AEL

CONDENSED INTERIM FINANCIAL STATEMENTS

(UN-AUDITED)

THREE- MONTH AND SIX-MONTH PERIOD ENDED DECEMBER 31, 2019

ALTERN ENERGY LIMITED

ALTERN ENERGY LIMITED
COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Taimur Dawood	Chairman
Mr. Faisal Dawood	Director
Mr. Farooq Nazir	Director
Ms. Mehreen Dawood	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

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

HUMAN RESOURCE & REMUNERATION COMMITTEE

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

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 six months' period ended December 31, 2019.

GENERAL

The principal activities of the Company continue to be ownership, operation and maintenance of a 32 Mega Watts (June 30, 2019: 32 Mega Watts) gas-fired thermal power plant located near Fateh Jang, district Attock, Punjab, and sale of electricity. The electricity produced by its Complex 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 (June 30, 2019: 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. 87 million (Rs. 393 million in corresponding period of 2018), resulting in a gross loss of Rs. 13 million as compared to gross profit of Rs. 24 million in corresponding period of 2018. The Company posted net gain of Rs. 972 million resulting in earnings per share of Rs. 2.68, as compared to net loss of Rs. 7 million and loss per share of Rs. 0.02 in corresponding period of 2018. The current year's net profit include dividend from the subsidiary company amounting to Rs. 1,005 million. Operations from the Company's power plant suffered due to low demand from NPCC resulting from lower ranking in merit order of economic dispatch.

Like other power sector companies, the Company continues to face liquidity challenges due to the issue of circular debt being faced by the Company's sole off-taker, CPPA-G.Due to delayed payments from CPPA-G, the Company has been managing its cashflows by utilizing working capital facilities where required. The Company's management continues to persistently follow up payments with the power purchaser and Ministry of Energy (Power division).

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. The decrease in export of energy is on account of lower dispatch demand by the power purchaser. The decrease in dispatch demand from the power purchaser is due to influx of significant generation capacity into the national grid system. The new power generation plants being new and more efficient rank above your plant in CPPA-G's economic dispatch merit order. This situation has created serious challenges for your Company since less capacity revenue is earned due to less dispatch as the Company is on a take-and-pay contract with CPPA-G. Your Board is fully aware of 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

During the period under review, the Company distributed annual cash dividend @ Rs. 3 per share for the year ended June 30, 2019, to its shareholders which was approved in the Annual General Meeting held on October 25, 2019. Furthermore, the Company has declared an interim cash dividend @ Rs. 2.65 per share for the six months period ended December 31, 2019, to its shareholders which was approved in the Board of Directors meeting held on February 21, 2020.

SUBSIDIARY'S REVIEW

During the period under review, your Company's subsidiary RPPL posted turnover of Rs. 6,854 million (Rs. 9,740 million in corresponding period of 2018) earning gross profit of Rs. 2,694 million (Rs. 2,342 million in corresponding period of 2018). Net profit for the period was Rs. 2,524 million (compared to Rs. 1,768 Million in the corresponding period of 2018) delivering earnings per share (EPS) of Rs. 2.93 per share of Rs.10 each (EPS Rs. 2.05 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 December 31, 2019, the overdue receivables from CPPA-G were Rs. 10,478 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. 2,011 million to its lenders. All long-term loans have now been paid.

During the period, the company observed no Other Force Majeure Event (OFME), however due to low dispatch demand from the off-taker, the plant dispatch factor during the period dropped to 12.02% as compared to 28.48% during the corresponding period last year. During the period, 209 GWh of electricity was delivered to CPPA-G as compared to 493 GWh delivered during the corresponding period of last year.
During the period the company successfully conducted Annual Dependable Capacity Test.

FUTURE OUTLOOK

The power sector in Pakistan has witnessed 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.

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 dispatch 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 further in future as the Company may not get sustainable dispatch from NPCC in the medium and long term as more power capacity 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, to bring the Company out of this perilous situation that has myriad of consequences. The management has engaged both the off-taker and PPIB to work out possible solutions to get 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 Board 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

February 21, 2020 - Lahore.

ڈائریکٹرز کی جائزہ رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز 31 دسمبر 2019ء کو ختم ہونے والی ششماہی کی کمپنی کی مالی اور آپریشنل کارکردگی اور (غیر نظر ثانی شدہ) عبوری مالی حسابات پر جائزہ رپورٹ بخوشی پیش کرتے ہیں۔

عمومی

کمپنی کی اہم ترین سرگرمیوں میں 32 میگاواٹ (30 جون 2019: 32 میگاواٹ) کے گیس پر مبنی تھرمل پاور پلانٹ واقع نزد فتح جنگ ضلع اٹک پنجاب کی ملکیت، آپریشن، دیکھ بھال اور بجلی کی فروخت شامل ہے۔ کمپلیکس کی پیدا شدہ بجلی نیشنل ٹرانسمیشن اینڈ ڈسپیچ کمپنی (NTDC) کے ٹرانسمیشن نیٹ ورک کے ذریعے اپنے واحد صارف سنٹرل پاور پرچیزنگ ایجنسی (گارنٹی) لمیٹڈ ('CPPA-G') کو فروخت کی جاتی ہے۔

کمپنی کے حصص پاکستان اسٹاک ایکسچینج لمیٹڈ 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 (30 جون 2019: 450 میگاواٹ) کی مجموعی صلاحیت رکھنے والی خود مختار پاور پروڈیوسر ہے جو کہ سدھنائی بیراج، عبدالحکیم، ضلع خانیوال، پنجاب کے قریب واقع ہے۔

