



**CONDENSED INTERIM FINANCIAL
STATEMENTS**

**(UN-AUDITED)
FOR THE THREE-MONTH AND NINE-MONTH
PERIOD ENDED MARCH 31, 2021**

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

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

ALTERN ENERGY LIMITED

DIRECTORS' REVIEW

The Board of Directors of the Company presents the review report on financial and operational performance and (un-audited) interim financial statements of the Company for the nine months' period ended March 31, 2021.

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 Limited ('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. 184 million (Rs. 95 million in corresponding period of 2020), resulting in a gross loss of Rs. 23 million as compared to gross loss of Rs. 29 million in corresponding period of 2020. The Company incurred net loss of Rs. 55 million resulting in loss per share of Rs. 0.15, as compared to net profit of Rs. 1,723 million and earnings per share ('EPS') of Rs. 4.74 in corresponding period of 2020. Net profit of the Corresponding period of 2020 includes dividend income amounting to Rs. 1,780 million from subsidiary, PMCL.

The Company, like other independent power producers, continues to face liquidity challenges due to the issue of circular debt being faced by the 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. As a result, the total receivables as of March 31, 2021 stand at Rs. 362 million as compared to Rs. 468 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. 1,351 million resulting in EPS of Rs. 3.72 per share, as compared to consolidated earnings of Rs. 1,590 million and EPS of Rs. 4.37 in the corresponding period last year.

OPERATIONS

We report that during the period under review, the plant on demand, dispatched 11.6 GWh (6% plant factor) as compared to 2.7 GWh (1% plant factor) dispatched during the corresponding period of the preceding financial year. The demand from the off-taker, National Power Control Centre ('NPCC') was marginally better than the corresponding year. However, the demand from NPCC 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 pleased to report that all the engines and their auxiliary equipment are in sound mechanical condition for smooth and reliable operations.

QUALITY, ENVIRONMENT, HEALTH & SAFETY

Operating in a safe and healthy working environment is the prime goal of the Company and for this purpose management remains committed to maintain highest standards of health and safety across all operations. The

Company adheres to a set of EHS Principles implemented to achieve optimal standards of health and safety for its employees. Overall, the health, safety and environment performance of the plant remained satisfactory during the period under review. SOPs related to Covid-19 pandemic are being followed as per Government guidelines.

FUTURE OUTLOOK

Power sector in Pakistan has turned around remarkably in the last couple of years due to influx of significant generation capacity in the national grid system. Your Company's Plant has witnessed a serious decline in dispatch demand from the off-taker during the same period. The primary 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. As our Company is under a take-and-pay arrangement under the PPA with CPPA-G, less dispatch to the off-taker means less capacity revenue. The Company is facing challenges to generate cash from operations of the plant. However, it is managing its operational costs from receipt of overdue receivables from CPPA-G. The Plant may not get sustainable dispatch from NPCC in near future as more power plants are being added into national grid 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 requested the Committee for Negotiations 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. As a result of no official response from the Committee, the Company on December 23, 2020 has requested the off-taker CPPA-G and Private Power & Infrastructure Board ('PPIB') to terminate the PPA and Implementation Agreement ('IA') on the terms, to be mutually agreed between the parties. Post reporting period, the Company has started negotiations with CPPA-G on this matter. However, till the finalization of these negotiations, the financial impact of the above on the financial statements cannot be measured until the negotiations are completed.

SUBSIDIARY'S REVIEW

During the period under review, the turnover of subsidiary, RPPL, was Rs. 6,448 million (corresponding period in 2020: Rs. 7,954 million) and the cost of sales was Rs. 2,139 million (2020: Rs. 4,815 million). Net profit for the period was Rs. 2,341 million (2020: Rs. 2,855 million) delivering EPS of Rs. 2.72 per share of Rs 10 each (2020: Rs. 3.31). Profit for the period includes financial impact of settlement of dispute with off-taker. Without this settlement, the profit for the period under review would have been Rs. 4,001 million, with EPS of Rs. 4.64 per share.

