AEL

CONDENSED INTERIM FINANCIAL STATEMENTS

(UN-AUDITED)
FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

ALTERN ENERGY LIMITED

ALTERN ENERGY LIMITED
COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Taimur Dawood	Chairman
Mr. Faisal Dawood	Director
Mr. Farooq Nazir	Director
Mr. Ijaz Ali Khan	Director
Mr. Shah Muhammad Chaudhry	Director
Mr. Salih Merghani	Director
Syed Rizwan Ali Shah	Independent Director
Mr . Umer Shehzad Sheikh	Chief Executive (Deemed Director)

AUDIT COMMITTEE

Mr. Farooq Nazir	Chairman
Mr. Faisal Dawood	
Mr. Shah Muhammad Chaudhry	
Syed Rizwan Ali Shah	

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Farooq Nazir	Chairman
Mr. Shah Muhammad Chaudhry	
Mr. Ijaz Ali Khan	

CHIEF FINANCIAL OFFICER
Ms. Annie Mazhar Malik

COMPANY SECRETARY
Mr. Salman Ali

HEAD INTERNAL AUDIT
Ms. Noor Shujah

EXTERNAL 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

The Board of Directors of the Company takes pleasure to present the review report on financial and operational performance and (un-audited) interim financial statements of the Company for the three months' period ended September 30, 2019.

GENERAL

The principal activities of the Company continue to be ownership, operation and maintenance of a 32 Mega Watts gas-fired thermal power plant located near Fateh Jang, district Attock, Punjab, and sale of electricity. The electricity produced is sold to its sole customer Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G') through the transmission network of National Transmission and Dispatch Company ('NTDC').

The Company's shares are listed on Pakistan Stock Exchange. The Company owns 100% shares of Power Management Company (Private) Limited (a special purpose vehicle) 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 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. 71 million (Rs. 370 million in corresponding period of 2018) resulting in a gross loss of Rs. 3 million as compared to gross profit of Rs. 33 million in corresponding period of 2018. The Company incurred net loss of Rs. 13 million resulting in loss per share of Rs. 0.04, as compared to net profit of Rs. 14 million and earnings per share of Rs. 0.04 in corresponding period of 2018. Operations from the Company's power plant suffered due to low demand from NPCC due to lower ranking in merit order of economic dispatch.

The circular debt issue being faced by the Company's sole off-taker, CPPA-G, continues to pose serious challenges to the Company as well as power sector as a whole for the last few years. Due to slow payment from CPPA-G, the Company's management has been managing its cashflows by utilizing working capital facilities where required. The management continues to persistently interact with the power purchaser, and Ministry of Energy (Power division) for timely release of due payments.

OPERATIONS

During the period under review, the plant dispatched 3 GWh as compared to 20 GWh dispatched during the corresponding period of the preceding financial year. Thesignificant decrease in export of energy is on account of lower dispatch by the power purchaser. The decrease in dispatch from the power purchaser is due to influx of significant generation capacity into the national grid system, generated by new and more efficient power plants which rank above your Company in CPPA-G's economic dispatch merit order. The situation has created serious challenges for the Company since less capacity revenue is earned due to less dispatch being on a take-and-pay contract with CPPA-G. Your Board is fully conversant with these challenges and is currently considering many options, including both contractual and commercial, to bring the Company out of this complex situation.

As to the condition of the plant complex, we are confident that all the engines and their auxiliary equipment are in sound mechanical state.

DIVIDEND DECLARATION

Your Company's wholly owned subsidiary, PMCL declared final cash dividend of Rs. 3.13/share (31.30%) on September 29, 2019. Thereafter, the Company's Board of Directors in their meeting held on September 30, 2019 proposed final cash dividend @ Rs. 3 per share (30%) for the year ended June 30, 2019, subject to the approval of the members in the Annual General Meeting.

SUBSIDIARY'S REVIEW

During the period under review, your Company's subsidiary RPPL posted turnover of Rs. 4,168 million (Rs. 6,877 million in corresponding period of 2018) earning gross profit of Rs. 1,226 million (Rs. 1,420 million in corresponding period of 2018). Net profit for the period was Rs. 1,146 million (compared to Rs. 1,220 Million in the corresponding period of 2018) delivering earnings per share (EPS) of Rs. 1.33 per share of Rs.10 each (EPS Rs. 1.48 in corresponding period of 2018).

The company's sole customer, CPPA-G, continues to make slow payments due to the issue of circular debt. As on September 30, 2019, the overdue receivables from CPPA-G were Rs. 9,753 million (June 30, 2019:Rs. 12,782 million). The company is pursuing CPPA-G for timely payment of its receivables on regular basis. Another round of circular debt settlement is expected within this financial year which will help to bring down the company's overdue receivables.

The company continues to discharge its liabilities to lenders. During the period, the company has paid Rs. 1,581 million to its lenders.

During the period under review, the company did not observe any Other Force Majeure Event (OFME) however the plant remained shut down for 55 days on account of no/low dispatch demand from the off-taker. During the period, 166 GWh of electricity was delivered to CPPA-G as compared to 390 GWh delivered during the corresponding period of last year. Plant dispatch factor was 22.49% (45-55% in corresponding period of last year).

During the period the company successfully conducted Annual Dependable Capacity Test.

FUTURE OUTLOOK

The energy sector in Pakistan has undergone a transition phase in the past few years whereby significant investment has been made by the GoP as well as private sector. Addition of highly efficient RLNG-based and coal-based power plants has contributed to lessen the burden on the consumer, however, another crucial challenge for the GoP is to augment/upgrade the existing transmission and distribution systems which are currently not upto the required capacity to evacuate the additional power generation and distribution to end consumers.

As a result of influx of significant generation capacity into the national grid system during the last few years, your plant has witnessed serious shortfall in dispatch demand from NPCC since the new plants are economical due to better efficiency and rank above Altern's plant in NPCC/CPPA's economic despatch merit order. Less dispatch results in less revenue since your Company has a take-and-pay contract with CPPA-G. Resultantly, the Company is finding very difficult to meets its fixed operational costs. This situation is likely to deteriorate in future as the Company may not get sustainable dispatch from NPCC in the medium and long term as more power is expected to be added in the national system.

In view of these challenging circumstances, your Board has advised management to explore various options, including both contractual and commercial, as this complex situation has no precedent and has myriad of consequences. The management has engaged both the off-taker and PPIB to jointly carve out ways to take the Company out of this perilous situation where it is striving hard to meet its contractual obligations.

QUALITY, ENVIRONMENT, HEALTH & SAFETY

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

ACKNOWLEDGEMENT

The Company remains obliged to its shareholders, Government functionaries, SNGPL, CPPA-G and banks for their cooperation, continued support and benefaction.

The Board also appreciates the contribution made by the executives, staff and workers for operations of the Company.

For and on behalf of the Board

Umer Shehzad Sheikh
Chief Executive

Shah Muhammad Chaudhry
Director

October 16, 2019 - Lahore.

