----		
<b>9 INTANGIBLE ASSETS</b>		
Cost	<b>6,414</b>	-
Cost as at July 01	6,414	-
Additions during the period	-	6,414
Cost as at September 30,	<b>6,414</b>	<b>6,414</b>
Amortization		
Accumulated amortization as at July 01	597	-
Amortization charged during the period	493	597
Accumulated amortization as at September 30	<b>1,090</b>	<b>597</b>
Net book value as at September 30	<b>5,324</b>	<b>5,816</b>

## 10 LONG TERM INVESTMENT

10.1 This represents 100% (June 30, 2015: 100%) shares in Power Management Company (Private) Limited, which holds 59.98% (June 30, 2015: 59.98%) shares of Roush (Pakistan) Power Limited.

10.2 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.

	Un-audited September 30, 2015	September 30, 2014
-----Rupees in thousand-----		
<b>11 REVENUE - NET</b>		
Energy revenue - gross	<b>468,403</b>	376,621
Sales tax	(68,059)	(54,723)
Energy revenue - net	<b>400,344</b>	321,898
Capacity revenue	121,543	107,418
Other supplemental charges	13,677	9,263
	<b>535,564</b>	<b>438,579</b>

<b>Un-audited</b>		
<b>September 30, 2015</b>		
<b>September 30, 2014</b>		
<b>-----Rupees in thousand-----</b>		
<b>12 DIRECT COSTS</b>		
Gas cost	384,664	309,743
Depreciation	16,968	19,232
Stores and spares consumed	12,925	9,968
Repairs and maintenance	2,446	2,310
Energy import	618	403
Lube oil consumed	2,115	2,134
Operation and maintenance	12,002	8,573
Salaries, wages and other benefits	119	104
Insurance cost	518	518
Generation license fee	139	135
Others	114	140
	<b>432,628</b>	<b>353,260</b>
<b>13 CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	77,776	69,173
Depreciation	16,968	19,252
Amortization of intangible assets	493	-
Provision for staff retirement benefits	-	118
Amortization of bank guarantee cost	908	899
Liabilities written back	(7,295)	-
Finance cost	26,267	11,021
	<b>37,341</b>	<b>31,290</b>
<b>Operating profit before working capital changes</b>	<b>115,117</b>	<b>100,463</b>
<b>(Increase) / decrease in current assets:</b>		
Stores, spares and loose tools	(5,537)	(10,226)
Advances, prepayments, and other receivables	4,958	(1,033)
Trade debts	(12,986)	105,291
	<b>(13,565)</b>	<b>94,032</b>
<b>Decrease in current liabilities</b>		
Trade and other payables	(33,259)	(45,371)
<b>Cash generated from operations</b>	<b>68,293</b>	<b>149,124</b>
<b>14 CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<b>301,222</b>	<b>391,300</b>
<b>15 CORRESPONDING FIGURES</b>		

In order to comply with the requirements of International Accounting Standard 34 – 'Interim Financial Reporting', the condensed interim balance sheet and condensed interim statement of changes in equity have 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 and condensed interim cash flow statement 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. However, no significant re-arrangements have been made.

## 16 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:

Relationship with the Company	Nature of transaction	Un-audited	
		September 30, 2015	September 30, 2014
		-----Rupees in thousand-----	
<b>i) Holding company</b>			
Descon Engineering Limited	Mark up accrued on long term loan	7,072	8,650
	Dividend paid	-	211,397
	Sponsors' loan repaid	30,594	-
<b>ii) Subsidiary company</b>			
Power Management Company (Private) Limited	Dividend received	-	617,880
	Repayment of short term loan	-	300
	Mark up accrued on loan	1,410	1,908
<b>iii) Associated companies</b>			
Descon Power Solutions (Private) Limited	Operation and maintenance contractor's fee	12,002	8,573
	Spare parts purchased	25,024	20,361
Descon Chemicals Limited	ERP implementation fee	348	250
<b>iv) Key management personnel</b>			
	Salaries and other employment benefits	950	891
<b>v) Post employment benefit plans</b>			
	Expenses charged in respect of retirement benefit plans	-	118

## 17 EVENTS AFTER THE BALANCE SHEET DATE

There are no significant events after the balance sheet date.

