CONDENSED INTERIM FINANCIAL STATEMENTS

(UN-AUDITED)
FOR THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2020

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

Mr. Muhammad Farooq

COMPANY SECRETARY

Mr. Salman Ali

HEAD INTERNAL AUDIT

Ms. Noor Shuja

EXTERNAL AUDITORS

M/s. 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

M/s. 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, 2020.

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 ('PMCL') (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. 178 million (Rs. 71 million in corresponding period of 2019), resulting in a gross profit of Rs. 23 million as compared to gross loss of Rs. 4 million in corresponding period of 2019. The Company posted net profit of Rs. 13 million resulting in earnings per share of Rs. 0.04, as compared to net loss of Rs. 13 million and loss per share of Rs. 0.04 in corresponding period of 2019. Operations from the Company's power plant continue to be affected by 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 off-taker, CPPA-G for the last few years. Due to delayed payments from CPPA-G, the Company has been managing its cashflows by utilizing working capital facilities where required. As a result, the total receivables as of September 30, 2020 stand at Rs. 521 million as compared to Rs. 467 million as on June 30, 2020. The Company's management continues to persistently follow up payments with the power purchaser and Ministry of Energy (Power division).

Your Company's consolidated earnings attributable to the equity holders of Altern Energy Limited for the year under review were Rs. 898 million resulting in EPS of Rs. 2.47 per share, as compared to consolidated earnings of Rs. 526 million and EPS of Rs. 1.45 in the corresponding last year.

OPERATIONS

We report that during the period under review, the plant on demand, dispatched 12 GWh (33% plant factor) as compared to 3 GWh (11% plant factor) dispatched during the corresponding period of the preceding financial year. The demand was marginally better than the corresponding year. However, the demand from power purchaser continues to remain low 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.

During the period under review, all other scheduled and preventive maintenance activities were carried out in accordance with the Original Equipment Manufacturer ('OEM')'s recommendations. We are confident that all the engines and their auxiliary equipment are in sound mechanical condition for smooth and reliable operations.

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.

FUTURE OUTLOOK

As a result of influx of significant generation capacity in the national grid system during last couple of years, your Company has witnessed a serious decline in dispatch demand from the off-taker. The fundamental reason for low dispatch demand from the Company's Plant is that most of the added capacity ranks above its position in Economic Dispatch Merit Order of CPPA-G due to better efficiency and cheaper fuel. Less dispatch results in less revenue since your Company has a take-and-pay contract with CPPA-G leading to serious liquidity crunch wherein the plant is finding very difficult to meets its fixed operational costs. This situation is likely to deteriorate further in future as the plant 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. However, the Company will continue to remain a viable entity due to income from its investment in subsidiary, RPPL.

In view of these challenging circumstances, your Board has been exploring various options, including both contractual and commercial, to bring the Company out of this situation. The management is engaged with both the off-taker and PPIB to work out possible solutions to get AEL plant out of this precarious situation where it is striving hard to meet its contractual obligations.

On August 25, 2020, the Company has requested the Committee for Negotiation with Independent Power Producers formed by the Government of Pakistan (the “Committee”), as set up by the Government of Pakistan, to terminate the PPA on the terms, to be mutually agreed between the Company and the Committee. Till the date of authorization of these financial statements, no response has been received from the Committee. Hence no financial impact of this event has been recorded in these condensed interim financial statements.

SUBSIDIARY'S REVIEW

During the period under review, your company's subsidiary RPPL posted turnover of Rs. 2,420 million (Rs. 4,168 million in corresponding period of 2019) earning gross profit of Rs. 1,581 million (Rs. 1,226 million in corresponding period of 2019). Net profit for the period was Rs. 1,474 million (compared to Rs. 1,146 Million in the corresponding period of 2019) delivering earnings per share (EPS) of Rs. 1.71 per share of Rs. 10 each (EPS Rs. 1.33 in corresponding period of 2019).

Payment default from the company's sole customer, CPPA-G continues. At the end of the reporting period, out of the total receivable of Rs. 15,701 million (June 30, 2020: Rs. 13,559 million), Rs. 13,734 million were overdue (June 30, 2020: Rs. 11,631 million). The management of RPPL continues to pursue the off-taker for timely payment of its receivables.

During the period under review, RPPL did not face any other Force Majeure Event ('OFME'), however due to low dispatch demand from the off-taker, only 17 GWh of electricity was delivered to CPPA-G as compared to 166 GWh delivered during the corresponding period of last year. Resultantly, the plant dispatch factor during the period dropped to 2% as compared to 19% during the corresponding period last year.

On July 21, 2020, RPPL, CPPA-G and Sui Northern Gas Pipelines Limited ('SNGPL') have signed the interim Gas Supply Agreement (GSA). The terms of this agreement will be effective upto the date of signing of a long-term Gas Supply and Purchase Agreement ('GSPA').

On August 18, 2020, RPPL and the Committee for Negotiation with Independent Power Producers formed by the Government of Pakistan (the “Committee”), have executed a Memorandum of Understanding ('MOU'). Pursuant to the terms of this MOU, the parties have agreed : (1) Reduction in existing capacity payments and variable O&M by 11%, (2) Discontinuance of USD exchange rate and US CPI indexations on 50% of the reduced capacity payment and fix it on the basis of exchange rate prevailing as on August 12, 2020. (3) Discontinuation of heat rate sharing as per existing arrangement (4) Looking into the possibility of termination of the plant considering its commercial and technical viability once the Competitive Trading Arrangement is implemented and becomes fully operational (6) Since payment of the receivables of RPPL is an integral part of the MOU, therefore RPPL and the GOP shall devise a mechanism for payment of the outstanding receivables within agreed time period which shall be reflected in the final agreement to be signed, (8) the Power Purchaser shall ensure adherence to its contractual obligations, and (9) the GOP and Power Purchaser shall work towards resolution of the matter relating to the Expert's Determination given in favour of RPPL. The terms of the MOU are subject to approval of the Federal Cabinet, prior to execution of a final agreement between the parties.