فنانس

زیرِ جائزہ مدت کے دوران کمپنی کا کل ٹرن اوور 87 ملین روپے (2018 کی اسی مدت میں 393 ملین روپے) جس کے نتیجے میں مجموعی نقصان 13 ملین روپے جبکہ 2018 کی اسی مدت میں مجموعی منافع 24 ملین روپے) ہوا۔ کمپنی نے 972 ملین روپے خالص منافع درج کی جس کے نتیجہ میں 2.68 روپے فی حصص آمدنی ہوئی، جبکہ گزشتہ سال 2018 کی اسی مدت میں 7 ملین روپے خالص نقصان برداشت کیا جس کے نتیجہ میں 0.02 روپے فی حصص نقصان ہوا۔ رواں سال کے خالص منافع میں ذیلی کمپنی سے 1,005 ملین روپے کی رقم کا ڈیویڈینڈ شامل ہے۔ کمپنی کے پاور پلانٹ سے آپریشنز اقتصادی ترسیل کے میرٹ آرڈر میں کم درجہ کے نتیجے NPCC سے کم طلب کی وجہ سے مشکلات کا شکار رہے ہیں۔

کمپنی کے بجلی کے واحد خریدار CPPA-G کی طرف سے گردشی قرضہ کی وجہ سے ادائیگیوں میں تاخیر کے مسئلہ کی وجہ سے دیگر پاور کمپنیوں کی طرح آپ کی کمپنی کو لیکویڈیٹی مشکلات کا سامنا رہا ہے۔ CPPA-G کی جانب سے ادائیگیوں میں تاخیر کی وجہ سے، کمپنی جہاں ضرورت ہو ورکنگ کیپٹل سہولیات استعمال کر کے نقد رقم کا انتظام کرنے کے قابل رہی ہے۔ کمپنی کی انتظامیہ اپنے خریدار اور وزارت توانائی (پاور ڈویژن) سے واجب ادائیگیوں کی بروقت واگزاری کے لئے مسلسل مطالبہ کر رہی ہے۔

آپریشنز

پلانٹ نے گزشتہ مالی سال کی اسی مدت کے دوران 20 GWh ترسیل کے مقابلے زیرِ جائزہ مدت کے دوران 3 GWh بجلی ترسیل کی۔ توانائی کی برآمد میں کمی بجلی کے خریدار سے کم ترسیل طلب کی وجہ سے ہوئی۔ بجلی کے خریدار سے ترسیل طلب میں کمی نیشنل گرڈ سسٹم میں نمایاں جنریشن صلاحیت کی آمد کے باعث ہوئی ہے۔ چونکہ نئے پلانٹس بہتر کارکردگی کی بدولت کم خرچ CPPA-G کے اقتصادی ڈسپیچ میرٹ آرڈر میں آپ کے پلانٹ کے درجہ سے اوپر ہیں۔ یہ صورت حال آپ کی کمپنی کے لئے شدید مشکلات پیدا کر رہی ہے کیونکہ CPPA-G کے ساتھ ٹیک اینڈ پے معاہدہ کے تحت کم ترسیل کی وجہ سے کم کپیسٹی ریونیو حاصل ہوا۔ بورڈ ان مشکلات سے مکمل طور پر آگاہ ہے اور کمپنی کو اس پیچیدہ صورت حال سے نکالنے کے لئے کنٹر پیچ وئل اور کمرشل سمیت متعدد تجاویز پر غور کر رہا ہے۔ پلانٹ کمپلیکس کی حالت کے مطابق، ہمیں یقین ہے کہ تمام انجن اور ان کے معاون آلات مستحکم میکانیکل حالت میں ہیں۔

ڈیویڈینڈ کا اعلان

زیرِ جائزہ مدت کے دوران، کمپنی نے 25 اکتوبر 2019 کو منعقدہ سالانہ اجلاس عام میں منظور شدہ اپنے حصص داران کو، 30 جون 2019 کو ختم ہونے والے سال کے لئے سالانہ نقد منافع منقسمہ بشرح 3 روپے فی حصص تقسیم کیا۔ مزید براہ کمپنی نے اپنی ڈائریکٹر کی میٹنگ منعقدہ 21 فروری 2020 میں حصص داران کو 31 دسمبر 2019 کو ششماہی عرصہ ختم ہونے پر نقد منافع منقسمہ شرح 2.65 روپے فی حصص کا اعلان کیا ہے۔

ماتحت ادارے کا جائزہ

زیرِ جائزہ مدت کے دوران، کمپنی کے ذیلی ادارہ روش (پاکستان) پاور لمیٹڈ (آر پی پی ایل) نے ٹرن اوور 6,854 ملین روپے (2018 کی اسی مدت میں 9,740 ملین روپے) مجموعی منافع کی آمدنی 2,694 ملین روپے (2018 کی اسی مدت میں 2,342 ملین روپے) درج کی۔ موجودہ مدت کا خالص منافع 2,524 ملین روپے (2018 کی اسی مدت میں 1,768 ملین روپے) ہر ایک -/10 روپے کے فی شیئر آمدنی (EPS) 2.93 روپے (2018 کی اسی مدت میں 2.05 روپے) تھی۔