## 18 GENERAL

18.1 These financial statements were authorized for issue on October 28, 2015 by the Board of Directors of the Company.

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

  
Chief Executive

  
Director

**CONSOLIDATED  
FINANCIAL  
STATEMENTS**

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

		September 30, 2015	June 30, 2015
		-----Rupees in thousand-----	
<b>EQUITY AND LIABILITIES</b>	<b>Note</b>		
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital			
400,000,000 (June 30, 2015: 400,000,000) ordinary shares of Rs. 10 each		<u><b>4,000,000</b></u>	<u><b>4,000,000</b></u>
Issued, subscribed and paid up capital			
363,380,000 (June 30, 2015: 363,380,000) ordinary shares of Rs. 10 each		<b>3,633,800</b>	3,633,800
Share premium		<b>41,660</b>	41,660
Accumulated profit		<b>11,165,008</b>	10,597,749
		<b>14,840,468</b>	14,273,209
Non-controlling interest		<b>9,592,290</b>	9,239,589
		<b>24,432,758</b>	23,512,798
<b>NON-CURRENT LIABILITIES</b>			
Sponsors' loan -unsecured	5	<b>261,763</b>	261,763
Long term financing - secured and unsecured	6	<b>5,712,317</b>	6,774,098
Deferred liabilities		<b>19,599</b>	19,094
Deferred taxation		<b>843,809</b>	804,159
		<b>6,837,488</b>	7,859,114
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>7,279,235</b>	6,721,433
Mark up accrued		<b>60,561</b>	201,288
Current portion of long term loans	5 & 6	<b>3,705,543</b>	3,159,772
Unclaimed dividend		<b>12,090</b>	12,090
		<b>11,057,429</b>	10,094,583
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>7</b>		
		<b>42,327,675</b>	<b>41,466,495</b>

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

  
Chief Executive

**AS AT SEPTEMBER 30, 2015**

ASSETS	Note	-----Rupees in thousand-----		
		September 30, 2015	June 30, 2015	
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	8	<b>23,099,687</b>	23,295,232	
Intangible assets		<b>5,324</b>	5,817	
Long term deposits		<b>539</b>	539	
Long term loan to employees		<b>7,019</b>	7,019	
		<b>23,112,569</b>	23,308,607	

**CURRENT ASSETS**

Store, spares and loose tools	<b>526,873</b>	540,364
Inventory of fuel oil	<b>480,109</b>	480,301
Trade debts - secured, considered good	<b>12,676,375</b>	10,989,272
Advances, prepayments and other receivables	<b>1,037,678</b>	1,018,341
Income tax recoverable	<b>25,819</b>	140,526
Cash and bank balances	<b>4,468,252</b>	4,989,084
	<b>19,215,106</b>	18,157,888

**42,327,675** **41,466,495**

  
\_\_\_\_\_  
Director

**ALTERN ENERGY LIMITED AND ITS SUBSIDIARY COMPANIES  
CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

		September 30, 2015	September 30, 2014
	Note	-----Rupees in thousand-----	
Revenue - net	9	7,366,432	6,401,432
Direct costs	10	<u>(5,965,895)</u>	<u>(5,044,759)</u>
<b>Gross profit</b>		<b>1,400,537</b>	<b>1,356,673</b>
Administrative expenses		(44,206)	(32,981)
Other income		73,464	64,528
<b>Profit from operations</b>		<b>1,429,795</b>	<b>1,388,220</b>
Finance cost		(469,515)	(469,132)
<b>Profit before taxation</b>		<b>960,280</b>	<b>919,088</b>
Taxation		(40,320)	(649)
<b>Profit after taxation</b>		<b>919,960</b>	<b>918,439</b>
Earnings per share - basic and diluted	Rupees	<u><u>1.56</u></u>	<u><u>1.59</u></u>

The annexed notes 1 to 16 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, 2015