ACKNOWLEDGEMENT

The Board remains thankful to its shareholders, Government functionaries, SNGPL, CPPA-G and financial institutions for their cooperation and continued support.

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 23, 2020 - Lahore.

ڈائریکٹرز کی جائزہ رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز 30 ستمبر 2020 کو ختم ہونے والی سہ ماہی کی مالی اور آپریشنل کارکردگی اور (غیر نظرثانی 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 178 ملین روپے (2019 کی اسی مدت میں 71 ملین روپے) جس کے نتیجے میں 2019 کی اسی مدت میں مجموعی نقصان 4 ملین روپے کے برعکس 23 ملین روپے کا مجموعی منافع ہوا۔
کمپنی کو 2019 کی اسی مدت میں خالص نقصان 13 ملین روپے اور فی شیئر خسارہ (EPS) 0.04 روپے کے مقابلے موجودہ سہ ماہی میں خالص منافع 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 ادائیگیوں میں تاخیر کے باعث، کمپنی جہاں ضرورت پڑی ورکنگ کیپٹل سہولیات کو استعمال کرتے ہوئے نقدی بہاؤ کو منظم کرنے کے قابل رہی ہے۔ اس کے نتیجے میں، 30 جون 2020 کو کل قابل وصولیاں 467 ملین روپے کے مقابلے 30 جون 2020 کو 521 ملین روپے رہی ہیں۔ 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 کر رہی ہے۔
آپ کی کمپنی کی کنسولیڈیٹڈ آمدنی الٹرن انرجی لمیٹڈ کے ایکوئٹی ہولڈرز سے منسوب ہے جو کہ زیر جائزہ سال کے لئے 898 ملین روپے جس کے نتیجے میں فی شیئر آمدنی (EPS) 2.47 روپے فی شیئر جبکہ گزشتہ سال کی اسی مدت میں 526 ملین روپے اور فی شیئر آمدنی (EPS) 1.45 فی شیئر تھی۔

آپریشنز

ہم بیان کرتے ہیں کہ زیرِ جائزہ مدت کے دوران، پلانٹ نے گزشتہ مالی سال کی اسی مدت کے دوران GWh 3 (11% پلانٹ فیکٹر) ترسیل کے مقابلے GWh 12 (33% پلانٹ فیکٹر) ترسیل کی۔ طلب نسبتاً گزشتہ سال سے بہتر تھی۔ تاہم، 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 ہو رہی ہے جس کا درجہ CPPA-G کے اقتصادی ڈسپیچ میرٹ آرڈر کے لحاظ سے آپ کی کمپنی سے اوپر ہے۔
زیر جائزہ مدت کے دوران، تمام دیگر مقررہ اور حفاظتی مینٹی نینس سرگرمیاں اصل ایکوپمنٹ مینوفیکچرر's ('OEM') سفارشات کے مطابق سرانجام دی گئیں۔ ہمیں یقین ہے کہ تمام انجن اور ان کے معاون آلات ہموار اور قابل بھروسہ آپریشنز کے لئے مستحکم میکینیکل حالت میں ہیں۔

صحت، حفاظت اور ماحول

متذکرہ مدت کے دوران، پلانٹ کی مجموعی صحت، ماحولیات اور حفاظتی اقدامات میں کارکردگی کی تسلی بخش سطح برقرار رہی ہے۔ 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۔

مستقبل کا نقطہ نظر

پچھلے کچھ سالوں سے قومی گرڈ سسٹم میں نمایاں پیداواری صلاحیت میں اضافے کے نتیجے میں، آپ کے پلانٹ کو NPCC سے ترسیل کی طلب میں شدید کمی کا سامنا کرنا پڑا ہے کیونکہ نئے پلانٹ بہتر کارکردگی کی بدولت اکانومیکل اور CPPA-G 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 CPPA-G 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 آرہی ہیں۔ اس صورتحال نے اس حقیقت کو مزید واضح کر دیا ہے کہ ممکن ہے کہ کمپنی کو درمیانی اور طویل مدت میں NPCC سے موزوں ترسیل کا آرڈر نہ مل سکے کیونکہ قومی نظام میں مزید بجلی کے اضافے کی توقع ہے۔ تاہم، کمپنی اپنی ذیلی کمپنی RPPL میں اپنی سرمایہ کاری سے آمدنی کی بدولت قابل عمل وجود کو برقرار رکھے گی۔

ان مشکل حالات کے پیش نظر، آپ کے بورڈ نے انتظامیہ کو مشورہ دیا ہے کہ کمپنی کو اس صورت حال سے نکالنے کے لئے کنٹریکچوئل اور تجارتی سمیت مختلف اختیارات تلاش کریں۔ انتظامیہ نے آف ٹیکر اور PPIB 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۔
25 اگست، 2020 کو، کمپنی نے حکومت پاکستان کی تشکیل کردہ آزاد بجلی پروڈیوسرز ("کمیٹی") کے ساتھ مذاکرات کے لئے کمیٹی سے، پی پی اے کو، کمپنی اور کمیٹی کے مابین باہمی اتفاق رائے سے شرائط پر ختم کرنے کی درخواست کی ہے۔ ان مالی حسابات کی اجازت کی تاریخ تک، کمیٹی کی طرف سے کوئی جواب موصول نہیں ہوا ہے۔ لہذا ان اشتمال شدہ عبوری مالی حسابات میں اس واقعہ کا کوئی مالی اثر درج نہیں کیا گیا ہے۔