کمپنی کے واحد صارف CPPA-G سے گردشی قرضہ کے مسئلہ کے باعث عدم ادائیگی جاری رہی ہے۔ 31 دسمبر 2019 کو CPPA-G سے زائد المعیاد قابل وصولی رقوم 10,478 ملین روپے (30 جون 2019: 12,782 ملین روپے) تھیں۔ کمپنی باقاعدہ بنیاد پر اپنی قابل وصولی رقوم کے لئے CPPA-G سے مطالبہ کر رہی ہے۔ گردشی قرضہ کے تصفیہ کا دوسرا راؤنڈ اس مالی سال کے اندرون متوقع ہے جو کمپنی کی زائد المعیاد وصولیوں کو کم کرنے میں مدد کرے گا۔

کمپنی اپنے قرض دہندگان کو اپنے واجبات ادا کر رہی ہے۔ مدت کے دوران، کمپنی نے اپنے قرض دہندگان کو 2,011 ملین روپے ادا کئے ہیں۔ تمام طویل مدتی قرضے اب ادا کر دیئے گئے ہیں۔

مدت کے دوران، کمپنی نے کوئی دیگر فورس میجور ایونٹ (OFME) نہیں دیکھا، تاہم خریدار سے کم ترسیل طلب کی وجہ سے، پلانٹ کا ترسیلی عنصر گزشتہ سال کی اسی مدت کے دوران 28.48 فیصد کے مقابلے کم ہو کر مدت کے دوران 12.02 فیصد رہا ہے۔ زیرِ جائزہ مدت کے دوران CPPA-G کو 209 GWh بجلی ترسیل کی گئی جبکہ گزشتہ سال کی اسی مدت کے دوران 493 GWh بجلی ترسیل کی گئی۔

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

مستقبل کا نقطہ نظر

پاکستان میں پاور سیکٹر گزشتہ چند سالوں سے تبدیلی کے مرحلے میں ہے جہاں حکومت پاکستان اور نجی شعبہ نے بجلی کے شعبے میں نمایاں سرمایہ کاری کی ہے۔ زیادہ مؤثر RLNG بیسڈ اور کوئلہ پر مبنی پاور پلانٹس کے اضافہ نے صارفین پر بوجھ کو کم کرنے میں حصہ شامل کیا ہے۔ گزشتہ چند سالوں کے دوران نیشنل گرڈ سسٹم میں نمایاں جنریشن صلاحیت کی آمد کے نتیجے، آپ کے پلانٹ نے NPCC سے ترسیل طلب میں شدید قلت دیکھی ہے چونکہ نئے پلانٹس بہتر کارکردگی اور NPCC/CPPA کے ڈسپیچ میرٹ آرڈر میں آلٹرن پلانٹ سے کم خرچ ہونے کی بدولت اُپر ہیں۔ کیونکہ آپ کی کمپنی کا CPPA-G کے ساتھ ٹیک اینڈ پے کا معاہدہ ہے اس لئے کم ترسیل کے نتیجے کم آمدنی حاصل ہوتی ہے۔ لہٰذا، کمپنی کے لئے اپنے فکسڈ آپریشنل اخراجات کو پورا کرنا مشکل نظر آ رہا ہے۔ یہ صورت حال مستقبل میں مزید بگڑنے کا امکان ہے کیونکہ کمپنی درمیانی اور طویل مدت میں NPCC سے مستحکم ترسیل حاصل نہیں کر سکتی جیسا کہ نیشنل سسٹم میں مزید پاور کپیسٹی کا اضافہ ہونے کی توقع ہے۔

ان مشکل حالات کے پیشِ نظر، بورڈ نے انتظامیہ کو مشورہ دیا ہے کہ وہ کنٹریکچوئل اور تجارتی دونوں طرح کے متعدد اختیارات دریافت کرے، تاکہ کمپنی کو اس خطرناک صورتحال سے باہر لایا جا سکے جس کے نتائج بے شمار ہیں۔ انتظامیہ نے کمپنی کو اس خطرناک صورتحال سے نکالنے کے لئے ممکنہ حل پر کام کرنے کے لئے آف ٹیکر اور پی پی آئی بی دونوں کو شامل کیا ہے جہاں وہ اپنی معاہدے کی ذمہ داریوں کو پورا کرنے کے لئے سخت کوشش کر رہی ہے۔

کوالٹی، ماحول، صحت اور حفاظت

متذکرہ مدت کے دوران، پلانٹ کی مجموعی صحت، حفاظت، ماحول اور سیکورٹی اقدامات میں کارکردگی تسلی بخش رہی ہے۔ زیرِ جائزہ مدت کے دوران وقت کے ضیاع کا کوئی واقعہ (LTI) اور ماحول کی تبدیلی کا کوئی واقع رونما نہیں ہوا 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

عمر شہزاد شیخ
چیف ایگزیکٹو

شاہ محمود چوہدری
ڈائریکٹر

لاہور
21 فروری 2020ء

pwc

A·F·FERGUSON&Co.

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ALTERN ENERGY LIMITED

REPORT ON REVIEW OF UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Altern Energy Limited as at December 31, 2019 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows and notes to the unconsolidated financial statements for the Six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these unconsolidated condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the three-month periods December 31, 2018 and 2019 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2019.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410," Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying unconsolidated interim financial statements are not prepared, in all material aspects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Masood

A.F. Ferguson & Co.