ڈائریکٹرز کی جائزہ رپورٹ

ڈائریکٹرز رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز 30 ستمبر 2019 کو ختم ہونے والی سہ ماہی کی مالی اور آپریشنل کارکردگی اور (غیر نظر ثانی شدہ) عبوری مالی حسابات پر اپنی جائزہ رپورٹ بخوشی پیش کرتے ہیں۔

عمومی

کمپنی کی اہم ترین سرگرمیوں میں 32 میگاواٹ کے گیس تھرمل پاور پلانٹ واقع نزد فتح جنگ ضلع اٹک پنجاب کی ملکیت، آپریشن، دیکھ بھال اور اپنے واحد صارف سنٹرل پاور پرچیزنگ ایجنسی (گارنٹی) لمیٹڈ ('CPPA-G') کو نیشنل ٹرانسمیشن اینڈ ڈسپیچ کمپنی ('NTDC') کے ٹرانسمیشن نیٹ ورک کے ذریعے بجلی کی فروخت شامل ہے۔
کمپنی کے حصص پاکستان سٹاک ایکسچینج میں درج ہیں۔ کمپنی پاور مینجمنٹ کمپنی (پرائیویٹ) لمیٹڈ (خصوصی مقصد کی گاڑی) کے 100 فیصد حصص کی مالک ہے، جو بدلے میں Rousch (پاکستان) پاور لمیٹڈ (آر پی پی ایل) کے 59.98 فیصد حصص رکھتی ہے۔ آر پی پی ایل ایک غیر مندرج پبلک کمپنی اور گیس فائرڈ کمبائنڈ سائیکل تھرمل پاور پلانٹ کے ذریعے 450 میگاواٹ کی مجموعی صلاحیت رکھنے والی خودمختار پاور پروڈیوسر ہے جو کہ سدھنائی بیراج، عبدالحکیم، ضلع خانیوال، پنجاب کے قریب واقع ہے۔

فنانس

زیرِ جائزہ مدت کے دوران کمپنی کا ٹرن اوور 71 ملین روپے (2018 کی اسی مدت میں 370 ملین روپے) جس کے نتیجے میں 2018 کی اسی مدت میں مجموعی منافع 33 ملین روپے کے برعکس 3 ملین روپے کا مجموعی نقصان ہوا۔ کمپنی کو 2018 کی اسی مدت میں خالص منافع 14 ملین روپے اور فی شیئر آمدنی (EPS) 0.04 روپے کے مقابلے موجودہ سہ ماہی میں خالص نقصان 13 ملین روپے اور فی شیئر آمدنی (EPS) 0.04 روپے ہوا ہے۔ کمپنی کے پاور پلانٹ کے آپریشنز کو معاشی ڈسپیچ کے میرٹ آرڈر میں کم درجہ کی وجہ سے NPCC کی طرف سے کم طلب کا سامنا کرنا پڑا۔

کمپنی کے واحد خریدار، CPPA-G کو درپیش گردشی قرضہ کا سامنا، پچھلے چند سالوں سے سنگین چیلنجز کا باعث ہے۔ CPPA-G کی طرف سے انفلوز میں تاخیر کے باوجود، کمپنی ڈیبٹ سروسنگ اور کاروباری ادائیگیوں سمیت اپنی تمام ذمہ داریوں کو پورا کرنے کے لئے نقدی بہاؤ کو منظم کرنے کے قابل رہی ہے۔ اسی اثناء میں، کمپنی کی انتظامیہ مستقل طور پر بجلی کے خریدار اور وزارت توانائی (پاور ڈویژن) کے ساتھ واجب الادا ادائیگیوں کی بروقت ریلیز کے لئے بات چیت کررہی ہے۔

آپریشنز

زیرِ جائزہ مدت کے دوران، پلانٹ نے گزشتہ مالی سال کی اسی مدت کے دوران 20 GWh ترسیل کے مقابلے 3 GWh ترسیل کی۔ توانائی کی برآمد میں نمایاں کمی بجلی کے خریدار کے ذریعہ کم ترسیل کی وجہ سے ہے۔ بجلی کے خریدار سے ترسیل میں کمی کا سبب قومی گرڈ سسٹم میں پیداواری صلاحیت کا نمایاں اضافہ ہے، جو نئے اور زیادہ سستے پاور پلانٹس سے پیدا ہورہی ہے جس کا درجہ CPPA-G کے اقتصادی ڈسپیچ میرٹ آرڈر کے لحاظ سے آپ کی کمپنی سے اوپر ہے۔ صورتحال نے کمپنی کے لئے سنگین چیلنجز پیدا کردیئے ہیں کیونکہ CPPA-G کے ساتھ ٹیک اینڈ پے کے معاہدہ کے تحت ترسیل کم ہونے کی وجہ سے آمدنی کمانے کی گنجائش کم ہوئی ہے۔ آپ کا بورڈ ان چیلنجوں کے ساتھ پوری طرح آگاہ ہے اور اس فی الحال کمپنی کو اس پیچیدہ صورتحال سے نکالنے کے لئے دونوں کنٹریکچوئل اور تجارتی سمیت متعدد آپشنز پر غور کررہا ہے۔
پلانٹ کمپلیکس کی حالت کے مطابق، ہمیں یقین ہے کہ تمام انجن اور ان کے معاون آلات مستحکم میکینیکل حالت میں ہیں۔

منافع منقسمہ کا اعلان

آپ کی کمپنی کی مکمل ملکیتی ذیلی کمپنی، PMCL نے 29 ستمبر 2019 کو -/3.13 روپے فی شیئر (31.30%) حتمی نقد منافع منقسمہ کا اعلان کیا ہے۔ بعدازاں، کمپنی کے بورڈ آف ڈائریکٹرز نے 30 ستمبر 2019 کو منعقدہ اپنے سالانہ اجلاس عام میں ارکان کی منظوری کے حوالہ سے 30 جون 2019 مختتمہ سال کے لئے -/3 روپے فی شیئر (30%) حتمی نقد منافع منقسمہ تجویز کیا ہے۔

ماتحت ادارے کا جائزہ

زیرِ جائزہ مدت کے دوران، کمپنی کے ذیلی ادارہ RPPL نے ٹرن اوور 4,168 ملین روپے (2018 کی اسی مدت میں 6,877 ملین روپے) مجموعی منافع کی آمدنی 1,226 ملین روپے (2018 کی اسی مدت میں 1,420 ملین روپے) درج کیا۔ موجودہ مدت کا خالص منافع 1,146 ملین روپے (2018 کی اسی مدت میں 1,220 ملین روپے) ہر ایک -/10 روپے کی فی حصص آمدنی (EPS) 1.33 روپے (2018 کی اسی مدت میں 1.48 روپے) تھی۔
کمپنی کے واحد صارف، CPPA-G سے عدم ادائیگی جاری رہی ہے۔ 30 ستمبر 2019 کو، CPPA-G سے زائد المیعاد قابل وصولی رقوم 9,753 ملین روپے تھیں۔ کمپنی باقاعدہ بنیاد پر اپنی قابل وصولی رقوم کے لئے CPPA-G سے مطالبہ کررہی ہے۔ گردشی قرضہ کی سیٹلمنٹ کا ایک اور دور اس مالی سال کے اندر متوقع ہے جو کمپنی کی زائد المیعاد وصولیوں کو کم کرنے میں مدد کرے گا۔ کمپنی اپنے قرض دہندگان کو اپنے ذمہ ادائیگیوں کو ادا کررہی ہے۔ مدت کے دوران، کمپنی نے اپنے قرض دہندگان کو 1,581 ملین روپے ادا کئے ہیں۔