Payment default from RPPL's sole customer, CPPA-G continues. At the end of the reporting period, out of the total receivable of Rs. 17,388 million (June 2020: Rs. 13,359 million), Rs. 15,154 million were overdue as compared to overdue receivables of Rs 11,631 million at the end of June 2020. It is expected that the outstanding receivables will come down significantly after payments as per PPA Amendment Agreement as explained in ensuing paragraphs.

During the period from July 2020 to March 2021, RPPL's Complex remained standby most of the time. During the period only 18.50 GWh of electricity was delivered to CPPA-G as compared to 209.35 GWh delivered during the same period last year. As a result, the plant dispatch factor during the period dropped to 1% as compared to 10% during the corresponding period last year. Due to gas curtailment on 8th January 2021, RPPL declared Other Force Majeure Event ('OFME') which ended on 9th February 2021. Total OFME duration during the period was 32 days.

During the period under review, RPPL successfully conducted Annual Dependable Capacity Test of the plant. The company achieved 398.79 MW as compared to contractual requirement of 395 MW. The company performed 'Scheduled Outage' between 1st to 10th December 2020. The Schedule Outage was completed 12 days earlier than the approved schedule.

On July 21, 2020, RPPL, CPPA-G and SNGPL signed the interim GSA. Under the terms of this agreement RLNG will be supplied on 'as-available' basis, however, the non-supply of RLNG will be treated as OFME under the PPA. 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"), as set up by the Government of Pakistan, executed a Memorandum of Understanding ("MOU"). Subsequently on February 11, 2021, RPPL and CPPA-G have signed a Master Agreement and a Power Purchase Agreement ("PPA") Amendment Agreement (collectively referred to as the "Agreements"). Pursuant to the terms of these Agreements: without prejudice to the terms of its generation license; (1) RPPL will have the option to participate in the GOP's scheme to create competitive power markets, via the Competitive Trading Arrangement ("CTA"), once the CTA is implemented and becomes fully operational; (2) CPPA-G shall assist and support RPPL in entering into a firm Gas Supply Agreement with the Gas Supplier by December 31, 2021; (3) RPPL and CPPA-G have resolved the dispute of Liquidated Damages ("LDs") levied by CPPA-G on RPPL in 2013 and 2016 as a part of the PPA Amendment Agreement; (4) Outstanding receivables as on 30th November, 2020 are to be paid in two instalments. First instalment is to be paid within Thirty Business Days of signing. The second instalment is to be paid within six months of first instalment. Each instalment will have 1/3rd cash, 1/3rd Pakistan Investment Bonds and 1/3rd Ijara Sukuks, (5) Upon payment of first instalment and till the date RPPL receives its final instalment as per the Payment Mechanism, RPPL shall submit its invoices providing the following discounts in tariff, comprising (i) Existing capacity payments and variable O&M shall be reduced by 11% and (ii) USD exchange rate and US CPI indexations shall apply on reduced variable O & M and 50% of the reduced Escalable Component of the Capacity Purchase Price (collectively referred to as the "Tariff Discount"). On the remaining 50% of the reduced Escalable Component of the Capacity Purchase Price, the current indexation shall continue to be applied until the date the applicable exchange rate under the Tariff reaches PKR/US\$ of 168.60, after which this will cease to escalate; (6) in lieu of the Tariff Discount as detailed above, any heat rate sharing by RPPL per its existing arrangement under the PPA shall cease to exist.

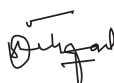
The finalization of these matters is subject to terms and conditions mentioned in the abovementioned Agreements. This included payment of outstanding dues as of November 30, 2020 within 30 Business Days of signing these Agreements i.e. March 29, 2021. CPPA-G has not made payment on the due date and is now under default as per the terms of these Agreements. However, there is a cure period of 70 days to make this payment. If CPPA-G is unable to make this payment within the cure period, these Agreements will be terminated.

ACKNOWLEDGEMENT

The Board remains grateful to its shareholders, Government functionaries, SNGPL, CPPA-G and financial institutions for their 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

April 26, 2021 - Lahore.