ماتحت ادارے کا جائزہ

زیرِ جائزہ مدت کے دوران، کمپنی کے ذیلی ادارہ RPPL نے ٹرن اوور 2,420 ملین روپے (2019 کی اسی مدت میں 4,168 ملین روپے) مجموعی منافع کی آمدنی 1,581 ملین روپے (2019 کی اسی مدت میں 1,226 ملین روپے) درج کیا۔ موجودہ مدت کا خالص منافع 1,474 ملین روپے (2019 کی اسی مدت میں 1,146 ملین روپے) ہر ایک -/10 روپے کی فی حصص آمدنی (EPS) 1.71 روپے (2019 کی اسی مدت میں 1.33 روپے) تھی۔

کمپنی کے واحد صارف، CPPA-G سے عدم ادائیگی جاری رہی ہے۔ رپورٹنگ مدت کے اختتام پر CPPA-G سے کل قابل وصولی رقوم 15,701 ملین روپے (30 جون 2020: 13,559 ملین روپے) میں سے 13,734 ملین روپے (30 جون 2020: 11,631 ملین روپے) زائد المیعاد تھیں۔ RPPL کی انتظامیہ باقاعدہ بنیاد پر اپنی قابل وصولی رقوم کی بروقت ادائیگی کے لئے خریدار سے مطالبہ کر رہی ہے۔
زیرِ جائزہ مدت کے دوران، کمپنی نے کسی دیگر فورس میجور ایونٹ (OFME) کا مشاہدہ نہیں کیا کیونکہ خریدار سے ترسیل طلب کم رہی، زیرِ جائزہ مدت کے دوران، CPPA-G کو صرف 17 GWh بجلی ترسیل کی گئی جبکہ گزشتہ سال کی اسی مدت کے دوران 166 GWh بجلی ترسیل کی گئی تھی۔ پلانٹ کی ترسیل کا عنصر 2 فیصد (گزشتہ سال کی اسی مدت میں 19 فیصد) تھا۔

21 جولائی 2020 کو، SNGPL & CPPA-G, RPPL نے عبوری گیس فراہمی کے معاہدے (جی ایس اے) پر دستخط کیے۔ اس معاہدے کی شرائط طویل مدتی گیس کی فراہمی اور خریداری کے معاہدے ('جی ایس پی اے') پر دستخط کرنے کی تاریخ تک مؤثر ہوں گی۔

18 اگست، 2020 کو، RPPL اور کمیٹی نے مفاہمت کی یادداشت ('MOU') پر دستخط کیے۔ اس MOU کی شرائط کے عین مطابق، فریقین نے اس بات پر اتفاق کیا ہے کہ: (1) موجودہ صلاحیت کی ادائیگیوں اور متغیر O&M میں 11 فیصد کی کمی، (2) امریکی ڈالر کی شرح تبادلہ اور امریکی ڈالر CPI انڈیکسیشن میں کم صلاحیت کی ادائیگی پر 50 فیصد تخفیف اور 12 اگست، 2020 کو موجودہ شرح مبادلہ کی بنیاد پر درستگی ہے۔ (3) موجودہ انتظامات کے مطابق ہیٹ کی شرح میں تقسیم کو ختم کرنا (4) مسابقتی تجارت کے انتظام کے بعد جب لاگو کیا جاتا ہے اور مکمل طور پر آپریشنل ہو جاتا ہے پلانٹ کی تجارتی اور تکنیکی صلاحیت کو مدنظر رکھتے ہوئے اس کے ختم ہونے کے امکانات کو تلاش کرنا۔ (6) چونکہ RPPL کی قابل وصولیوں کی ادائیگی مفاہمت نامہ کا ایک لازمی جزو ہے لہذا RPPL اور حکومت پاکستان متفقہ طور پر وصولیوں کی ادائیگی کا ایک طریقہ کار وضع کریں گی جو دستخط ہونے والے فائنل معاہدے میں تحریر ہوگا، (8) پاور خریدار اپنی معاہدہ کی ذمہ داریوں پر عمل پیرا ہونے کو یقینی بنائے گا، اور (9) حکومت پاکستان اور پاور خریدار اس RPPL کے حق میں دی گئیں ماہرین کی آراء سے متعلقہ معاملے کے حل کی سمت کام کرے گا۔
فریقین کے مابین حتمی معاہدے پر عمل درآمد سے قبل مفاہمت نامہ کی شرائط وفاقی کابینہ کی منظوری سے مشروط ہیں۔

اظہار تشکر

بورڈ آف ڈائریکٹرز اپنے قابل قدر حصص یافتگان، حکومتی اداروں CPPA-G, SNGPL 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 محمد چوہدری
ڈائریکٹر

لاہور
23 اکتوبر 2020ء

ALTERN ENERGY LIMITED

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

	Note	Un-audited September 30, 2020	Audited June 30, 2020
EQUITY AND LIABILITIES		----Rupees in thousand ---	
SHARE CAPITAL AND RESERVES			
Authorized share capital			
400,000,000 (June 30, 2020: 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, 2020: 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 profits		538,360	525,335
		4,213,820	4,200,795
NON-CURRENT LIABILITIES			
Deferred liabilities		5,838	5,353
		5,838	5,353
CURRENT LIABILITIES			
Trade and other payables		46,521	50,214
Short term borrowing - secured		84,316	55,053
Unclaimed dividend		2,656	3,988
Accrued finance cost		1,801	2,021
Provision for taxation		409	409
		135,703	111,685
CONTINGENCIES AND COMMITMENTS	6		
		4,355,361	4,317,833