زیرِ جائزہ مدت کے دوران، کمپنی نے کسی دیگر فورس میجور ایونٹ (OFME) کا مشاہدہ نہیں کیا تاہم پلانٹ خریدار کی طرف سے کوئی/ترسیل طلب کی مد میں 55 دنوں تک بند رہا ہے۔ زیرِ جائزہ مدت کے دوران، CPPA-G کو 166 GWh بجلی ترسیل کی گئی جبکہ گزشتہ سال کی اسی مدت کے دوران 390 GWh بجلی ترسیل کی گئی تھی۔ پلانٹ کی ترسیل کا عنصر 22.49 فیصد (گزشتہ سال کی اسی مدت میں 55-45 فیصد) تھا۔

مدت کے دوران کمپنی نے کامیابی سے سالانہ ڈیپنڈ ایبل کپیسٹی ٹیسٹ کا انعقاد کیا۔

مستقبل کا نقطہ نظر

گذشتہ چند سالوں میں پاکستان میں بجلی کا شعبہ منتقلی کے مرحلہ سے گزرا ہے جس کے تحت حکومت پاکستان اور نجی شعبے نے بھی اہم سرمایہ کاری کی ہے۔ انتہائی سستے آر ایل این جی پر مبنی اور کوئلہ پر مبنی بجلی گھروں کے اضافے نے صارفین پر بوجھ کم کرنے میں مدد فراہم کی ہے، تاہم، حکومت پاکستان کے لئے ایک اور اہم چیلنج موجودہ ٹرانسمیشن اور تقسیم کے نظام کو اپ گریڈ کرنا ہے جو فی الحال اضافی پاور جنریشن اور ڈسٹری بیوشن کو سنبھالنے کے لئے مطلوبہ معیار تک نہیں ہے۔

پچھلے کچھ سالوں سے قومی گرڈ سسٹم میں نمایاں پیداواری صلاحیت میں اضافے کے نتیجے میں، آپ کے پلانٹ کو این پی سی سی سے ترسیل کی طلب میں شدید کمی کا سامنا کرنا پڑا ہے کیونکہ نئے پلانٹ بہتر کارکردگی کی بدولت اکانومیکل اور این پی سی سی/سی پی پی اے کی اکنامک ترسیل میرٹ آرڈر میں آلٹرن کے پلانٹ سے اوپر درجہ رکھتے ہیں۔ کم ترسیل کے نتیجے میں آمدنی کم ہوئی کیونکہ آپ کی کمپنی نے سی پی پی اے-جی کے ساتھ ٹیک اینڈ پے کا معاہدہ کیا ہوا ہے۔ نتیجتاً، کمپنی کو اپنے فکسڈ اکاروباری اخراجات کو پورا کرنے کے لئے بہت مشکلات پیش آ رہی ہیں۔ اس صورتحال نے اس حقیقت کو مزید واضح کر دیا ہے کہ ممکن ہے کہ کمپنی کو درمیانی اور طویل مدت میں این پی سی سی سے موزوں ترسیل کا آرڈر نہ مل سکے کیونکہ قومی نظام میں مزید بجلی کے اضافے کی توقع ہے۔

ان مشکل حالات کے پیش نظر، آپ کے بورڈ نے انتظامیہ کو مشورہ دیا ہے کہ وہ دونوں کنٹریکچوئل اور تجارتی سمیت مختلف اختیارات تلاش کرے، کیوں کہ اس پیچیدہ صورتحال کا کوئی دستور نہیں ہے اور اس کے نتائج متعدد ہیں۔ انتظامیہ نے آف ٹیکر اور پی پی آئی بی دونوں سے کمپنی کو اس خطرناک صورتحال سے نکالنے کے لئے مشترکہ طور پر اقدامات کرنے کی درخواست کی ہے جبکہ وہ اپنی معاہدے کی ذمہ داریوں کو پورا کرنے کے لئے بھرپور کوشش کر رہی ہے۔

صحت، حفاظت اور ماحول

متذکرہ مدت کے دوران، پلانٹ کی مجموعی صحت، ماحولیات اور حفاظتی اقدامات میں کارکردگی کی تسلی بخش سطح برقرار رہیے۔ زیرِ جائزہ مدت کے دوران وقت کے ضیاع کا کوئی واقعہ (ایل ٹی آئی) رونما نہیں ہوا اور کسی ماحولیاتی تبدیلی کی کوئی اطلاع نہیں کی گئی ہے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز اپنے قابل قدر حصص یافتگان، حکومتی اداروں، سوئی ناردرن گیس پائپ لائن کمپنی لمیٹڈ، سنٹرل پاور پرچیز اتھارٹی (گروپ) اور بینکوں کا انکے تعاون مسلسل حمایت اور سرپرستی کیلئے شکر گزار ہیں۔
بورڈ کمپنی کی اعلیٰ کارکردگی کا ایک اہم حصہ ہونے پر اپنے ایگزیکٹوز، سٹاف اور ورکرز کی تعریف کرتا ہے۔

بحکم بورڈ

شاہ محمد چوہدری
ڈائریکٹر

عمر شہزاد شیخ
چیف ایگزیکٹو

لاہور
16 اکتوبر 2019ء

ALTERN ENERGY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

	Note	Un-audited September 30, 2019	Audited June 30, 2019
EQUITY AND LIABILITIES		---Rupees in thousand---	
SHARE CAPITAL AND RESERVES			
Authorized share capital			
400,000,000 (June 30, 2019: 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, 2019: 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		875,810	888,811
		4,551,270	4,564,271
NON-CURRENT LIABILITIES			
Deferred liabilities		4,961	5,107
		4,961	5,107
CURRENT LIABILITIES			
Trade and other payables		98,729	107,511
Unclaimed dividend		3,422	190,673
Mark - up accrued		8,834	6,501
		110,985	304,685
CONTINGENCIES AND COMMITMENTS	5		
		4,667,216	4,874,063

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

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

As at September 30, 2019

ASSETS	Note	Un-audited September 30, 2019	Audited June 30, 2019
		---Rupees in thousand---	
NON-CURRENT ASSETS			
Property, plant and equipment	6	550,547	565,736
Intangible assets	7	99	134
Long term investment	8	3,204,510	3,204,510
Long term deposit		38	38
		3,755,194	3,770,418
CURRENT ASSETS			
Stores and spares		40,016	39,800
Trade debts - secured, considered good		619,845	681,819
Advances, prepayments and other receivables		57,396	131,572
Income tax recoverable		909	827
Cash and bank balances		193,856	249,627
		912,022	1,103,645
		4,667,216	4,874,063