Chartered Accountants
Lahore,

Date: February 21, 2020

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

	Note	December 31, 2019 Un-audited	June 30, 2019 Audited
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
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		771,110	888,811
		4,446,570	4,564,271
NON-CURRENT LIABILITIES			
Long term financing - unsecured	6	-	-
Deferred liabilities		4,913	5,107
		4,913	5,107
CURRENT LIABILITIES			
Current portion of long term financing - unsecured	6	-	-
Trade and other payables		92,968	107,511
Unclaimed dividend		5,050	190,673
Mark-up accrued		12,050	6,501
		110,067	304,685
CONTINGENCIES AND COMMITMENTS	7		
		4,561,550	4,874,063

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

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

AS AT DECEMBER 31, 2019

	Note	December 31, 2019 Un-audited	June 30, 2019 Audited
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	535,381	565,736
Intangible assets		67	134
Long term investment	9	3,204,510	3,204,510
Long term deposit		38	38
		3,739,995	3,770,418
CURRENT ASSETS			
Stores and spares		40,104	39,800
Trade debts - secured, considered good		560,598	681,819
Advances, prepayments and other receivables		59,339	131,572
Income tax recoverable		25	827
Cash and cash equivalents		161,490	249,627
		821,555	1,103,645
		4,561,550	4,874,063

Chief Executive | Chief Financial Officer | Director

ALTERN ENERGY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED DECEMBER 31, 2019

		Three-month period ended		Six-month period ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Note	(Rupees in thousand)			
Revenue - net	10	16,052	23,257	86,570	393,371
Direct costs	11	(25,273)	(32,272)	(99,339)	(369,234)
Gross (loss)/profit		(9,220)	(9,015)	(12,768)	24,137
Administrative expenses		(8,001)	(7,609)	(14,754)	(20,126)
Other income		1,007,729	1,424	1,009,374	1,429
Finance cost		(4,157)	(5,802)	(8,021)	(12,155)
Profit/(loss) before taxation		986,351	(21,002)	973,831	(6,715)
Taxation	12	(911)	(667)	(1,391)	(667)
Profit/(loss) for the period		985,439	(21,669)	972,439	(7,382)
Earnings/(loss) per share - basic and diluted	**(Rupees)**	2.71	(0.06)	2.68	(0.02)

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

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

ALTERN ENERGY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2019

	Note	December 31, 2019	December 31, 2018
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	13	181,510	63,878
Finance cost paid		(2,473)	(10,613)
Income tax paid		(589)	(3)
Retirement and other benefits paid		(196)	-
Net cash inflow from operating activities		178,252	53,262
Cash flows from investing activities			
Dividend received		1,004,576	-
Profit on bank deposits received		4,798	5
Net cash inflow from investing activities		1,009,374	5
Cash flows from financing activities			
Dividends paid		(1,275,763)	(7)
Net cash outflow from financing activities		(1,275,763)	(7)
Net (decrease)/increase in cash and cash equivalents		(88,137)	53,260
Cash and cash equivalents at the beginning of the period		169,627	(157,883)
Cash and cash equivalents at the end of the period	14	81,490	(104,623)

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

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

ALTERN ENERGY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED DECEMBER 31, 2019

	Three-month period ended		Six-month period ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	(Rupees in thousand)			
Profit/(loss) for the period	985,439	(21,669)	972,439	(7,382)
Other comprehensive income:				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
	-	-	-	-
Total comprehensive income/(loss) for the period	985,439	(21,669)	972,439	(7,382)

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

Chief Executive	Chief Financial Officer	Director

ALTERN ENERGY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2019

	Capital reserve: Share capital	Capital reserve: Share premium	Revenue reserve: Un-appropriated profit	Total
	(Rupees in thousand)			
Balance as on July 1, 2018 (audited)	3,633,800	41,660	1,078,636	4,754,096
Total comprehensive loss for the period				
Loss for the period	-	-	(7,382)	(7,382)
Other comprehensive income for the period	-	-	-	-
	-	-	(7,382)	(7,382)
Transactions with owners in their capacity as owners recognised directly in equity	-	-	-	-
Balance as on December 31, 2018 (un-audited)	**3,633,800**	**41,660**	**1,071,254**	**4,746,714**
Balance as on July 1, 2019 (audited)	3,633,800	41,660	888,811	4,564,271
Total comprehensive income for the period				
Profit for the period	-	-	972,439	972,439
Other comprehensive income for the period	-	-	-	-
	-	-	972,439	972,439
Transactions with owners in their capacity as owners recognised directly in equity				
Final cash dividend for the year ended June 30, 2019 @ Rs 3 per ordinary share	-	-	(1,090,140)	(1,090,140)
Balance as on December 31, 2019 (un-audited)	**3,633,800**	**41,660**	**771,110**	**4,446,570**

The annexed notes 1 to 18 form an integral part of these unconsolidated condensed interim 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 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 9 to these unconsolidated condensed interim financial statements.

1.3 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.

2 Basis of Preparation

2.1 Statement of compliance

These unconsolidated condensed interim 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 Act; and

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

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

2.2 These unconsolidated condensed interim financial statements are un-audited and are being submitted to the members as required by section 237 of the Act. The figures for the six-month period ended December 31, 2019 have, however, been subjected to limited scope review by the auditors.

These unconsolidated 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.

The Company is required to issue condensed interim consolidated financial statements along with its condensed interim separate financial statements in accordance with the requirements of accounting and reporting standards as applicable in Pakistan. Condensed interim consolidated financial statements are prepared separately.

3 Significant accounting policies

3.1 The accounting policies adopted for the preparation of this unconsolidated condensed interim 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, except for the adoption of new and amended standards as set out below.

3.2 Standards, amendments to published standards and interpretations that are effective in the current period

Certain standards, amendments and interpretations to International Financial Reporting Standards (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 condensed interim financial statements.