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

Chief Executive

Chief Financial Officer

Director

As at SEPTEMBER 30, 2020

ASSETS	*Note*	**Un-audited September 30, 2020**	**Audited June 30, 2020**
		----Rupees in thousand ---	
NON-CURRENT ASSETS			
Property, plant and equipment	*7*	489,924	505,198
Intangible assets		2	3
Long term investment	*8*	3,204,510	3,204,510
Long term deposit		38	38
Long term loans to employees - unsecured		996	1,174
		3,695,470	3,710,923
CURRENT ASSETS			
Stores and spares		37,325	38,797
Trade debts - secured, considered good		520,728	467,637
Loans, advances, prepayments and other receivables		92,847	90,151
Bank balances		8,991	10,325
		659,891	606,910
		4,355,361	4,317,833

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

ALTERN ENERGY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

	Note	September 30, 2020	September 30, 2019
		----Rupees in thousand-----	
Revenue - net	9	178,186	70,518
Direct costs	10	(155,084)	(74,066)
Gross profit /(loss)		23,102	(3,548)
Administrative expenses		(7,490)	(6,753)
Other income		-	1,645
		15,612	(8,656)
Finance cost		(2,587)	(3,864)
Profit / (loss) before taxation		13,025	(12,520)
Taxation		-	(480)
Profit / (loss) for the period		13,025	(13,000)
Earnings / (loss) per share - basic and diluted - Rupees		0.04	(0.04)

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

ALTERN ENERGY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

	September 30, 2020	September 30, 2019
	----Rupees in thousand ----	
Profit / (loss) for the period	13,025	(13,000)
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	13,025	(13,000)

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

ALTERN ENERGY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

	Capital reserve		Revenue reserve	
	Share capital	Share premium	Un-appropriated profit	Total
	--------------------------Rupees in thousand		----------------------	
Balance as on July 01, 2019 (audited)	**3,633,800**	**41,660**	**888,811**	**4,564,271**
Loss for the period	-	-	(13,001)	(13,001)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	(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
Profit for the period	-	-	1,702,622	1,702,622
Other comprehensive income for the period	-	-	-	-
	-	-	1,702,622	1,702,622
Total contributions by and distributions to owners of the Company recognized directly in equity:				
Final cash dividend @ Rs. 3.00 per ordinary share for the year ended June 30, 2019	-	-	(1,090,140)	(1,090,140)
Interim cash dividend @ Rs. 2.65 per ordinary share for the year ended June 30, 2020	-	-	(962,957)	(962,957)
	-	-	(2,053,097)	(2,053,097)
Balance as on July 01, 2020 (audited)	3,633,800	41,660	525,335	4,200,795
Profit for the period	-	-	13,025	13,025
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for three months ended September 30, 2020	-	-	13,025	13,025
Total contributions by and distributions to owners of the Company recognized directly in equity:	-	-	-	-
Balance as on September 30, 2020 (un-audited)	3,633,800	41,660	538,360	4,213,820

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

ALTERN ENERGY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

	Notes	September 30, 2020	September 30, 2019
		----Rupees in thousand----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	*11*	(26,630)	131,928
Finance costs paid		(2,807)	(1,531)
Income tax paid		-	(562)
		(2,807)	(2,093)
Net cash (outflow) / inflow from operating activities		(29,437)	129,835
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure - net		172	-
Profit on bank deposits received		-	1,645
Net cash inflow from investing activities		172	1,645
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(1,332)	(187,251)
Net cash outflow from financing activities		(1,332)	(187,251)
Net decrease in cash and cash equivalents		(30,597)	(55,771)
Cash and cash equivalents at beginning of the period		(44,728)	169,627
Cash and cash equivalents at the end of the period	*12*	(75,325)	113,856

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

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

1. LEGAL STATUS & 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. It is the subsidiary of DEL Power (Private) Limited ('the Holding Company'). The Ultimate Parent of the Company is DEL Processing (Private) Limited. 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, 2020: 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 condensed interim unconsolidated 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 MMSCFD 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 approved the summary of interim tri-partite GSA. Currently, the Company, SNGPL and CPPA-G are in the process of executing an interim GSA for supply of RLNG. Under the interim GSA, RLNG is being supplied on as-and-when available basis till the execution of a long term GSA between the parties.

1.4 On August 25, 2020, the Company has requested the Committee for negotiation with Independent Private Power Producers' (the 'Committee') to terminate its PPA on the terms to be mutually agreed between the Company and the Committee, however, no response has been received from the Committee till the date of authorization of these condensed interim unconsolidated financial statements. The management is of the view that the impact of the said event on the prospective condensed interim unconsolidated financial statements of the Company cannot be estimated reliably as response from the Committee is yet to be received.

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 Act; and

ii Provisions of and directives issued under the Act.

Where provisions of and directives issued under the Act differ from the IFRS, the provisions of and directives issued under the Act have been followed.

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

These condensed interim unconsolidated 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, 2020. 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 these 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, 2020, 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, 2020, 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.

- IFRS 16, 'Leases': this standard has been notified by the Securities and Exchange Commission of Pakistan (SECP) to be effective for annual periods beginning on or after January 1, 2019. This standard replaces the previous guidance in International Accounting Standard (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 recognize 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 to the extent of their power purchase agreements executed before January 1, 2019. Therefore, the standard will not have any impact on the Company's financial statements to the extent of its power purchase agreement. For the remaining leases, the Company has assessed that the application of this standard does not have any material impact on these condensed interim financial statements. Under IFRS 16, the consideration required to be made by the lessee for the right to use the asset is to be accounted for as a lease. The Company's power plant's control due to purchase of total output by CPPA-G appears to fall under the scope of IFRS 16.