Chief Executive | Chief Financial Officer | Director

ALTERN ENERGY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Note	September 30, 2019	September 30, 2018
		------Rupees in thousand-------	
Revenue - net	9	70,518	370,114
Direct costs	10	(74,066)	(336,962)
Gross (loss) / profit		(3,548)	33,152
Administrative expenses		(6,753)	(12,517)
Other income		1,645	5
		(8,656)	20,640
Finance cost		(3,864)	(6,353)
(Loss) / profit before taxation		(12,520)	14,287
Taxation		(480)	-
(Loss) / profit for the period		(13,000)	14,287
(Loss) /earnings per share - basic and diluted - Rupees		(0.04)	0.04

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

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

ALTERN ENERGY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	September 30, 2019	September 30, 2018
	------Rupees in thousand -----	
(loss) / profit for the period	(13,000)	14,287
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 (loss) / income for the period	(13,000)	14,287

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

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

ALTERN ENERGY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Share capital	Share premium	Un-appropriated profit	Total
	---------------------Rupees in thousand			------------------------------
Balance as on July 01, 2018 (audited)	**3,633,800**	**41,660**	**1,078,636**	**4,754,096**
Profit for the period	-	-	14,287	14,287
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for three months ended September 30, 2018	-	-	14,287	14,287
Balance as on September 30, 2018 (un-audited)	**3,633,800**	**41,660**	**1,092,923**	**4,768,383**
Profit for the period	-	-	940,535	940,535
Other comprehensive income for the period	-	-	-	-
	-	-	940,535	940,535
Total contributions by and distributions to owners of the Company recognized directly in equity:				
Interim cash dividend @ Rs. 3.15 / ordinary share for the year ending June 30, 2019	-	-	(1,144,647)	(1,144,647)
Balance as on July 01, 2019 (audited)	**3,633,800**	**41,660**	**888,811**	**4,564,271**
Profit / (loss) for the period	-	-	(13,001)	(13,001)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for three months ended September 30, 2019	-	-	(13,001)	(13,001)
Total contributions by and distributions to owners of the Company recognized directly in equity:	-	-	-	-
Balance as on September 30, 2019 (un-audited)	**3,633,800**	**41,660**	**875,810**	**4,551,270**

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

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

ALTERN ENERGY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Notes	September 30, 2019	September 30, 2018
		----Rupees in thousand----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	*11*	131,928	(58,811)
Finance costs paid		(1,531)	(5,141)
Income tax paid		(562)	(1)
		(2,093)	(5,142)
Net cash inflow / (outflow) from operating activities		129,835	(63,953)
CASH FLOWS FROM INVESTING ACTIVITIES			
Profit on bank deposits received		1,645	5
Net cash inflow from investing activities		1,645	5
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(187,251)	-
Net cash outflow from financing activities		(187,251)	-
Net decrease in cash and cash equivalents		(55,771)	(63,948)
Cash and cash equivalents at beginning of the period		169,627	(157,883)
Cash and cash equivalents at the end of the period	*12*	113,856	(221,831)

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

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

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 Altern Energy Limited (the 'Company') was incorporated in Pakistan as a listed public company limited by shares under the Companies Ordinance, 1984 (now the Companies Act, 2017 and hereinafter referred to as the 'Act') on January 17, 1995. The Company's ordinary shares are listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at Descon Headquarters, 18 km, Ferozepur Road, Lahore and the Company's thermal power plant has been set up near Fateh Jang, District Attock, Punjab.

1.2 During the previous year, the Scheme of Arrangement of Descon Engineering Limited (the holding company of the Company till the effective date of the Scheme of Arrangement) under section 284 to 288 of the repealed Companies Ordinance, 1984, (hereinafter referred to as the 'Scheme'), was sanctioned by the Lahore High Court ('LHC') through its order dated November 21, 2017. The Scheme became effective from December 15, 2017 and resulted in the transfer and vesting of shareholding of Descon Engineering Limited in the Company into DEL Power (Private) Limited. Moreover, consequent to the Scheme becoming effective, the ultimate parent of the Company is Descon Processing (Private) Limited.

1.3 The principal activity of the Company is to build, own, operate and maintain a gas fired power plant having gross capacity of 32 Mega Watts (June 30, 2019: 32 Mega Watts). The Company achieved Commercial Operations Date ('COD') on June 6, 2001. The Company has a Power Purchase Agreement ('PPA') with its sole customer, Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G') for thirty years which commenced from the COD. The Company also holds direct and indirect investments in other companies engaged in power sector as detailed in note 8 to these financial statements.

1.4 The Company's Gas Supply Agreement ('GSA') with Sui Northern Gas Pipelines Limited ('SNGPL') expired on June 30, 2013. Thereafter, the Company signed a Supplemental Deed dated March 17, 2014 with SNGPL, whereby SNGPL agreed to supply gas to the Company on as-and-when available basis till the expiry of PPA on June 6, 2031. The Ministry of Petroleum and Natural Resources, empowered for Re-liquefied Natural Gas ('RLNG') allocation by the Economic Coordination Committee ('ECC') of the Federal Cabinet, issued an allocation of 6 MMCFD of RLNG to the Company on April 28, 2017 and advised the Company and SNGPL to negotiate a new GSA. On July 31, 2019, the ECC of Cabinet has approved the summary of interim tri-partite 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-and-when available basis till the execution of a long term GSA between the parties.

1.5 These condensed interim unconsolidated financial statements are the separate financial statements of the Company. Condensed interim Consolidated financial statements are prepared separately.

2 BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

(i) International Accounting Standard ('IAS') 34, 'Interim Financial Reporting', issued by International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017 ; and

(ii) Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements are un-audited and are being submitted to the members as required by section 237 of the Companies Act, 2017.

These condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2019. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last financial statements.

2.3 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 financial statements covering annual periods, beginning on or after the following dates:

2.3.1 Standards, amendments to published standards and interpretations that are effective in the current year

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 1, 2019 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 these unconsolidated financial statements.:

-IFRS 16, 'Leases': this standard has been notified by the SECP to be effective for annual periods beginning on or after January 1, 2019. This standard replaces the current guidance in IAS 17, 'Leases' and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on statement of financial position) and an operating lease (off statement of financial position). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a 'right-of-use asset' for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees. For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees.

SECP through SRO 986(I)/2019 dated September 2, 2019 has granted exemption from the requirements of IFRS 16 to all companies that have executed their power purchase agreements before January 1, 2019. Therefore, the standard does not have any impact on the Company's unconsolidated financial statements.

-Amendments to IAS 1 and IAS 8 on the definition of material: (effective for periods beginning on or after July 1, 2019). These amendments to IAS 1, 'Presentation of financial statements' and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information. These amendments do not have any significant impact on the Company's unconsolidated financial statements.