3.3 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 accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 1, 2020 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 condensed interim financial statements.

4 Accounting estimates

The preparation of these unconsolidated 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 unconsolidated 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.

5 Financial risk management

5.1 Financial risk factors

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

These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at June 30, 2019.

There have been no significant changes in the risk management policies since the year ended June 30, 2019.

5.2 Fair value estimation

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

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

	December 31, 2019 Un-audited	June 30, 2019 Audited
	(Rupees in thousand)	
6. Long term financing - unsecured		
The reconciliation of the carrying amount of loan is as follows:		
Opening balance	-	79,120
Mark-up accrued during the period/year	-	1,861
Payments during the period/year	-	(80,981)
Closing balance	-	-
Current portion shown under current liabilities	-	-
	-	-

6.1 This represented long term loan obtained by the Company from its wholly owned subsidiary, Power Management Company (Private) Limited ('PMCL'). This was an unsecured loan and carried mark-up at the rate of six months Karachi Inter-Bank Offered Rate ('KIBOR') plus 100 basis points per annum. The mark-up rate charged during the period on the outstanding balance was Nil (June 30, 2019: 8.04% to 11.08%) per annum.

7. 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 natural gas / RLNG supply for which payments are made in arrears. The guarantee is due to expire on March 14, 2020 and is renewable.

		December 31, 2019 Un-audited	June 30, 2019 Audited
8. Property, plant and equipment		(Rupees in thousand)	
Operating fixed assets	-note 8.1	532,689	563,044
Major spare parts and stand-by equipment	-note 8.2	2,692	2,692
		535,381	565,736
8.1 Operating fixed assets			
Opening net book value		563,044	696,398
Additions during the period/year	- note 8.1.1	-	309
Depreciation charged during the period/year		(30,355)	(62,605)
Impairment charged during the period/year		-	(71,058)
Closing net book value		532,689	563,044

	December 31, 2019 Un-audited	June 30, 2019 Audited
	(Rupees in thousand)	
8.1.1 Additions during the period/year		
Plant and machinery	-	309
	-	309
8.2 Major spare parts and stand-by equipment		
Opening net book value	2,692	4,806
Impairment charge for the period/year	-	(2,114)
Closing net book value	2,692	2,692
9. Long term investment		
Subsidiary - unquoted:		
Power Management Company (Private) Limited		
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 - note 9.1	3,204,510	3,204,510

9.1 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. PMCL's registered office is situated at Descon Headquarters, 18 km Ferozepur Road, Lahore. The investment in PMCL is accounted for using cost method in these unconsolidated condensed interim financial statements of the Company. PMCL, in turn, directly holds 58.18% 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 (June 30, 2019: 450 Mega Watts), located near Sidhnai Barrage, Abdul Hakim town, District Khanewal, Punjab. RPPL's registered office is situated at 2nd Floor emirates tower, F-7 Markaz, Islamabad.

	Three-month period ended		Six-month period ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Un-audited (Rupees in thousand)		Un-audited (Rupees in thousand)	
10. Revenue - net				
Energy purchase price - gross	3,101	1,579	61,658	371,880
Sales tax	(451)	(230)	(8,959)	(54,034)
Energy purchase price - net	2,650	1,349	52,699	317,846
Capacity purchase price	-	161	6,764	38,392
Other supplemental charges	13,402	21,747	27,107	37,133
	16,052	23,257	86,570	393,371

	Three-month period ended		Six-month period ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Un-audited (Rupees in thousand)		Un-audited (Rupees in thousand)	
11. Direct costs				
RLNG consumed	76	1,322	47,171	302,142
Salaries, wages and other benefits	164	186	356	373
Operation and maintenance	6,600	9,600	13,200	21,601
Stores and spares consumed	-	1,127	287	5,935
Purchase of energy from CPPA-G	1,199	2,378	3,898	3,033
Insurance cost	582	417	1,165	928
Lube oil consumed	-	13	179	747
Travelling and conveyance	37	90	99	155
Depreciation on operating fixed assets	14,894	15,694	29,789	31,368
Security expenses	1,621	1,399	3,045	2,821
Generation license fee	46	39	86	78
Miscellaneous	53	7	63	53
	25,273	32,272	99,339	369,234
12. Taxation				
Current tax expense				
- For the period	911	667	1,391	667
- Prior years'	-	-	-	-
	911	667	1,391	667

13. Cash generated from operations

	December 31, 2019	December 31, 2018
Profit/(loss) before taxation	973,831	(6,715)
Adjustment for non cash charges and other items:		
- Depreciation on operating fixed assets	30,353	32,079
- Amortization on intangible assets	62	188
- Profit on bank deposits	(4,798)	(5)
- Dividend income from PMCL (wholly owned subsidiary)	(1,004,576)	-
- Finance cost	8,021	12,155
- Provision for doubtful debts	823	-
- Provision for staff gratuity and compensated absences	59	235
	(970,056)	44,652
Profit before working capital changes	3,775	37,937
Effect on cash flow due to working capital changes:		
(Increase)/decrease in stores and spares	(304)	1,605
Decrease in advances, prepayments, and other receivables	72,241	35,397
Decrease in trade debts	120,398	29,598
Decrease in trade and other payables	(14,600)	(40,659)
	177,735	25,941
Cash generated from operations	181,510	63,878

	Six-month period ended December 31, 2019	Six-month period ended December 31, 2018
	Un-audited	
14. Cash and cash equivalents	(Rupees in thousand)	
Cash and bank balances	161,490	7,397
Short term borrowings - secured	-	(107,590)
Due to PMCL (wholly owned subsidiary) - unsecured	(80,000)	(4,430)
	81,490	(104,623)