Shah Muhammad Chaudhry
Director

ڈائریکٹرز کی جائزہ رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز 31 مارچ 2021 کو ختم ہونے والی نو ماہی کی مالی اور آپریشنل کارکردگی اور (غیر نظر ثانی شدہ) عبوری مالی حسابات پر اپنی جائزہ رپورٹ بخوشی پیش کرتے ہیں۔

عمومی

کمپنی کی اہم ترین سرگرمیوں میں 32 میگا واٹ کے گیس ٹھریل پاور پلانٹ واقع نزد قحج جنگ ضلع ایک پنجاب کی ملکیت، آپریشن، کچھ بھال اور اپنے واحد صارف سنٹرل پاور پراجیکٹ ایجنسی (گارنی) لمیٹڈ (CPPA-G) کو پینسل ٹرانسمیشن اینڈ ڈسٹریبوشن کمپنی (NTDC) کے ٹرانسمیشن نیٹ ورک کے ذریعے بجلی کی فروخت شامل ہے۔

کمپنی کے حصص پاکستان شاک ایکسیج میں درج ہیں۔ کمپنی پاور اینجینئرنگ کمپنی (پرائیویٹ) لمیٹڈ (خصوصی مقصد کی گاڑی) کے 100 فیصد حصص کی مالک ہے، جو بدلے میں Rousch (پاکستان) پاور لمیٹڈ (RPPL) کے 59.98 فیصد حصص رکھتی ہے۔ RPPL ایک غیر مندرج پبلک کمپنی اور گیس فائزڈ کمانڈ سائیکل ٹھریل پاور پلانٹ کے ذریعے 450 میگا واٹ کی مجموعی صلاحیت رکھنے والی خود مختار پاور پروڈیوسر ہے جو کہ سدھانی بیراج، عبدالگیم، ضلع خانیوال، پنجاب کے قریب واقع ہے۔

فنانس

زیر جائزہ مدت کے دوران کمپنی کا ٹرن اوور 184 ملین روپے (2020 کی اسی مدت میں 95 ملین روپے) جس کے نتیجے میں 2020 کی اسی مدت میں مجموعی نقصان 29 ملین روپے کے مقابلے 23 ملین روپے کا مجموعی نقصان ہوا۔ کمپنی کو 2020 کی اسی مدت میں خالص منافع 1,723 ملین روپے اور فی شیئر آمدنی (EPS) 4.74 روپے کے مقابلے موجودہ مدت میں خالص خسارہ 55 ملین روپے اور فی شیئر خسارہ (EPS) 0.15 روپے ہوا ہے۔ 2020 کی اسی مدت کے خالص منافع میں ذیلی کمپنی PMCL سے 1,780 ملین روپے ڈیویڈنڈ آمدنی کی رقم شامل ہے۔

کمپنی کو دیگر آزاد پاور پروڈیوسرز کی طرح، خریدار CPAA-G کو درپیش گروٹھ کے سامنا کی وجہ سے لیکویڈیٹی مشکلات درپیش ہیں۔ CPAA-G کی طرف سے ادائیگیوں میں تاخیر کے باعث، کمپنی جہاں ضرورت پڑی ورلڈ کپٹل 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 468 ملین روپے کے مقابلے 31 مارچ 2021 کو 362 ملین روپے رہی ہیں۔ کمپنی کی انتظامیہ مستقل طور پر بجلی کے خریدار اور وزارت توانائی (پاور ڈیپن) کے ساتھ واجب الادا ادائیگیوں کی بروقت ریلیز کے لئے بات چیت کر رہی ہے۔

آپ کی کمپنی کی کنسولیڈیٹڈ آمدنی اٹرنیٹ لمیٹڈ کے ایکٹیو ہولڈرز سے منسوب ہے جو کہ زیر جائزہ سال کے لئے 1,351 ملین روپے جس کے نتیجے میں فی شیئر آمدنی (EPS) 3.72 روپے فی شیئر جبکہ گزشتہ سال کی اسی مدت میں 1,590 ملین روپے اور فی شیئر آمدنی (EPS) 4.37 روپے فی شیئر تھی۔