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

'There are certain standards, amendments to the IFRS and interpretations that are mandatory for companies having accounting periods beginning on or after January 1, 2019 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim unconsolidated financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended June 30, 2019.

4. ACCOUNTING ESTIMATES

The preparation of these condensed interim financial statements requires management to make judgements, 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 these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended June 30, 2019.

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

5. CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies and commitments from the preceding annual financial statements of the Company for the year ended June 30, 2019, except for the following:

(i) Habib Metropolitan Bank Limited has issued bank guarantee amounting to Rs 532.68 million (June 30, 2019 : Rs 532.68 million) in favour of SNGPL as a security to cover RLNG supply for which payments are made in arrears. The guarantee is due to expire on December 14, 2019 and is renewable.

	Note	Un-audited September 30, 2019	Audited June 30, 2019
		---Rupees in thousand---	
6 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	*6.1*	547,857	563,044
Major spare parts and stand-by equipment		2,690	2,692
		550,547	565,736
6.1 Operating fixed assets			
Opening net book value		563,044	696,398
Additions during the period / year	*6.1.1*	-	309
Depreciation charged during the period / year		(15,187)	(62,605)
Impairment charged during the period / year		-	(71,058)
Closing net book value		547,857	563,044
6.1.1 Additions during the period / year			
Plant and machinery		-	309
		-	309

		Un-audited September 30, 2019	Audited June 30, 2019
7 INTANGIBLE ASSETS		---Rupees in thousand---	
Opening net book value		134	418
Additions during the period / year		-	-
Amortization charged during the period / year		(35)	(284)
Closing net book value		99	134

8 LONG TERM INVESTMENT			
Subsidiary - Unquoted:			
Power Management Company (Private) Limited (PMCL):			
320,451,000 (June 30, 2019: 320,451,000) fully paid ordinary shares of Rs 10 each [Equity held 100% (June 30, 2019: 100%)] - Cost	*8.1*	3,204,510	3,204,510

8.1 The Company directly holds 100% shares in its wholly owned subsidiary, PMCL. PMCL is a private company limited by shares incorporated in Pakistan to invest, manage, operate, run, own and build power projects. The investment in PMCL is accounted for using cost method in the unconsolidated financial statements of the Company. PMCL, in turn, directly holds 59.98% shares in Rousch (Pakistan) Power Limited ('RPPL'). RPPL is an unlisted public company limited by shares incorporated in Pakistan to generate and supply electricity to CPPA-G from its combined cycle thermal power plant having a gross (ISO) capacity of 450 Mega Watts, located near Sidhnai Barrage, Abdul Hakim town, District Khanewal, Punjab.

	Un-audited	
9 REVENUE - NET	September 30, 2019	September 30, 2018
	----Rupees in thousand------	
Energy purchase price - gross	58,557	370,301
Sales tax	(8,508)	(53,804)
Energy purchase price - net	50,049	316,497
Capacity purchase price	6,764	38,231
Other supplemental charges	13,705	15,386
	70,518	370,114

	Un-audited September 30, 2019	Un-audited September 30, 2018
	----Rupees in thousand------	

10 DIRECT COSTS

RLNG consumed	47,095	300,820
Depreciation on operating fixed assets	14,895	15,674
Stores and spares consumed	581	2,889
Repairs and maintenance	225	1,919
Purchase of energy from CPPA-G	2,180	655
Lube oil consumed	179	734
Operation and maintenance contractor's fee	6,600	12,001
Security expenses	1,424	1,422
Salaries, benefits and other allowances	192	187
Insurance cost	583	511
Travelling & conveyance	62	65
Generation License fee	43	39
Miscellaneous expenses	10	44
	74,066	336,962

11 CASH (USED IN) / GENERATED FROM OPERATIONS

(Loss) / profit before taxation	(12,520)	14,287
Adjustment for non cash charges and other items:		
-Depreciation on operating fixed assets	15,187	16,021
-Amortization of intangible assets	35	65
-Provision for employee retirement benefits	(146)	236
-Profit on bank deposits	(1,645)	(5)
-Finance cost	3,864	6,353
	17,295	22,670
Profit before working capital changes	4,775	36,957
Effect on cashflow due to working capital changes:		
Decrease /(increase) in current assets		
Stores and spares	(215)	2,076
Advances, prepayments, and other receivables	74,177	1,718
Trade debts -secured, considered good	61,974	(78,319)
	135,936	(74,525)
Decrease /(increase) in current liabilities		
Trade & other payables	(8,783)	(21,243)
Cash (used in) / generated from operations	131,928	(58,811)

12 CASH AND CASH EQUIVALENTS	Un-audited September 30, 2019	Un-audited September 30, 2018
	----Rupees in thousand------	
Cash and bank balances	193,856	7,394
Short term borrowings - secured	-	(230,752)
Due to PMCL (wholly owned subsidiary) - unsecured	(80,000)	-
	113,856	(223,358)

13. CORRESPONDING FIGURES

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

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison. However, no significant reclassifications have been made.

14. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise the Holding Company, subsidiaries and associates of Holding Company, group companies, related parties on the basis of common directorship and key management personnel of the Company and its Holding Company. The Company in the normal course of business carries out transactions with various related parties. Significant transactions and balances with related parties are as follows:

Relationship with the Company	Nature of transaction	Un-audited September 30, 2019	Un-audited September 30, 2018
		----Rupees in thousand------	
ii) Subsidiary companies			
Power Management Company (Private) Limited (wholly owned)			
	Mark up accrued on long term loan	-	638
	Mark up accrued on short term loan	2,387	116
Rousch (Pakistan) Power Limited			
	Common cost charged to the Company	75	75
iii) Other related parties			
On the basis of common directorship			
Descon Engineering Limited			
	Common cost charged to the Company	783	606
Descon Power Solutions (Private) Limited			
	Operation & maintenance contractor's fee	6,600	12,001
	Common cost charged to the Company	74	58
Descon Corporation (Private) Limited			
	ERP implementation fee and running cost	648	893
	Building rent	108	101

iv) Key management personnel

	Un-audited September 30, 2019	Un-audited September 30, 2018
	----Rupees in thousand------	
Short term employee benefits	1,390	1,294
Post employment benefits	50	236
Director's remuneration	-	1,043
Director's meeting fee	125	250

All transactions with related parties have been carried out on mutually agreed terms and conditions and in compliance with applicable laws and regulations.

There are no transactions with key management personnel other than under the terms of employment.

	Un-audited September 30, 2019	Audited June 30, 2019
	-------Rupees in thousand-------	
Period end balances are as follows:		
Payable to related parties		
Subsidiaries:		
PMCL	8,834	6,447
RPPL	315	250
Other related parties:		
Descon Engineering Limited	4,436	3,653
Descon Corporation (Private) Limited	347	382
Descon Power Solutions (Private) Limited	5,209	4,788
	19,141	15,520
Receivable from related parties	-	-

15. The wholly owned subsidiary of the Company, PMCL, declared final cash dividend @3.13 / share (31.30%) on September 29, 2019. Accordingly, the Board of Directors have proposed a final cash dividend for the year ended June 30, 2019 @ Rs. 3/- per ordinary share (2018: Nil), amounting to Rs. 1,090,140,000/- (2018: Nil), at their meeting held on September 30, 2019. This is subject to approval of the members at the Annual General Meeting of the Company to be held on October 25, 2019.