15. 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. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of that 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	Six-month period ended December 31, 2019	Six-month period ended December 31, 2018
		Un-audited	
		(Rupees in thousand)	
i) Holding company			
DEL Power (Private) Limited	Dividend paid	586,627	-
ii) Subsidiaries			
PMCL (wholly owned)	Dividend received	1,004,576	-
	Short term loan repaid	-	1,275
	Markup accrued on short term loan	5,603	227
iii) Other related parties			
On the basis of common directorship			
Descon Engineering Limited	Common costs charged to the Company	1,566	1,217
Descon Power Solutions (Private) Limited	Operation & maintenance contractor's fee	13,200	21,601
	Common cost charged to the Company	150	112
Descon Corporation (Private) Limited	ERP implementation fee and running costs	1,384	1,808
	Building rent	341	181
Group company			
Descon Holdings (Private) Limited	Dividend paid	83	-
iv) Key management personnel	Short term employee benefits	2,570	4,235
	Post employment benefits	-	198
	Director's meeting fee	250	375

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.

	December 31, 2019 Un-audited	June 30, 2019 Audited
	(Rupees in thousand)	
Period / year end balances payable		
Subsidiaries		
PMCL	92,050	86,501
RPPL	400	250
Other related parties		
Descon Engineering Limited	3,400	3,653
Descon Corporation (Private) Limited	509	382
Inspectest (Private) Limited	79	-
Descon Power Solutions (Private) Limited	1,458	4,788
	97,896	95,574

16. Date of authorization for issue

These unconsolidated condensed interim financial statements were authorized for issue on February 21, 2020 by the Board of Directors of the Company.

17. Event after the reporting date

The Board of Directors have approved an interim cash dividend of Rs 2.65 per ordinary share, amounting to Rs 962,957,000 at their meeting held on February 21, 2020. These unconsolidated condensed interim financial statements do not include the effect of the above dividend which will be accounted for in the period in which it is approved.

18. Corresponding figures

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

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)

EQUITY AND LIABILITIES	Note	December 31, 2019 Un-audited	June 30, 2019 Audited
		(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		13,588,887	13,306,785
		17,264,347	16,982,245
Non-controlling interests		11,312,531	11,026,973
		28,576,878	28,009,218
NON-CURRENT LIABILITIES			
Long term financing - secured	6	-	-
Deferred liabilities		23,801	23,292
Deferred taxation		1,037,164	1,005,062
		1,060,965	1,028,354
CURRENT LIABILITIES			
Trade and other payables		561,116	3,035,852
Short term borrowings - secured		1,648,753	2,927,075
Mark - up accrued		46,675	97,591
Current portion of long term financing - secured		-	2,112,666
Derivative financial instrument	7	-	7,842
Unclaimed dividend		5,050	190,673
		2,261,594	8,371,699
CONTINGENCIES AND COMMITMENTS	8		
		31,899,437	37,409,271

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

Chief Executive	Chief Financial Officer	Director

AS AT DECEMBER 31, 2019

ASSETS	Note	December 31, 2019 Un-audited	June 30, 2019 Audited
		(Rupees in thousand)	
NON-CURRENT ASSETS			
Property, plant and equipment	9	16,940,830	17,843,296
Intangible assets		67	134
Long term deposits		739	739
Long term loan to employees - secured		867	1,417
		16,942,503	17,845,586
CURRENT ASSETS			
Store, spares & loose tools		680,298	661,678
Inventory of fuel oil		462,137	464,510
Trade debts - secured, considered good		12,480,606	15,321,768
Advances, prepayments and other receivables		847,045	688,305
Income tax recoverable		217,575	224,813
Bank balances		269,273	2,202,611
		14,956,934	19,563,685
		31,899,437	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- MONTH AND SIX-MONTH PERIOD ENDED DECEMBER 31, 2019

		Three-month period ended		Six-month period ended	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Note	(Rupees in thousand)		(Rupees in thousand)	
Revenue - net	10	2,701,537	2,885,884	6,940,523	10,133,356
Direct costs	11	(1,241,383)	(1,973,296)	(4,258,182)	(7,767,281)
Gross profit		1,460,154	912,588	2,682,341	2,366,075
Administrative expenses		(51,180)	(56,469)	(95,078)	(103,987)
Other income		20,495	43,032	130,834	73,984
		1,429,469	899,151	2,718,097	2,336,072
Finance cost		(62,184)	(364,556)	(203,891)	(561,779)
Profit before taxation		1,367,285	534,595	2,514,206	1,774,293
Taxation		30,473	(32,874)	(131,903)	(92,094)
Profit for the period		1,397,758	501,721	2,382,303	1,682,199
Attributable to:					
Equity holders of the Parent Company		846,195	282,532	1,372,242	974,622
Non-controlling interest		551,563	219,189	1,010,061	707,577
		1,397,758	501,721	2,382,303	1,682,199
Earnings per share attributable to equity holders of the Parent Company during the period - basic and diluted	**Rupees**	2.33	0.78	3.78	2.68

The annexed notes 1 to 18 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- MONTH AND SIX-MONTH PERIOD ENDED DECEMBER 31, 2019