آپریشنز

ہم بیان کرتے ہیں کہ زیر جائزہ مدت کے دوران، پلانٹ نے گزشتہ مالی سال کی اسی مدت کے دوران 2.7 GWh (1% پلانٹ ٹیئر) تزیل کے مقابلے 11.6 GWh (9% پلانٹ ٹیئر) تزیل کی۔ واحد خریدار پینسل پاور کنٹرول سنٹر (NPCC) سے طلب نیٹا گزشتہ سال سے بہتر تھی۔ تاہم، بجلی کے خریدار NPCC سے طلب میں کمی کا سبب قومی گزشتہ سسٹم میں پیداوار کی صلاحیت کا نمایاں اضافہ ہے۔ نئے پاور جنریشن پلانٹس نئے اور زیادہ سے ہونے کی حیثیت سے CPAA-G کے اقتصادی ڈیپنچ ہیرٹ آرڈر کے لحاظ سے آپ کے پلانٹ سے اوپر درج ہیں۔

زیر جائزہ مدت کے دوران، تمام دیگر مقررہ اور متعلقہ ملٹی ٹینس سرگرمیاں اصل ایکوئٹ منیٹجنگ سروس (OEM) - سفارشات کے مطابق سرانجام دی گئیں۔ ہم بخوشی بیان کرتے ہیں کہ تمام انجین اور ان کے معاون آلات ہمارا قابل بھروسہ آپریشنز کے لئے مستحکم ٹیکنیکل حالت میں ہیں۔

معیار، ماحول، صحت اور حفاظت

محفوظ اور مستحکم کام کا ماحول کمپنی کا اولین مقصد ہے اور اس مقصد کے لئے انتظامیہ تمام کاموں میں صحت اور حفاظت کے اعلیٰ معیار کو برقرار رکھنے کے لئے پُر عزم ہے۔ کمپنی اپنے ملازمین کے لئے صحت اور حفاظت کے زیادہ سے زیادہ معیار کے حصول کے لئے EHS اصولوں پر عمل کرتی ہے۔ مجموعی طور پر، پلانٹ کی صحت، حفاظت اور ماحولیاتی کارکردگی زیر جائزہ عرصہ کے دوران تسلی بخش رہی۔ حکومتی ہدایت نامے کے مطابق کوویڈ 19 وبا کی بیماری سے متعلق ایس او بیڑ کی پیروی کی جارہی ہے۔

مستقبل کا نقطہ نظر

پچھلے کچھ سالوں سے قومی گزشتہ میں نمایاں پیداواری صلاحیت میں اضافے کے باعث، پاکستان کے پاور جنریشن منظر نامہ میں نمایاں تبدیلی دیکھی گئی ہے۔ تاہم، آپ کی کمپنی کو اسی مدت کے دوران خریدار سے تزیل کی طلب میں شدید کمی کا سامنا کرنا پڑا ہے کمپنی کے پلانٹ سے کم تزیل طلب کی بنیادی وجہ یہ ہے کہ نئے پلانٹ بہتر کارکردگی کی بدولت CPAA-G کی آئینہ تزیل میرٹ آرڈر میں آخری کے پلانٹ سے اوپر کا درجہ رکھتے ہیں۔ کم تزیل کے نتیجے میں آمدنی کم ہوئی کیونکہ آپ کی کمپنی نے CPAA-G کے ساتھ ٹیک اینڈ پے کا معاہدہ کیا ہوا ہے۔ کمپنی کو پلانٹ کے آپریشنز سے پیش پیدا کرنے میں بہت مشکلات پیش آ رہی ہیں۔ تاہم، CPAA-G سے زائد معاہدہ قابل وصولیوں سے آپریشنل اخراجات کو پورا کیا جا رہا ہے۔

پلانٹ کو مستقبل قریب میں این پی سی سے موزوں تزیل کا آرڈر منسلک کیونکہ قومی نظام میں مزید پاور پلانٹس کا اضافہ کر دیا گیا 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 وہ دونوں کنٹرولنگل اور تجارتی سمیت مختلف اختیارات تلاش کریں۔ انتظامیہ نے آف گیارہ RPPL 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 ("کمپنی") کے ساتھ مذاکرات کے لئے کمپنی سے، PPA کو کمپنی اور کمپنی کے مابین باہمی اتفاق رائے سے شرائط پر ختم