16. GENERAL

16.1 These condensed interim unconsolidated financial statements were authorized for issue on October 16, 2019 by the Board of Directors of the Company.

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

Chief Executive	Chief Financial Officer	Director

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UN-AUDITED)

	Note	Un-audited September 30, 2019	Audited June 30, 2019
EQUITY AND LIABILITIES		---Rupees in thousand--	
SHARE CAPITAL AND RESERVES			
Authorized share capital			
400,000,000 (June 30, 2019: 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, 2019: 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		13,832,832	13,306,785
		17,508,292	16,982,245
Non-controlling interests		11,485,471	11,026,973
		28,993,763	28,009,218
NON-CURRENT LIABILITIES			
Long term financing - secured	5	-	-
Deferred liabilities		25,254	23,292
Deferred taxation		1,155,572	1,005,062
		1,180,826	1,028,354
CURRENT LIABILITIES			
Trade and other payables		976,243	3,035,852
Short term borrowings - secured		974,999	2,927,075
Mark - up accrued		85,123	97,591
Current portion of long term financing - secured		434,059	2,112,666
Derivative financial instrument	6	-	7,842
Unclaimed dividend		3,422	190,673
		2,473,846	8,371,699
CONTINGENCIES AND COMMITMENTS	7		
		32,648,435	37,409,271

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

Chief Executive	Chief Financial Officer	Director

As at SEPTEMBER 30, 2019

		Un-audited September 30, 2019	Audited June 30, 2019
ASSETS	**Note**	---Rupees in thousand--	
NON-CURRENT ASSETS			
Property, plant and equipment	8	17,377,652	17,843,296
Intangible assets		99	134
Long term deposits		739	739
Long term loan to employees - secured		867	1,417
		17,379,357	17,845,586
CURRENT ASSETS			
Store, spares & loose tools		668,514	661,678
Inventory of fuel oil		463,173	464,510
Trade debts - secured, considered good		12,134,233	15,321,768
Advances, prepayments and other receivables		755,137	688,305
Income tax recoverable		213,913	224,813
Bank balances		1,034,108	2,202,611
		15,269,078	19,563,685
		32,648,435	37,409,271

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

ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Note	September 30, 2019	September 30, 2018
		---Rupees in thousand--	
Revenue - net	9	4,238,986	7,247,472
Direct costs	10	(3,016,799)	(5,793,985)
Gross profit		1,222,187	1,453,487
Administrative expenses		(43,898)	(47,518)
Other income		110,339	30,952
		1,288,628	1,436,921
Finance cost		(141,707)	(197,223)
Profit before taxation		1,146,921	1,239,698
Taxation		(162,376)	(59,220)
Profit for the period		984,545	1,180,478
Attributable to:			
Equity holders of the Parent Company		526,047	692,090
Non-controlling interest		458,498	488,388
		984,545	1,180,478
Earnings per share attributable to equity holders of the Parent Company during the period - basic and diluted	**Rupees**	1.45	1.90

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

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

ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	September 30, 2019	September 30, 2018
	---Rupees in thousand---	
Profit for the period	984,545	1,180,478
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss	-	-
Items that will not be reclassified subsequently to profit or loss	-	-
	-	-
Total comprehensive income for the period	984,545	1,180,478
Attributable to:		
Equity holders of the Parent Company	526,047	692,090
Non-controlling interest	458,498	488,388
	984,545	1,180,478

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

Chief Executive	Chief Financial Officer	Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	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, 2018 - (Audited)	3,633,800	41,660	12,920,994	10,613,034	27,209,488
Profit for the period	-	-	692,090	488,388	1,180,478
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	692,090	488,388	1,180,478
Transactions with owners in their capacity as owners:	-	-	-	-	-
Balance as on September 30, 2018 - (Unaudited)	3,633,800	41,660	13,613,084	11,101,422	28,389,966
Profit for the period	-	-	837,483	752,976	1,590,459
Other comprehensive loss for the period	-	-	865	577	1,442
Total comprehensive income for the period	-	-	838,348	753,553	1,591,901
Transactions with owners in their capacity as owners:					
Interim dividend for the year ended June 30, 2019 @3.15 per ordinary share	-	-	(1,144,647)	-	(1,144,647)
Dividend relating to 2018 paid to non-controlling interest	-	-	-	(828,002)	(828,002)
Balance as on July 01, 2019 -(Audited)	3,633,800	41,660	13,306,785	11,026,973	28,009,218
Profit for the period	-	-	526,047	458,498	984,546
Other comprehensive income for the period	-	-		-	-
Total comprehensive income for the period	-	-	526,047	458,498	984,546
Transactions with owners in their capacity as owners:	-	-	-	-	-
Balance as on September 30, 2019 - (Unaudited)	3,633,800	41,660	13,832,832	11,485,471	28,993,764

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

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

ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2019

	Note	September 30, 2019	September 30, 2018
		---Rupees in thousand---	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	11	2,725,895	734,913
Long term deposits - net		-	1,136
Finance cost paid		(206,390)	(161,026)
Income tax paid		(6,705)	(4,096)
Interest income received		39,642	-
Retirement benefits paid		-	(609)
		(173,453)	(164,595)
Net cash inflow from operating activities		2,552,442	570,318
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure - net		(1,810)	(1,689)
Profit on bank deposits received		1,646	5
Proceeds from disposal of operating fixed assets		-	505
Net cash outflow from investing activities		(164)	(1,179)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing - secured		(1,581,454)	(1,256,602)
Dividend paid		(187,251)	-
Net cash outflow from financing activities		(1,768,705)	(1,256,602)
Net increase /(decrease) in cash and cash equivalents		783,573	(687,463)
Cash and cash equivalents at the beginning of the period		(724,464)	(258,555)
Cash and cash equivalents at the end of the period	12	59,109	(946,018)

The annexed notes 1 to 16 form an integral part of these condensed interim consolidated 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 ('PMCL') and Rousch (Pakistan) Power Limited ('RPPL'), (together, the 'Group') are engaged in power generation activities.

1.1 The Group is structured as follows:

Parent Company:

Altern Energy Limited, the Parent Company

Subsidiary companies:	**Un-audited**	**Audited**
	Effective Percentage of Holding	
	September, 30 2019	**June 30, 2019**
PMCL	100.000%	100.000%
RPPL	59.984%	59.984%

The registered office of the Group is situated at Descon Headquarters, 18 km, Ferozepur Road, Lahore.