	September 30, 2015	September 30, 2014
-----Rupees in thousand-----		
<b>Profit for the period</b>	<b>919,960</b>	918,439
<b>Other Comprehensive Income / (loss):</b>		
<i>Items that will not be subsequently reclassified to profit or loss</i>	-	-
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-
<b>Total comprehensive income for the period</b>	<b>919,960</b>	<b>918,439</b>
<b>Attributable to:</b>		
Equity holders of the parent	567,259	578,976
Non-controlling interest	352,701	339,463
<b>919,960</b>	<b>918,439</b>	

The annexed notes 1 to 16 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, 2015**

September 30, 2015      September 30, 2014  
Note -----Rupees in thousand-----

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash generated from operations	11	829,699	2,510,216
Finance cost paid		(513,141)	(693,934)
Tax paid		(11,531)	(9,235)
Retirement and other benefits paid		(1,010)	(1,047)
		<b>(525,682)</b>	<b>(704,216)</b>
<b>Net cash generated from operating activities</b>		<b>304,017</b>	<b>1,806,000</b>

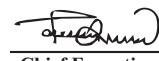
**CASH FLOWS FROM INVESTING ACTIVITIES**

Fixed capital expenditure		(26,888)	(5,490)
Dividend received		-	1,290,183
Proceeds from sale of property, plant & equipment		165	248
<b>Net cash (used in) / generated from investing activities</b>		<b>(26,723)</b>	<b>1,284,941</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Long term loans - net		(767,532)	(1,413,780)
Sponsors' loan - net		(30,594)	(231,348)
Dividend paid		-	(2,101,022)
<b>Net cash used in financing activities</b>		<b>(798,126)</b>	<b>(3,746,150)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(520,832)</b>	<b>(655,209)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>4,989,084</b>	<b>3,997,758</b>
<b>Cash and cash equivalents at the end of the period</b>	12	<b>4,468,252</b>	<b>3,342,549</b>

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

  
\_\_\_\_\_  
Chief Executive

  
\_\_\_\_\_  
Director

**ALTERN ENERGY LIMITED AND ITS SUBSIDIARY COMPANIES**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2015**

	<u>Attributable to equity holders of Parent Company</u>					
	Share capital	Share premium	Equity portion of sponsors' loan	Accumulated profit	Non-controlling interest	Total
-----Rupees in thousand-----						
<b>Balance as on July 1, 2014 (audited)</b>	3,633,800	41,660	15,899	8,507,237	7,821,784	<b>20,020,380</b>
Imputed interest on sponsors' loan	-	-	(2,485)	-	-	(2,485)
Profit for the period	-	-	-	578,976	339,463	<b>918,439</b>
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the quarter ended September 30, 2014	-	-	-	578,976	339,463	<b>918,439</b>
<b>Balance as on September 30, 2014 (Un-audited)</b>	<b>3,633,800</b>	<b>41,660</b>	<b>13,414</b>	<b>9,086,213</b>	<b>8,161,247</b>	<b>20,936,334</b>
Imputed interest on sponsors' loan	-	-	(13,414)	-	-	(13,414)
Profit for the period	-	-	-	1,512,325	1,078,869	<b>2,591,194</b>
Other comprehensive loss for the period	-	-	-	(789)	(527)	<b>(1,316)</b>
Total comprehensive income for the period	-	-	-	1,511,536	1,078,342	<b>2,589,878</b>
<b>Balance as on June 30, 2015 (audited)</b>	<b>3,633,800</b>	<b>41,660</b>	<b>-</b>	<b>10,597,749</b>	<b>9,239,589</b>	<b>23,512,798</b>
Profit for the period	-	-	-	567,259	352,701	<b>919,960</b>
Other comprehensive income / loss for the period	-	-	-	-	-	-
Total comprehensive income for the quarter ended September 30, 2015	-	-	-	567,259	352,701	<b>919,960</b>
<b>Balance as on September 30, 2015 (Un-audited)</b>	<b>3,633,800</b>	<b>41,660</b>	<b>-</b>	<b>11,165,008</b>	<b>9,592,290</b>	<b>24,432,758</b>

The annexed notes 1 to 16 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, 2015**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

1.1 The group comprises of:

Altern Energy Limited (AEL); and

**Subsidiary companies:**

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

	<b>Un-audited Percentage of Holding</b>	<b>Audited June 30, 2014</b>
	<b>September 30, 2015</b>	
Power Management Company (Private) Limited (PMCL)	100.000%	100.000%
Rousch (Pakistan) Power Limited (RPPL)	59.984%	59.984%

1.2 Altern Energy Limited ("the Parent Company") was incorporated in Pakistan on January 17, 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 (June 30, 2015 : 32 Mega Watts). The Parent Company commenced commercial operations with effect from June 06, 2001. The registered office of the Parent Company is situated at Descon Headquarters, 18 km, Ferozepur Road, Lahore.