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, 2021, 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, except for the following:

a) Revised Conceptual Framework for Financial Reporting: (effective for period beginning on July 01, 2020).

The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect.

Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting
- reinstating prudence as a component of neutrality
- defining a reporting entity, which may be a legal entity, or a portion of an entity
- revising the definitions of an asset and a liability
- removing the probability threshold for recognition and adding guidance on derecognition
- adding guidance on different measurement basis, and
- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from effective date. These entities will need to consider whether their accounting policies are still appropriate under the revised Framework.

The Company is yet to assess the impact of this amendment.

b) Classification of Liabilities as Current or Non-current – Amendments to IAS 1: (effective for period beginning on July 01, 2022)

The narrow-scope amendments to IAS 1 'Presentation of Financial Statements' clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

The Company does not expect any significant impact of this amendment on its condensed interim unconsolidated financial statements.

4. FINANCIAL RISK MANAGEMENT

4.1 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 condensed interim unconsolidated 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, 2020.

There have been no significant changes in the risk management policies since the year ended June 30, 2020.

4.2 Fair value estimation

The carrying values of all financial assets and liabilities reflected in the condensed interim unconsolidated 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.

4.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

5. ACCOUNTING ESTIMATES

The preparation of these condensed interim unconsolidated 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 unconsolidated 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, 2020.

6. 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, 2020, except for the following:

6.1 Contingencies

(i) Habib Metropolitan Bank Limited has issued bank guarantee amounting to Rs 532.68 million (June 30, 2020 : 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, 2020 and is renewable.

6.2 Commitments - Nil

	Note	Un-audited September 30, 2020	Audited June 30, 2020
		----Rupees in thousand----	
7 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	*7.1*	487,232	502,506
Major spare parts and stand-by equipment		2,692	2,692
		489,924	505,198

	Note	Un-audited September 30, 2020	Audited June 30, 2020
		----Rupees in thousand----	
7.1 Operating fixed assets			
Opening net book value		502,506	563,044
Additions / (deletions) during the period / year	*7.2*	(172)	146
Depreciation charged during the period / year		(15,102)	(60,684)
Closing net book value		487,232	502,506
7.2 Additions during the period / year			
Office equipment		(172)	146
		(172)	146
8 LONG TERM INVESTMENT			
Subsidiary - Unquoted:			
Power Management Company (Private) Limited (PMCL):			
320,451,000 (June 30, 2020: 320,451,000) fully paid ordinary shares of Rs 10 each [Equity held 100% (June 30, 2020: 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. 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, 2020: 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.

9 REVENUE - NET	Un-audited September 30, 2020	Un-audited September 30, 2019
	----Rupees in thousand----	
Energy purchase price - gross	164,523	58,557
Sales tax	(23,905)	(8,508)
Energy purchase price - net	140,618	50,049
Capacity purchase price	32,894	6,764
Other supplemental charges	4,674	13,705
	178,186	70,518

		Un-audited	
		September 30, 2020	September 30, 2019
		----Rupees in thousand----	
10	**DIRECT COSTS**		
	RLNG consumed	128,013	47,095
	Depreciation on operating fixed assets	14,894	14,895
	Stores and spares consumed	1,823	581
	Repairs and maintenance	102	225
	Purchase of energy from CPPA-G	746	2,180
	Lube oil consumed	434	176
	Operation and maintenance costs	6,600	6,600
	Security expenses	1,604	1,424
	Salaries, benefits and other allowances	202	192
	Insurance cost	486	583
	Travelling & conveyance	68	62
	Generation license fee	49	43
	Miscellaneous expenses	64	10
		155,084	74,066

11	**CASH GENERATED FROM OPERATIONS**		
	Profit / (loss) before taxation	13,025	(12,520)
	Adjustment for non cash charges and other items:		
	-Depreciation on operating fixed assets	15,102	15,187
	-Amortization of intangible assets	-	35
	-Provision for employee retirement benefits	485	(146)
	-Profit on bank deposits	-	(1,645)
	-Finance cost	2,587	3,864
		18,174	17,295
	Profit before working capital changes	31,199	4,775
	Effect on cashflow due to working capital changes:		
	(Increase) / decrease in current assets		
	Stores and spares	1,472	(215)
	Loans, advances, prepayments, and other receivables	(2,518)	74,177
	Trade debts -secured, considered good	(53,091)	61,974
		(54,137)	135,936
	Decrease in current liabilities		
	Trade & other payables	(3,692)	(8,783)
	Cash (used in) / generated from operations	(26,630)	131,928

	Un-audited September 30, 2020	September 30, 2019
	----Rupees in	thousand----

12 CASH AND CASH EQUIVALENTS

	September 30, 2020	September 30, 2019
Cash and bank balances	8,991	193,856
Short term borrowings - secured	(84,316)	-
Due to PMCL (wholly owned subsidiary) - unsecured	-	(80,000)
	(75,325)	113,856

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties include the Holding Company and subsidiaries of the 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 the Company. The Company in the normal course of business carries out transactions with various related parties. Significant related party transactions and balances are as follows:

Relationship with the Company	Nature of transaction	Un-audited September 30, 2020	September 30, 2019
		----Rupees in	thousand----
i) Subsidiary companies			
Power Management Company (Private) Limited (wholly owned)			
	Mark up accrued on short term loan	-	2,387
Rousch (Pakistan) Power Limited			
	Common cost charged to the Company	164	75
ii) Other related parties			
On the basis of common directorship			
Descon Engineering Limited			
	Common cost charged to the Company	680	783
Descon Power Solutions (Private) Limited			
	Operation & maintenance contractor's fee	6,600	6,600
	Common cost charged to the Company	42	74
Descon Corporation (Private) Limited			
	ERP running cost	162	648
	Common cost charged to the Company	249	108