1.2 Altern Energy Limited, the Parent Company (AEL)

The Parent Company was incorporated in Pakistan as a listed public company limited by shares under the Companies Ordinance, 1984 (now the Companies Act, 2017 and hereinafter referred to as the 'Act') on January 17, 1995. The Parent Company's ordinary shares are listed on the Pakistan Stock Exchange Limited. The registered office of the Parent Company is situated at Descon Headquarters, 18 km, Ferozepur Road, Lahore and the Parent Company's thermal power plant has been set up near Fateh Jang, District Attock, Punjab.

During the previous year, the Scheme of Arrangement of Descon Engineering Limited (the holding company of the Parent Company till the effective date of the Scheme of Arrangement) under section 284 to 288 of the repealed Companies Ordinance, 1984, (hereinafter referred to as the 'Scheme'), was sanctioned by the Lahore High Court ('LHC') through its order dated November 21, 2017. The Scheme became effective from December 15, 2017 and resulted in the transfer and vesting of shareholding of Descon Engineering Limited in the Parent Company into DEL Power (Private) Limited. Moreover, consequent to the Scheme becoming effective, the ultimate parent of the Parent Company is Descon Processing (Private) Limited.

The principal activity of the Parent Parent Company is to build, own, operate and maintain a gas fired power plant having gross capacity of 32 Mega Watts (June 30, 2019: 32 Mega Watts). The Parent Parent Company achieved Commercial Operations Date ('COD') on June 6, 2001. The Parent Parent Company has a Power Purchase Agreement ('PPA') with its sole customer, Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G') for thirty years which commenced from the COD.

The Parent Company's Gas Supply Agreement ('GSA') with Sui Northern Gas Pipelines Limited ('SNGPL') expired on June 30, 2013. Thereafter, the Parent Company signed a Supplemental Deed dated March 17, 2014 with SNGPL, whereby SNGPL agreed to supply gas to the Parent Company on as-and-when available basis till the expiry of PPA on June 6, 2031. The Ministry of Petroleum and Natural Resources (MoPNR), empowered for Re-liquefied Natural Gas ('RLNG') allocation by the Economic Coordination Committee ('ECC') of the Federal Cabinet, issued an allocation of 6 MMCFD of RLNG to the Parent Company on April 28, 2017 and advised the Parent Company and SNGPL to negotiate a new GSA. On July 31, 2019, the ECC of Cabinet has approved the summary of interim tri-partite GSA. Currently, the Parent 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-and-when available basis till the execution of a long term GSA between the parties.

1.3 PMCL

PMCL was incorporated in Pakistan as a private company limited by shares under the Companies Ordinance, 1984 (now the Act) on February 24, 2006. PMCL is a wholly owned subsidiary of the Parent Company. The principal objective of PMCL is to invest, manage, operate, run, own and build power projects. PMCL directly holds 59.98% shares in RPPL, a company engaged in power generation as detailed in note 1.4 to these consolidated financial statements. The registered office of PMCL is situated at Descon Headquarters, 18 km Ferozepur Road, Lahore.

1.4 RPPL

Rousch (Pakistan) Power Limited (the 'Company') is an unlisted public company, incorporated in Pakistan on August 4, 1994 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017 and hereinafter referred to as the 'Act'). The principal activities of RPPL 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, 2019: 450 Mega Watts), located near Sidhnai Barrage, Abdul Hakim town, District Khanewal, Punjab province, Pakistan. RPPL achieved Commercial Operations Date ('COD') on December 11, 1999.

The registered office of the company is situated at 2nd Floor Emirates Tower, F-7 Markaz, Islamabad.

RPPL has a PPA with its sole customer, CPPA-G for thirty years which commenced from the COD. 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 ('lA'), the Government of Pakistan ('GoP') provided an assurance that RPPL will be provided gas post August 2015, in preference to the new projects commissioned after the company.

MoPNR, empowered for RLNG allocation by the Economic Co-ordination Committee ('ECC'), issued an allocation of 85 MMSCFD of RLNG to RPPL 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, the ECC approved interim GSA for supply of RLNG to RPPL upto June 2018 or signing of a Long-term GSA, whichever is earlier. The interim GSA was executed with CPPA-G and SNGPL which was effective from June 1, 2017. Under the interim GSA, RLNG was supplied on 'as-available' basis, however, the non-supply of RLNG was treated as 'Other Force Majeure' under the PPA. The interim GSA expired in June 2018.

On July 31, 2019, the ECC of the Federal Cabinet approved the extension of the interim GSA of RPPL with SNGPL and CPPA-G. The interim GSA is yet to be signed by the parties. The terms of this agreement will be effective upto the date of signing of a long term Gas Supply and Purchase Agreement ('GSPA').

In terms of Amendment No. 3 to the PPA executed between RPPL and CPPA-G on August 21, 2003, the company agreed to transfer ownership of the Complex to CPPA-G at a token value of US$ 1 at the expiry of 30 years term of PPA (starting from December 11, 1999), if CPPA-G does not opt for a renewal of the PPA for the additional term pursuant to section 4.1 (c) of the PPA. The PPA has been extended by a period of 122 days as of June 30, 2019, owing to non-supply of RLNG under interim GSA. The term of PPA will end in April 2030 and the remaining life of the project is 10.80 years.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

i) International Accounting Standard ('IAS') 34, 'Interim Financial Reporting', issued by International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017 ; and

ii) Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 These condensed interim financial statements are un-audited and are being submitted to the members as required by section 237 of the Companies Act, 2017.

These condensed interim consolidated financial statements do not include all of the information required for annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements as at and for the year ended June 30, 2019. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last financial statements.

2.3 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 Group's financial statements covering annual periods, beginning on or after the following dates:

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 1, 2019 but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated financial statements.:

-IFRS 16, ‘Leases’: this standard has been notified by the SECP to be effective for annual periods beginning on or after January 1, 2019. This standard replaces the current guidance in IAS 17, ‘Leases’ and is a far reaching change in accounting by lessees in particular. Under IAS 17, lessees were required to make a distinction between a finance lease (on statement of financial position) and an operating lease (off statement of financial position). IFRS 16 now requires lessees to recognise a lease liability reflecting future lease payments and a ‘right-of-use asset’ for virtually all lease contracts. The IASB has included an optional exemption for certain short-term leases and leases of low-value assets; however, this exemption can only be applied by lessees.

For lessors, the accounting stays almost the same. However, as the IASB has updated the guidance on the definition of a lease (as well as the guidance on the combination and separation of contracts), lessors will also be affected by the new standard. At the very least, the new accounting model for lessees is expected to impact negotiations between lessors and lessees

SECP through SRO 986(I)/2019 dated September 2, 2019 has granted exemption from the requirements of IFRS 16 to all companies that have executed their power purchase agreements before January 1, 2019. Therefore, the standard does not have any impact on the Group's consolidated financial statements.

-Amendments to IAS 1 and IAS 8 on the definition of material: (effective for periods beginning on or after July 1, 2019). These amendments to IAS 1, ‘Presentation of financial statements' and IAS 8, ‘Accounting policies, changes in accounting estimates and errors’, and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information. These amendments do not have any significant impact on the Group's consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of this condensed interim consolidated financial statements are the same as those applied in the preparation of preceding annual published consolidated financial statements of the Group for the year ended June 30, 2019.