AEL's Gas Supply Agreement (GSA) with Sui Northern Gas Pipelines Limited (SNGPL) expired on June 30, 2013. Thereafter, AEL 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.

1.3 Power Management Company (Private) Limited (PMCL) was incorporated in Pakistan on February 24, 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.

1.4 Rousch (Pakistan) Power Limited is an unlisted public company, incorporated in Pakistan on August 04, 1994 under the Companies Ordinance, 1984. The principal activities of the RPPL are to generate and supply electricity to WAPDA from its combined cycle thermal power plant having a gross (ISO) capacity of 450 Mega Watts, located near Sidhni Barrage, Abdul Hakim town, District Khanewal, Punjab province, Pakistan. RPPL started commercial operations from December 11, 1999. The registered office of the company is situated at 68-Studio Apartments, Park Towers, F-10 Markaz, Jinnah Avenue, Islamabad.

RPPL has a Power Purchase Agreement (PPA) with WAPDA for sale of power upto 2029. 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 Gas Supply Agreement (GSA) with Sui Northern Gas Pipelines Limited (SNGPL) till August 18, 2015. At that time, under the amendments to the 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.

In September 2015, Ministry of Petroleum and Natural Resources (MOPNR) allocated 85 MMCFD of RLNG on firm and take or pay basis in the light of Economic Co-ordination Committee (ECC) decision to empower MOPNR for RLNG allocation. The company is receiving RLNG from September 11, 2015. MOPNR has issued instructions to SNGPL to start negotiating GSA for supply of 85 MMSCFD of RLNG on 'firm basis'. It is expected that GSA negotiations with SNGPL will be started shortly.

**2 BASIS OF PREPARATION**

This condensed interim consolidated financial information is un-audited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984. It has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 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, 2015.

### 3 SIGNIFICANT ACCOUNTING POLICIES

Accounting policies and methods of computation adopted for the preparation of these condensed interim consolidated financial information are the same as those applied in preparing the consolidated financial statements for the year ended June 30, 2015.

### 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, 2015.

	Un-audited September 30,		Audited June 30,	
	2015	2014	-----Rupees in thousand-----	
<b>5 SPONSORS' LOANS -UNSECURED</b>				
Long term finances	- note 5.1	<b>261,763</b>	261,763	
Interest on long term finance	- note 5.2	<b>1,985</b>	25,508	
		<b>263,748</b>	287,271	
Less: Current portion shown under current liabilities		<b>(1,985)</b>	(25,508)	
		<b>261,763</b>	261,763	

5.1 This includes funds amounting to Rs. 261.763 million (June 30, 2015: Rs. 261.763 million) received by the Parent Company from Descon Engineering Limited for investment in Roush (Pakistan) Power Limited through its subsidiary Company, Power Management Company (Private) Limited.

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 (June 30, 2015 : six months KIBOR plus 300 basis points). The mark-up rate charged during the period on the outstanding balance ranged from 9.59% to 11.25% (June 30, 2015: 11.62% to 13.15%) per annum.

5.2 This represents mark-up payable to Descon Engineering Limited of Rs. 1.985 million (June 30, 2015: Rs. 25.508 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.