کرنے کی درخواست کی ہے۔ کپٹی کی طرف سے کوئی جواب موصول نہ ہونے کے نتیجے میں، کپٹی نے 23 دسمبر 2020 کو خریدار CPPA-G اور پائریٹڈ انفراسٹرکچر بورڈ (PPIB) سے پارٹنر کے مابین باہمی اتفاق رائے سے طے شدہ شرائط پر PPA اور اپنی مینٹیننس ایگریمنٹ (IA) ختم کرنے کی درخواست کی ہے۔ رپورٹنگ مدت کے بعد، کپٹی نے اس معاملہ میں CPPA-G کے ساتھ مذاکرات کا آغاز کیا ہے۔ تاہم، ان مذاکرات کے حتمی ہونے تک مالی گوشواروں پر مذکورہ بالا کے مالی اثرات کی پیش گوئی نہیں کی جاسکتی ہے۔

ما تحت ادارے کا جائزہ

زیر جائزہ مدت کے دوران، کپٹی کے ذیلی ادارہ RPPL نے ٹرن اور 6,448 روپے (2020 کی اسی مدت میں 7,954 ملین روپے) اور فروخت کی لاگت 2,139 ملین روپے (2020 کی اسی مدت میں 4,815 ملین روپے) درج کی۔ موجودہ مدت کا خالص منافع 2,341 ملین روپے (2020 کی اسی مدت میں 2,855 ملین روپے) ہر ایک -10 روپے کی فی حصص آمدنی (EPS) 2.72 روپے (2020 کی اسی مدت میں 3.31 روپے) تھی۔ مدت کے منافع میں خریدار کے ساتھ سٹیکولٹ کے مالی اثرات شامل ہیں۔ خریدار کے ساتھ تصفیہ نہ ہوتا تو، زیر جائزہ مدت کا منافع 4,001 ملین روپے، 4.64 روپے فی شیئر EPS ہوتا تھا۔

RPPL کے واحد صارف، CPPA-G سے عدم ادائیگی جاری رہی ہے۔ رپورٹنگ مدت کے اختتام پر CPPA-G سے کل قابل وصولی رقم 17,388 ملین روپے (جون 2020: 13,359 ملین روپے) جس میں سے 15,154 ملین روپے زائد المیاد، جبکہ جون 2020 کے اختتام پر قابل وصولی 11,631 ملین روپے زائد المیاد تھے۔ امید ہے کہ بالا پیرا گراف میں وضاحت کردہ PPA ترمیم شدہ معاہدہ کے مطابق ادائیگیوں کے بعد باقی قابل وصولیاں نمایاں طور پر کم ہو جائیں گی۔

جولائی 2020 تا مارچ 2021 مدت کے دوران، RPPL کا کپٹالس زیادہ تر عرصہ سٹیڈ رہا۔ اس عرصہ کے دوران CPPA-G کو 18.50 GWh بجلی ترسیل کی گئی جبکہ گزشتہ سال کی اسی مدت کے دوران 209.35 GWh بجلی کی ترسیل کی گئی۔ نتیجتاً، پلانٹ کی ترسیل کا عنصر 1 فیصد جبکہ گزشتہ سال کی اسی مدت میں 10 فیصد تھا۔ گیس کی قلت کے باعث 8 جنوری 2021 کو RPPL نے دیگر ٹورس سٹیور ایفٹ (OFME) قرار دیا جو 9 فروری 2021 کو ختم ہوا۔ اس مدت کے دوران OFME کا کل دورانیہ 32 دن تھا۔

زیر جائزہ مدت کے دوران RPPL نے کامیابی سے پلانٹ کے سالانہ سٹیڈ اسٹیل کپٹی کا انعقاد کیا۔ کپٹی نے 395 MW کی کنٹرولنگ ریکورمنٹ کے مقابلے 398.79 MW حاصل کی۔ کپٹی نے یکم 10 دسمبر 2020 کے درمیان 'سٹیڈ آؤٹ' کی 'سٹیڈ ول' آؤٹ پیج منظور شدہ سٹیڈ ول سے 12 دن پہلے مکمل ہوئی۔

21 جولائی 2020 کو، CPPA-G، RPPL اور سوئی ناردرن گیس پائپ لائنز لمیٹڈ (SNGPL) نے عبوری گیس فراہمی کے معاہدے (GSA) پر دستخط کیے۔ اس معاہدے کی شرائط تحت جب دستیاب ہو کر بنیاد پر فراہمی ہوگی، تاہم RLNG کی عدم فراہمی PPA کے تحت OFME تصور ہوگا۔ اس معاہدہ کی شرائط طویل مدتی گیس کی فراہمی اور خریداری کے معاہدے (GSA) پر دستخط کرنے کی تاریخ تک مؤثر ہوں گی۔