4. ACCOUNTING ESTIMATES

The preparation of these condensed interim financial statements requires management to make judgements, 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 these condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended June 30, 2019.

'Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

5. LONG TERM FINANCING - SECURED

This represents two loans taken from Standard Chartered Bank (SCB) UAE amounting to USD 36.515 million and USD 27.70 million.

Facility USD 36.515 million was repayable in 5 equal semi-annual installments and it carried markup at three months London Inter-Bank Offered Rate (LIBOR) plus 400 basis points per annum to be served quarterly and 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. This facility has been fully repaid during the period.

Facility USD 27.70 million is repayable in 10 equal quarterly installments and it carries markup at three months LIBOR plus 140 basis points per annum and secured by assignment of receivables relating to capacity payments and lien on collection account amounting to USD 36 million maintained with the Trustee.

6. DERIVATIVE FINANCIAL INSTRUMENT

This represents derivative interest rate swap arrangement with a commercial bank. Under the terms of the arrangement, the Group 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 three months 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 September 30, 2019 has been marked to market and the resulting gain has been included in the statement of profit or loss.

7. CONTIGENCIES & COMMITMENTS

There is no significant change in the status of contingencies and commitments from the preceding annual financial statements of the Company for the year ended June 30, 2019, except for the following:

7.1 Contingencies

Altern Energy Limited - the Parent company

Habib Metropolitan Bank Limited has issued bank guarantee amounting to Rs 532.68 million (June 30, 2019 : Rs 532.68 million) in favour of SNGPL as a security to cover RLNG supply for which payments are made in arrears. The guarantee is due to expire on December 14, 2019 and is renewable.

Rousch (Pakistan) Power Limited - the Subsidiary company

National Bank of Pakistan has issued standby letter of credit (SBLC) for Rs. 4,981 million (June 30, 2019 : Rs 4,981 million) in favor 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 July 13, 2020, which is renewable.

7.2 Commitments - (RPPL)

Letter of Credits Rs. 6.50 million (2018: Nil)

8. PROPERTY, PLANT AND EQUIPMENT

Additions to plant and equipment represent net exchange gain of Rs 55 million (June 30, 2019: Rs. 478 million of exchange loss) on related foreign currency loan during the period from July 01, 2019 to September 30, 2019. This has resulted in accumulated capitalization of exchange losses of Rs. 13,077 million (June 30, 2019: Rs.13,132 million) in the cost of plant and equipment upto September 30, 2019, with book value of Rs. 6,552 million (June 30, 2019: Rs. 6,651 million).

	Un-audited	
	September 30, 2019	September 30, 2018
	---Rupees in thousand---	
9 REVENUE - NET		
Energy purchase price - gross	2,654,791	6,058,753
Sales tax	(385,739)	(880,332)
Energy purchase price - net	2,269,052	5,178,421
Capacity purchase price	1,797,838	1,787,749
True-up	-	38,269
Other supplemental charges	172,096	243,033
	4,238,986	7,247,472

	Un-audited September 30, 2019	Un-audited September 30, 2018
	---Rupees in thousand---	
10 DIRECT COSTS		
RLNG consumed	2,300,463	5,066,621
Operation and maintenance	202,603	206,071
Depreciation on operating fixed assets	410,656	436,110
Stores and spares consumed	19,608	19,781
Lube oil consumed	178	734
Repairs & maintenance	448	2,557
Insurance cost	26,793	26,208
Purchase of energy from CPPA-G	38,809	17,987
Salaries, benefits and other allowances	8,707	8,975
Traveling & conveyance	62	464
Generation license fee	1,873	1,721
Electricity duty	435	810
Colony maintenance	2,289	2,403
Communication	1,153	1,172
Vehicle maintenance	325	270
Security expenses	1,424	1,422
Liquidated damages	-	7
Miscellaneous	973	672
	3,016,799	5,793,985
11 CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,146,921	1,239,698
Adjustment for non cash charges and other items:		
-Depreciation on operating fixed assets	412,677	438,325
-Profit on bank deposits	(43,295)	(759)
-Amortization of intangible assets	35	65
-Un-realsed gain on derivative financial instrument	(7,842)	(16,051)
-Finance cost	144,094	197,976
-Provision for employee retirement benefits	1,961	2,127
Profit before working capital changes	1,654,551	1,861,381
Effect on cash flow due to working capital changes:		
Decrease/(increase) in current assets		
-Stores, spares and loose tools	(5,499)	2,484
-Trade debts- secured, considered good	3,187,535	(505,204)
-Advances, deposits, prepayments and other receivables	(51,835)	(54,566)
	3,130,201	(557,286)
Increase/(decrease) in current liabilities		
-Decrease in trade and other payables	(2,058,857)	(569,182)
	1,071,344	(1,126,468)
	2,725,895	734,913

12 CASH AND CASH EQUIVALENTS

	Un-audited September 30, 2019	Un-audited September 30, 2018
	---Rupees in thousand---	
Cash and bank balances	1,034,108	1,453,405
Short term borrowings - secured	(974,999)	(2,399,423)
	59,109	(946,018)

12 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 Group	Nature of transactions	Un-audited September 30, 2019	Un-audited September 30, 2018
		---Rupees in thousand---	
i. Other related parties			
On the basis of common directorship			
Descon Engineering Limited:			
	Common costs charged	2,952	606
	Purchase of spare parts	-	1,656
Descon Power Solutions (Private) Limited:			
	Operations & maintenance contractor's fee	120,334	116,450
	Common costs charged	997	497
	Services rendered	5,308	-
Descon Corporation (Private) Limited:			
	ERP implementation fee & running costs	648	893
	Common costs charged	3,803	2,982
ii. Group companies			
Siemens AG			
	Long term maintenance services	54,656	69,505
	Purchase of spare parts	156,394	186,810
Siemens Pakistan Engineering Company Limited			
	Long term maintenance services	16,262	12,452
	Purchase of Operation and maintenance Services	-	562

	Un-audited September 30, 2019	Audited June 30, 2019
	---Rupees in thousand---	
iv. Key Management Personnel		
Short-term employment benefits	3,123	3,829
Post employment benefits	3,625	3,824
Director's meeting fee	125	250
Director's remuneration	-	1,043
Period end balances are as follows:		
Payable to related parties		
Descon Engineering Limited (Holding company)	16,995	17,593
Descon Corporation (Private) Limited (Associated company)	1,453	2,749
Descon Power Solutions (Private) Limited (Associated company)	82,014	76,980
Siemens Pakistan Engineering Company Limited	15,059	68,490
Siemens AG	104,715	210,581
	220,236	376,393
Receivable from related parties		
Descon Power Solutions (Private) Limited (Associated company)	88	52

14 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial statements were authorized for issue on October 16, 2019 by the Board of Directors of the Parent company.

15 CORRESPONDING FIGURES

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

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison. However, no significant reclassifications have been made.

16 GENERAL

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

Chief Executive | Chief Financial Officer | Director