### 6 LONG TERM LOANS - SECURED AND UN-SECURED

Loans from financial institutions	<b>6,888,566</b>	7,446,415
Loans from related parties	<b>2,527,308</b>	2,461,947
	<b>9,415,874</b>	9,908,362
Current portion of long term loans	<b>(3,703,557)</b>	(3,134,264)
	<b>5,712,317</b>	6,774,098

### 7 CONTINGENCIES AND COMMITMENTS

There is no material change in the status of contingencies and commitments set out in note 14 to the consolidated financial statements of the Group for the year ended June 30, 2015 except for the following:

## 7.1 CONTINGENCIES

### **Altern Energy Limited - the Parent Company**

In August 2014, the taxation authorities issued a Show cause notice amounting to Rs. 157 million on account of input sales tax alleged to be wrongly claimed for the period July 2009 to June 2013. The department is of the view that input tax paid by the company should be splitted among taxable and non-taxable supplies. The company based on the legal advice received, is of the view that component of capacity revenue is not considered value of supply and rule of apportionment is not applicable in case of IPPs for the reason that the ultimate product is electrical energy, which is taxable. The company submitted reply for the Show Cause Notice which was rejected by the Authorities and a demand for this amount was created by the Tax Authorities. The company filed an appeal with ATIR against the demand which was rejected. The company lodged appeal with Honorable Lahore High Court who granted stay to the company after payments of Rs. 10.12 million against the total demand of Rs. 157 million. The case is now pending adjudication and based on the advice of the company's legal counsel, management believes that there are meritorious grounds to defend the company's stance in respect of the above mentioned input sales tax claimed by the company. Consequently, no provision has been made in these financial statements.

### **Roush (Pakistan) Power Limited - the Subsidiary Company**

The taxation authorities had raised tax demand of Rs. 2,026 million along with additional tax and penalty ; on account of input sales tax for the period July 2007 to June 2011. The department was of the view that the company had claimed input tax in excess of what was allowed under the Law. The company had filed an appeal which was decided against the company by Appellate Tribunal Inland Revenue (ATIR) and the matter is now pending adjudication before the Islamabad High Court on reference application filed by the company.

Tax department also issued show cause notice amounting to Rs. 675 million along with default surcharge and penalty on the similar matter for the period July 2011 to June 2012, the company filed writ petition against the show cause notice with Islamabad High Court. The Court granted the stay and the case is pending for adjudication.

The tax authorities raised tax demand of Rs. 681 million along with default surcharge and penalty on the same matter for the period July 2012 to June 2013. The High Court granted stay against recovery of the said demand and directing CIR(A) to decide the company's appeal against the order of the taxation officer within 60 days. Subsequently, CIR(A) remanded back the case to assessing officer for a fresh decision in line with the expected judgment of the High Court on this issue in similar cases.

As the matter of apportionment of input sales tax is common to the power generation industry, it is likely to be decided by the High Court by taking up all related appeals jointly. Based on the opinion of the company's legal counsel , a favourable outcome is expected and a provision in this regard has not been made in this condensed interim financial information.

## 7.2 COMMITMENTS

### **Altern Energy Limited - the Parent Company**

- (i) Habib Metropolitan Bank Limited has issued bank guarantee for Rs. 326.32 million (June 30, 2015 : 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 September 14, 2016, which is renewable.

## 8 PROPERTY, PLANT AND EQUIPMENT

Additions to plant and equipment include net exchange loss of Rs. 197.403 million on related foreign currency loans during the period from July 1, 2015 to September 30, 2015. This has resulted in accumulated capitalization of exchange losses of Rs. 12,254.674 million (June 30, 2015: 12,048.290 million) in the cost of plant and equipment upto September 30, 2015, with net book value of Rs. 7,929.632 million (June 30, 2015: Rs. 7,888.446 million).