	Three-month period ended		Six-month period ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	(Rupees in thousand)		(Rupees in thousand)	
Profit for the period	1,397,758	501,721	2,382,303	1,682,199
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	1,397,758	501,721	2,382,303	1,682,199
Attributable to:				
Equity holders of the Parent Company	846,195	282,532	1,372,242	974,622
Non-controlling interest	551,563	219,189	1,010,061	707,577
	1,397,758	501,721	2,382,303	1,682,199

The annexed notes 1 to 18 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 THE SIX-MONTH PERIOD ENDED DECEMBER 31, 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	-	-	974,622	707,577	1,682,199
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	974,622	707,577	1,682,199
Transactions with owners in their capacity as owners:	-	-	-	-	-
Balance as on December 31, 2018 (Unaudited)	3,633,800	41,660	13,895,616	11,320,611	28,891,687
Profit for the period	-	-	554,951	533,787	1,088,738
Other comprehensive loss for the period	-	-	865	577	1,442
Total comprehensive income for the period	-	-	555,816	534,364	1,090,180
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 2019 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	-	-	1,372,242	1,010,061	2,382,303
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	1,372,242	1,010,061	2,382,303
Transactions with owners in their capacity as owners:					
Final cash dividend for the year ended June 30, 2019 @ Rs 3 per ordinary share			(1,090,140)		(1,090,140)
Final cash dividend relating to 2019 paid to non-controlling interest				(724,503)	(724,503)
Balance as on December 31, 2019 (Unaudited)	3,633,800	41,660	13,588,887	11,312,531	28,576,878

The annexed notes 1 to 18 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 CASHFLOWS (UN-AUDITED)
FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2019

	Note	December 31, 2019	December 31, 2018
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	12	3,702,544	1,947,703
Long term deposits - net		550	(370)
Finance cost paid		(303,479)	(318,605)
Income tax paid		(94,135)	(7,056)
Interest income received		53,724	-
Long term loans to employees - net		-	2,271
Retirement benefits paid		(3,754)	(8,161)
		(347,094)	(331,921)
Net cash inflow from operating activities		3,355,450	1,615,782
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure - net		(3,778)	(2,056)
Profit on bank deposits received		4,797	42,254
Proceeds from disposal of operating fixed assets		-	525
Net cash inflow from investing activities		1,019	40,723
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing - secured		(2,011,220)	(1,642,740)
Dividend paid		(2,000,265)	(7)
Net cash outflow from financing activities		(4,011,485)	(1,642,747)
Net (decrease)/increase in cash and cash equivalents		(655,016)	13,758
Cash and cash equivalents at the beginning of the period		(724,464)	(258,555)
Cash and cash equivalents at the end of the period	13	(1,379,480)	(244,797)

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

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

1 LEGAL STATUS AND 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	
	December, 31 2019	June 30, 2019
PMCL	100.000%	100.000%
RPPL	59.98%	59.98%

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.

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 condensed interim consolidated financial statements. The registered office of PMCL is situated at Descon Headquarters, 18 km Ferozepur Road, Lahore.

1.4 RPPL

RPPL 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 RPPL 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 December 31, 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 10.30 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 consolidated 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 Group's financial position and performance since the last 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, except for the adoption of new and amended standards as at set out below.

3.1 Standards, amendments and interpretations to approved accounting standards that are effective in the current period

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 condensed interim consolidated financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or to have any significant effect on the Group operations and are, therefore, not detailed in these condensed interim consolidated financial statements.

4 ACCOUNTING ESTIMATES

The preparation of these condensed interim consolidated 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 consolidated 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 consolidated financial statements for the year ended June 30, 2019.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

The Group is exposed to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

The condensed interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at June 30, 2019.

There have been no significant changes in the risk management policies since the year end.

5.2 Fair value estimation

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

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

6. LONG TERM FINANCING - SECURED

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

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 was repayable in 10 equal quarterly installments and it carried 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.This facility has been fully repaid during the period.

7. 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 was marked to market and the resulting gain has been included in the consolidated statement of profit or loss.

8. CONTIGENCIES & COMMITMENTS

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

8.1 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 March 14, 2020 and is renewable.

Rousch (Pakistan) Power Limited - the Subsidiary company

In respect of tax years 2015, 2016 and 2017, the taxation authorities raised an aggregate demand of Rs. 86 million for alleged failure to withhold tax on certain payments. The company has challenged the demand orders before the Commissioner Inland Revenue (Appeals) [CIR(A)] and is confident of a favorable outcome as the taxation authorities have not appreciated the factual position while passing the said orders. No provision has been made in these condensed interim consolidated financial statements with respect to the said demand.

With respect to tax year 2012, the taxation authorities issued amended assessment order, raising tax demand of Rs. 365 million on Supplemental charges received from power purchaser and bank interest income, besides imposing WWF levy. The company filed appeal to the CIR(A) and also a rectification application to the taxation officer as the matter of taxation of Supplemental charges and WWF stand decided in the Company's favour by the CIR(A) for the said year. These are pending decision. No provision has been made in these condensed consolidated financial statements in respect thereof.

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.

8.2 Commitments - (RPPL)

Letter of Credits Rs. 1.90 million (June 30, 2019: Nil)

9. 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 December 31, 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 December 31, 2019, with book value of Rs. 6,399 million (June 30, 2019: Rs. 6,651 million).