	Un-audited September 30, 2020	Un-audited September 30, 2019
	----Rupees in thousand----	
iv) Key management personnel		
Short term employee benefits	1,323	1,390
Post employment benefits	413	50
Director's meeting fee	250	125

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, 2020	Audited June 30, 2020
Period end balances are as follows:	----Rupees in thousand----	
Payable to related parties		
Subsidiaries:		
PMCL	-	8,834
RPPL	159	315
Other related parties:		
Descon Engineering Limited	680	2,587
Descon Corporation (Private) Limited	249	55
Inspectest (Private) Limited	88	88
Descon Power Solutions (Private) Limited	5,264	4,842
	6,440	16,721
Receivable from related parties	-	-

14 CORRESPONDING FIGURES

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

15 GENERAL

15.1 These condensed interim unconsolidated financial statements were authorized for issue on October 23, 2020 by the Board of Directors of the Company.

15.2 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, 2020	Audited June 30, 2020
EQUITY AND LIABILITIES		----Rupees in thousand----	
SHARE CAPITAL AND RESERVES			
Authorized share capital			
400,000,000 (June 30, 2020: 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, 2020: 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		15,536,204	14,637,976
		19,211,664	18,313,436
Non-controlling interests		12,074,366	11,484,480
		31,286,030	29,797,916
NON-CURRENT LIABILITIES			
Long term financing - secured	6	-	-
Deferred liabilities		22,274	21,912
		22,274	21,912
CURRENT LIABILITIES			
Trade and other payables		879,808	936,356
Short term borrowings - secured		2,410,685	2,344,701
Mark - up accrued		44,174	81,874
Unclaimed dividend		2,656	3,988
		3,337,323	3,366,919
CONTINGENCIES AND COMMITMENTS	7		
		34,645,627	33,186,747

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, 2020

ASSETS	Note	Un-audited September 30, 2020	Audited June 30, 2020
		----Rupees in thousand----	
NON-CURRENT ASSETS			
Property, plant and equipment	8	15,638,640	16,074,703
Intangible assets		281	292
Long term deposits		739	739
Long term loan to employees		996	1,174
		15,640,656	16,076,908
CURRENT ASSETS			
Store, spares & loose tools		710,120	696,207
Inventory of fuel oil		459,922	460,772
Trade debts - secured, considered good		16,221,586	14,027,093
Loans, advances, prepayments and other receivables		1,299,915	1,360,430
Income tax recoverable		151,627	148,751
Bank balances		161,801	416,586
		19,004,971	17,109,839
		34,645,627	33,186,747

Chief Executive Chief Financial Officer Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

	Note	September 30, 2020	September 30, 2019
		----Rupees in thousand----	
Revenue - net	9	2,597,783	4,238,986
Direct costs	10	(993,668)	(3,016,799)
Gross profit		1,604,115	1,222,187
Administrative expenses		(53,629)	(43,898)
Other income		2,981	110,339
Finance cost		(64,718)	(141,707)
Profit before taxation		1,488,749	1,146,921
Taxation		(635)	(162,376)
Profit for the period		1,488,114	984,545
Attributable to:			
Equity holders of the Parent Company		898,228	526,047
Non-controlling interest		589,886	458,498
		1,488,114	984,545
Earnings per share attributable to equity holders of the Parent Company during the period - basic and diluted	**Rupees**	2.47	1.45

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 THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

	September 30, 2020	September 30, 2019
	----Rupees in thousand----	
Profit for the period	1,488,114	984,545
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	1,488,114	984,545
Attributable to:		
Equity holders of the Parent Company	898,228	526,047
Non-controlling interest	589,886	458,498
	1,488,114	984,545

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 THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

	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, 2019 (Audited)	3,633,800	41,660	13,306,785	11,026,973	28,009,218
Profit for the period	-	-	526,047	458,498	984,545
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	526,047	458,498	984,545
Transactions with owners in their capacity as owners:	-	-	-	-	-
Balance as on September 30, 2019 (Un-audited)	3,633,800	41,660	13,832,832	11,485,471	28,993,763
Profit for the period	-	-	2,856,844	1,240,081	4,096,925
Other comprehensive income for the period	-	-	1,397	932	2,329
Total comprehensive income for the period	-	-	2,858,241	1,241,013	4,099,254
Transactions with owners in their capacity as owners:					
Final cash dividend for the year ended June 30, 2019 @ Rs 3 per ordinary share by Parent Company	-	-	(1,090,140)	-	(1,090,140)
Interim cash dividend for the year ending June 30, 2020 @ Rs 2.65 per ordinary share by Parent Company	-	-	(962,957)	-	(962,957)
Interim cash dividend relating to 2020 paid to non-controlling interest by Rousch	-	-	-	(1,242,004)	(1,242,004)
Balance as on July 01, 2020 (Audited)	3,633,800	41,660	14,637,976	11,484,480	29,797,916
Profit for the period	-	-	898,228	589,886	1,488,114
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	898,228	589,886	1,488,114
Transactions with owners in their capacity as owners:	-	-	-	-	-
Balance as on September 30, 2020 (Un-audited)	3,633,800	41,660	15,536,204	12,074,366	31,286,030

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 THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

	Note	September 30, 2020	September 30, 2019
		----Rupees in thousand----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	11	(211,251)	2,725,895
Finance cost paid		(102,418)	(206,390)
Income tax paid		(3,064)	(6,705)
Retirement benefits paid		(1,862)	-
		(107,344)	(213,095)
Net cash (outflow) / inflow from operating activities		(318,595)	2,512,800
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure - net		(3,713)	(1,810)
Profit on bank deposits received		2,871	41,288
Net cash (outflow) / inflow from investing activities		(842)	39,478
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing - secured		-	(1,581,454)
Dividends paid		(1,332)	(187,251)
Net cash outflow from financing activities		(1,332)	(1,768,705)
Net (decrease)/increase in cash and cash equivalents		(320,769)	783,573
Cash and cash equivalents at the beginning of the period		(1,928,115)	(724,464)
Cash and cash equivalents at the end of the period	12	(2,248,884)	59,109

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 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.