Un-audited		
	September 30, 2015	September 30, 2014
-----Rupees in thousand-----		
<b>9 REVENUE</b>		
Energy revenue - gross	<b>6,591,457</b>	5,498,957
Sales tax	(957,733)	(798,994)
Energy revenue- net	<b>5,633,724</b>	4,699,963
Capacity revenue	<b>1,689,027</b>	1,696,936
Other supplemental charges	<b>147,787</b>	106,097
Gas efficiency passed to WAPDA	<b>(104,106)</b>	(101,564)
	<b>7,366,432</b>	6,401,432
<b>10 DIRECT COSTS</b>		
Fuel consumed	<b>5,186,234</b>	4,261,739
Operation and maintenance (O&M)	<b>267,841</b>	279,201
Depreciation	<b>421,335</b>	417,076
Stores, spares and loose tools consumed	<b>40,562</b>	29,736
Repairs & maintenance	<b>6,236</b>	8,465
Insurance	<b>28,358</b>	34,303
Energy import	<b>2,457</b>	403
Salaries, wages and other benefits	<b>7,485</b>	7,720
Generation licence fee	<b>1,629</b>	1,580
Electricity duty	<b>2,335</b>	2,259
Liquidated damages	<b>3</b>	-
Miscellaneous expenses	<b>1,420</b>	2,277
	<b>5,965,895</b>	5,044,759
<b>11 CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	<b>960,280</b>	919,088
Adjustment for non cash charges and other items:		
- Depreciation on operating fixed assets	<b>423,410</b>	418,486
- interest income	<b>(1,410)</b>	(1,908)
- Liabilities written back	<b>(7,295)</b>	-
- Amortization of bank guarantee cost	<b>908</b>	899
- Amortization of intangible assets	<b>493</b>	-
- Gain on sale of property, plant & equipment	<b>-</b>	(248)
- Capital spares consumed	<b>-</b>	189
- Finance cost	<b>470,016</b>	470,137
- Provision for staff retirement benefits	<b>1,516</b>	1,165
Profit before working capital changes	<b>1,847,918</b>	1,807,808

	Un-audited	
	September 30, 2015	September 30, 2014
-----Rupees in thousand-----		
Effect on cash flow due to working capital changes:		
-Increase in stores, spares and loose tools	10,201	(49,867)
- (Increase) / decrease in trade debts	(1,687,102)	420,884
-(Increase) / decrease in advances, deposits, prepayments and other receivables	115,680	(9,293)
- Increase / decrease in trade and other payables	543,002	340,684
	<u>(1,018,219)</u>	<u>702,408</u>
	<u>829,699</u>	<u>2,510,216</u>

## 12 CASH AND CASH EQUIVALENTS

Cash and bank balances	4,468,252	3,342,549
Short term borrowings	-	-
	<u>4,468,252</u>	<u>3,342,549</u>

## 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:

	Un-audited	
	September 30, 2015	September 30, 2014
-----Rupees in thousand-----		
<b>Relationship with the Company</b>		
<b>i. Ultimate Parent</b>		
Descon Engineering Limited:		
Mark up accrued on long term loan	7,072	8,650
Dividend paid	-	211,397
Sponsors' loan repaid	30,594	231,348
<b>ii. Associated Undertakings</b>		
Descon Power Solutions (Private) Limited:		
O & M contractor's fee	12,002	8,573
Spare parts purchased	25,024	20,361
Descon Chemicals Limited:		
ERP implementation fee	348	250

	<b>Un-audited</b>	
	<b>September 30, 2015</b>	<b>September 30, 2014</b>
	<b>-----Rupees in thousand-----</b>	
<b>iii. Subsidiary Undertakings</b>		
Rousch (Pakistan) Power Limited:		
Operator's fee paid to ESB Engineering Ltd	<b>75,240</b>	77,628
Payments to Descon Power Solutions (Pvt.) Ltd	<b>80,383</b>	78,340
Payments to Siemens AG as LTMSA contractor	<b>70,618</b>	91,428
Payments to Siemens Pakistan as LTMSA contractor	<b>24,280</b>	35,979
Payments to Descon Engineering Ltd against services	<b>402</b>	184
Payments to Descon Chemicals Ltd against services	<b>507</b>	-
<b>iv. Key Management Personnel</b>		
Salaries and other employment benefits	<b>17,113</b>	14,608
<b>v. Post Employment benefit plans</b>		
Expense charged in respect of retirement benefit plans	<b>2,735</b>	2,141

**14 DATE OF AUTHORISATION FOR ISSUE**

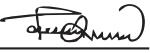
This condensed interim consolidated financial information was authorised for issue on October 28, 2015 by the Board of Directors of the Company.

**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.

**16 GENERAL**

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

  
\_\_\_\_\_  
Chief Executive

  
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Director