10 REVENUE - NET

	Three-month period ended		Six-month period ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
	Un-audited (Rupees in thousand)		Un-audited (Rupees in thousand)	
Energy purchase price - gross	657,852	1,557,605	3,312,643	7,616,357
Sales tax	(95,585)	(226,319)	(481,324)	(1,106,650)
Energy purchase price - net	562,267	1,331,286	2,831,319	6,509,707
Capacity purchase price	1,791,074	1,300,400	3,588,912	3,088,149
True-up	-	-	-	38,269
Other supplemental charges	348,196	264,940	520,292	507,973
Gas efficiency passed to CPPA-G	-	(10,742)	-	(10,742)
	2,701,537	2,885,884	6,940,523	10,133,356

	Three-month period ended December 31, 2019	Three-month period ended December 31, 2018	Six-month period ended December 31, 2019	Six-month period ended December 31, 2018
	Un-audited (Rupees in thousand)		Un-audited (Rupees in thousand)	
11 DIRECT COSTS				
RLNG consumed	548,534	1,279,459	2,848,997	6,346,080
Operation and maintenance	160,555	160,534	363,158	366,605
Depreciation on operating fixed assets	436,734	443,010	847,390	879,120
Stores and spares consumed	14,002	15,560	33,610	35,341
Lube oil consumed	1	13	179	747
Repairs & maintenance	880	1,455	1,328	4,012
Insurance cost	28,013	26,113	54,806	52,321
Purchase of energy from CPPA-G	32,216	25,810	71,025	43,797
Salaries, benefits and other allowances	10,410	11,702	19,117	20,677
Traveling & conveyance	350	399	611	863
Generation license fee	1,875	1,721	3,748	3,442
Electricity duty	87	180	522	990
Colony maintenance	4,579	3,344	6,868	5,747
Communication	1,182	941	2,335	2,113
Vehicle maintenance	329	245	654	515
Security expenses	1,621	1,399	3,045	2,821
Liquidated damages	-	1	-	8
Miscellaneous expenses	15	1,410	789	2,082
	1,241,383	1,973,296	4,258,182	7,767,281

12 CASH GENERATED FROM OPERATIONS

	Six-month period ended December 31, 2019	Six-month period ended December 31, 2018
Profit before taxation	2,514,206	1,774,293
Adjustment for non cash charges and other items:		
-Depreciation on operating fixed assets	851,463	883,670
-Profit on bank deposits	(63,448)	(41,169)
-Amortization of intangible assets	62	188
-Gain on disposal of operating fixed assets	-	(5)
-Capital spares consumed	-	411
-Un-realsed gain on derivative financial instrument	(7,842)	(24,643)
-Finance cost	209,494	563,282
- Exchange gain - net	(1)	-
-Provision for doubtful debts	823	-
-Provision for stores & spares	-	(412)
-Provision for employee retirement benefits	4,263	4,017
Profit before working capital changes	3,509,020	3,159,632

Effect on cash flow due to working capital changes:	Six-month period ended December 31, 2019	December 31, 2018
	Un-audited (Rupees in thousand)	
Decrease/(increase) in current assets		
-Stores, spares and loose tools	(16,247)	(17,055)
-Trade debts- secured, considered good	2,840,339	(496,745)
-Advances, deposits, prepayments and other receivables	(157,587)	(19,651)
	2,666,505	(533,451)
Decrease in current liabilities		
-Decrease in trade and other payables	(2,472,981)	(678,478)
	193,524	(1,211,929)
	3,702,544	1,947,703

13 CASH AND CASH EQUIVALENTS

Cash and bank balances	269,273	1,252,194
Short term borrowings - secured	(1,648,753)	(1,496,991)
	(1,379,480)	(244,797)

14. 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	2019	2018
i. Other related parties			
On the basis of common directorship			
Descon Engineering Limited:			
	Common costs charged	5,723	4,025
	Purchase of spare parts	-	
Descon Power Solutions (Private) Limited:			
	Operations & maintenance contractor's fee	270,995	258,351
	Common costs charged	1,620	1,353
	Services rendered	5,308	-
Descon Corporation (Private) Limited:			
	ERP implementation fee & running costs	1,384	1,808
	Common costs charged	8,526	6,511
ii. Group companies			
Siemens AG			
	Long term maintenance services	81,858	99,817
	Purchase of spare parts	33,531	-

	Six-month period ended December 31, 2019 Un-audited	December 31, 2018
	(Rupees in thousand)	
Siemens Pakistan Engineering Company Limited		
Long term maintenance services	20,340	30,298
Purchase of spare parts	32,111	-
iv. Key Management Personnel		
Short-term employment benefits	24,817	25,386
Post employment benefits	6,215	7,301
Director's meeting fee	250	375

Period end balances are as follows:	December 31, 2019 Un-audited	June 30, 2019 Audited
	(Rupees in thousand)	
Payable to related parties		
Descon Engineering Limited (Holding company)	17,696	17,593
Descon Corporation (Private) Limited (Associated company)	2,982	2,749
Descon Power Solutions (Private) Limited (Associated company)	37,354	76,980
Siemens Pakistan Engineering Company Limited	16,589	68,490
Siemens AG	55,747	210,581
Inspectest (Private) Limited	79	-
	130,447	376,393
Receivable from related parties		
Descon Power Solutions (Private) Limited (Associated company)	198	52

15 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial statements were authorized for issue on February 21, 2020 by the Board of Directors of the Parent company.

16 EVENT AFTER THE REPORTING DATE

The Board of Directors of the Parent Company have approved an interim cash dividend of Rs 2.65 per ordinary share, amounting to Rs 962,957,000 at their meeting held on February 21, 2020. These consolidated condensed interim financial statements do not include the effect of the above dividend which will be accounted for in the period in which it is approved.

17 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.

18 GENERAL

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

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