The Group is structured as follows:	Note	(Effective holding percentage)	
		Un-audited September 30, 2020	Audited June 30, 2020
Parent company:			
Altern Energy Limited, the Parent Company	1.2		
Subsidiary companies:			
- PMCL	1.3	100.00%	100.00%
- RPPL	1.4	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 Holding Company of the Parent Company is DEL Power (Private) Limited and the Ultimate Parent of the Parent Company is DEL Processing (Private) 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 Company is to build, own, operate and maintain a gas fired power plant having gross capacity of 32 Mega Watts (June 30, 2020: 32 Mega Watts). The Parent Company achieved Commercial Operations Date ('COD') on June 6, 2001. The 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 MMSCFD 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 approved the summary of interim tri-partite GSA. Currently, the Parent Company, SNGPL and CPPA-G are in the process of executing an interim GSA for supply of RLNG. Under the interim GSA, RLNG is being supplied on as-and-when available basis till the execution of a long term GSA between the parties.

On August 25, 2020, the Parent Company has requested the Committee for negotiation with Independent Private Power Producers' (the 'Committee') to terminate its PPA on the terms to be mutually agreed between the Parent Company and the Committee, however, no response has been received from the Committee till the date of authorization of these condensed interim consolidated financial statements. The management is of the view that the impact of the said event on the prospective condensed interim consolidated financial statements of the Group cannot be estimated reliably as response from the Committee is yet to be received.

1.3 Power Management Company (Private) Limited (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 Rousch (Pakistan) Power Limited (RPPL)

RPPL is an unlisted public company, incorporated in Pakistan on August 4, 1994 under the repealed Companies Ordinance, 1984 (now 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, 2020: 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 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 to gas fired facility in 2003 after allocation of 85 MMSCFD by the Government of Pakistan (‘GoP’) for the period of twelve years under a GSA with SNGPL till August 18, 2015. At that time, under the amended and restated Implementation Agreement ('lA'), the GoP provided an assurance that RPPL will be provided gas post August 2015, in preference to the new power projects commissioned after RPPL.

The MoPNR issued an allocation of 85 MMSCFD of RLNG to RPPL on firm basis on September 23, 2015 and advised RPPL and SNGPL to negotiate a long term GSA on firm basis. While negotiations for the long-term GSA are in process, the ECC of Federal Cabinet approved interim GSA for supply of RLNG to RPPL up to June 30, 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 Event' ('OFME') 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. On July 21, 2020, 'RPPL, CPPA-G and SNGPL have signed first Addendum to the Interim RLNG Supply Agreement and Payment Procedure. The terms of this agreement will be effective up to the date of signing of a long-term Gas Supply and Purchase Agreement ('GSPA').

In accordance with the terms of Amendment No. 3 to the PPA executed between RPPL and CPPA-G on August 21, 2003, RPPL 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, if CPPA-G does not opt for a renewal of the PPA for the additional term pursuant to section 4.1© of the PPA. The PPA has been extended by a period of 177 days as of September 30, 2020, owing to non-supply of RLNG under interim GSA. Resultantly, the term of PPA will now end in June 2030 and the remaining life of the project is approximately 10 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 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 condensed interim consolidated financial statements are un-audited and are being submitted to the members as required by section 237 of the Act.

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, 2020. 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

3.1 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, 2020, except for the adoption of new and amended standards as at 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, 2020, 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.

- IFRS 16, ‘Leases’: this standard has been notified by the Securities and Exchange Commission of Pakistan (SECP) to be effective for annual periods beginning on or after January 1, 2019. This standard replaces the previous guidance in International Accounting Standard (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 recognize 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 to the extent of their power purchase agreements executed before January 1, 2019. Therefore, the standard will not have any impact on the Group's consolidated financial statements to the extent of its power purchase agreement. For the remaining leases, the Group has assessed that the application of this standard does not have any material impact on these condensed interim consolidated financial statements. Under IFRS 16, the consideration required to be made by the lessee for the right to use the asset is to be accounted for as a lease. The Group's power plant's control due to purchase of total output by CPPA-G appears to fall under the scope of IFRS 16.

3.3 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, 2021 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.

a) Revised Conceptual Framework for Financial Reporting: (effective for period beginning on July 01, 2020)

The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect.

Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting
- reinstating prudence as a component of neutrality
- defining a reporting entity, which may be a legal entity, or a portion of an entity
- revising the definitions of an asset and a liability
- removing the probability threshold for recognition and adding guidance on derecognition
- adding guidance on different measurement basis, and
- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

No changes will be made to any of the current accounting standards. However, entities that rely on the Framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised Framework from effective date. These entities will need to consider whether their accounting policies are still appropriate under the revised Framework.

The Group is yet to assess the impact of this amendment.

b) Classification of Liabilities as Current or Non-current – Amendments to IAS 1: (effective for period beginning on July 01, 2022)

The narrow-scope amendments to IAS 1 'Presentation of Financial Statements' clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

They must be applied retrospectively in accordance with the normal requirements in IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.

The Group does not expect any significant impact of this amendment on its 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 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, 2020.

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, 2020.

There have been no significant changes in the risk management policies since the year ended June 30, 2020.

5.2 Fair value estimation

The carrying values of all financial assets and liabilities reflected in these 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.

5.3 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

6. 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 of 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 Group amounting to USD 49 million, assignment of receivables relating to capacity payments and lien on debt service reserve account maintained with SCB Pakistan. The loan was fully repaid during the last year on September 30, 2019.

Facility of 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. The loan was fully repaid during the last year on December 31, 2019.

7. 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, 2020, 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, 2020 : 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, 2020 and is renewable.

Rousch (Pakistan) Power Limited - the Subsidiary company - Nil

7.2 **Commitments - Nil**

8. PROPERTY, PLANT AND EQUIPMENT

Additions to plant and equipment includes Rs. nil exchange gain (June 30, 2020: Rs. 55 million of exchange gain). This has resulted in accumulated capitalization of exchange losses of Rs. 13,077 million (June 30, 2020: Rs.13,077 million) in the cost of plant and equipment up to September 30, 2020, with book value of Rs. 5,854 million (June 30, 2020: Rs. 5,990 million).

	Un-audited	
	September 30, 2020	September 30, 2019
	---Rupees in thousand---	
9 REVENUE - NET		
Energy purchase price - gross	338,635	2,654,791
Sales tax	(49,203)	(385,739)
Energy purchase price - net	289,432	2,269,052
Capacity purchase price	2,057,222	1,797,838
Other supplemental charges	251,129	172,096
	2,597,783	4,238,986
10 DIRECT COSTS		
RLNG consumed	128,013	2,300,463
Operation and maintenance	167,071	202,603
Depreciation on operating fixed assets	438,357	410,656
Stores and spares consumed	158,326	19,786
Repairs & maintenance	596	448
Insurance cost	33,977	26,793
Purchase of energy from CPPA-G	46,872	38,809
Salaries, benefits and other allowances	10,986	8,707
Traveling & conveyance	68	62
Generation license fee	2,147	1,873
Electricity duty	71	435
Colony maintenance	3,363	2,289
Communication	1,357	1,153
Vehicle maintenance	288	325
Security expenses	1,604	1,424
Miscellaneous expenses	572	973
	993,668	3,016,799

		Un-audited	
		September 2020	September 2019
		---Rupees in thousand---	

11 CASH GENERATED FROM OPERATIONS

	September 2020	September 2019
Profit before taxation	1,488,749	1,146,921
Adjustment for non cash charges and other items:		
-Depreciation on operating fixed assets	439,785	412,677
-Profit on bank deposits	(2,871)	(43,295)
-Amortization of intangible assets	-	35
-Un-realsed gain on derivative financial instrument	-	(7,842)
-Finance cost	64,717	144,094
-Provision for employee retirement benefits	2,224	1,961
Profit before working capital changes	1,992,604	1,654,551
Effect on cash flow due to working capital changes:		
(Increase) / Decrease in current assets		
-Stores, spares and loose tools	(13,063)	(5,499)
-Trade debts- secured, considered good	(2,194,493)	3,187,535
-Advances, deposits, prepayments and other receivables	60,656	(51,835)
	(2,146,900)	3,130,201
Decrease in current liabilities		
-Decrease in trade and other payables	(56,955)	(2,058,857)
	(2,203,855)	1,071,344
	(211,251)	2,725,895

12 CASH AND CASH EQUIVALENTS

	September 2020	September 2019
Cash and bank balances	161,801	1,034,108
Short term borrowings - secured	(2,410,685)	(974,999)
	(2,248,884)	59,109

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise of ultimate parent company, associated companies, related group companies, directors and their close family members, staff retirement contribution fund, key management personnel and major shareholders of the group. Amounts due from and to related parties are shown under receivable and payable. Other significant transactions with related parties not disclosed elsewhere in these condensed interim consolidated financial statements are as follows:

Relationship with the Group	Nature of transactions	Un-audited September 2020	September 2019
		---Rupees in thousand---	
i. Other related parties			
On the basis of common directorship			
Descon Engineering Limited:			
	Common costs charged to the Group	3,796	2,952
Descon Power Solutions (Private) Limited:			
	Operations & maintenance contractor's fee	130,683	120,334
	Common costs charged to the Group	213	997
	Services rendered	-	5,308
Descon Corporation (Private) Limited:			
	ERP implementation fee & running costs	162	648
	Common costs charged to the Group	5,500	3,803
ii. Group companies			
Siemens Gas and Power GmbH & Co. KG			
	Purchase of long term maintenance services	25,467	54,656
	Purchase of spare parts	728	156,394
Siemens Pakistan Engineering Company Limited			
	Purchase of long term maintenance services	3,097	16,262
	Purchase of spare parts	7,985	-
iv. Key Management Personnel			
	Short-term employment benefits	23,309	13,332
	Post employment benefits	3,623	50
	Director's meeting fee	250	125

	Un-audited September 30, 2020	Audited June 30, 2020
	----Rupees in thousand----	
Period end balances are as follows:		
Payable to related parties		
Descon Engineering Limited (Associated company)	11,090	19,710
Descon Corporation (Private) Limited (Associated company)	2,330	215
Descon Power Solutions (Private) Limited (Associated company)	52,049	51,100
Siemens Pakistan Engineering Company Limited	4,206	388
Siemens Gas and Power GmbH & Co. KG	101,540	59,365
Inspectest (Private) Limited	-	88
	171,215	130,778
Receivable from related parties		
Descon Power Solutions (Private) Limited (Associated company)	-	566

14. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorized for issue on October 23, 2020 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 consolidated 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**

NOTE

NOTE