18 اگست 2020 کو، آر پی پی ایل اور حکومت پاکستان کی طرف سے تشکیل دی گئی آزاد پاور پروڈیوسر کے ساتھ مذاکراتی کمیٹی نے معاہدہ کی یادداشت (MOU) پر دستخط کیے۔ اس کے بعد 11 فروری 2021 کو RPPL اور CPPA-G نے ماسٹراکٹ ایگریمنٹ اور پاور پریچر ایگریمنٹ (PPA) ترمیمی معاہدہ (مجموعی طور پر ایک "معاہدہ") پر دستخط کیے۔ ان معاہدوں کی شرائط کے مطابق: اپنے جزیئیں اسٹینڈ کے شرائط سے قطع نظر: (1) RPPL کو CTA پر عملدرآمد اور مکمل طور پر آپریشنل ہوجانے کے بعد مسابقتی ٹریڈنگ انتظامات ("CTA") کی وساطت سے مسابقتی تجارتی مارکیٹ تخلیق کرنے کے لئے حکومت پاکستان کی اسکیم میں شرکت کا اختیار حاصل ہوگا: (2) CPPA-G گیس سلاٹر کے ساتھ 31 دسمبر 2021 تک یقینی گیس سپلائی معاہدہ میں داخل ہونے کے لئے RPPL کی مدد و تعاون کرے گا: (3) RPPL اور CPPA-G نے PPA ترمیم شدہ معاہدہ کے ایک حصہ کے طور پر 2013 اور 2016 میں RPPL پر CPPA-G کی طرف سے عائد ٹیکو پٹ بیلڈ نقصانات ("LDs") کے ٹھکے کو حل کیا: (4) 30 نومبر 2020 کو باقی قابل وصولیاں دوا قسط میں ادائیگی جانی چاہئیں۔ پہلی قسط دھتھو ہونے کے کاروباری تیس دنوں کے اندر ادائیگی جانی ہے۔ دوسری قسط پہلی قسط کے چھ ماہ کے اندر ادائیگی جانی ہے۔ ہر ایک قسط 1/3 کیش، 1/3 پاکستان انویسٹمنٹ بانڈ ز اور 1/3 اجارہ سلوک کی ہوگی (5) پہلی قسط کی ادائیگی پر اور ادائیگی کے میکانزم کے مطابق آخری قسط RPPL کو وصول ہونے کی تاریخ تک، RPPL تیرف میں درج ذیل ڈسکاؤنٹس فراہم کرتے ہوئے اپنی انوائسز جمع کرانے گا: (i) موجودہ کپٹی ادائیگیوں اور صفیر O&M کو 11 فیصد تک کم کیا جائے گا اور (ii) US\$ کی شرح تبادلہ اور CPI US اشاریہ جات کم صفیر O&M پر اور کپٹی پر پیجز پرائس (جس کو مجموعی طور پر "تیرف ڈسکاؤنٹ" کہا جاتا ہے) کے کم قابل پرائس اجزاء 50 فیصد لاگو ہوگا۔ کپٹی پر پیجز پرائس کے کم قابل پرائس اجزاء کے بقیہ 50% پر حالیہ انڈیکسیشن تیرف کے تحت شرح تبادلہ کی قابل اطلاق تاریخ تک لاگو ہونا جاری رہے گا جب تک کہ 168.60 of PKR/US\$ تک پہنچ نہیں جاتی ہے، جس کے بعد یہ بڑھنا تک جائے گا۔ (6) جیہما کو اوپر بیان کیا گیا ہے، تیرف ڈسکاؤنٹ کے بدلے، پی پی اے کے تحت RPPL کی طرف سے اس کے موجودہ انتظامات کے مطابق کوئی ہیٹ شیئرنگ ٹیمد ہو جائے گی۔

ان امور کو حتمی شکل دینا مذکورہ بالا معاہدوں میں مذکور شرائط و ضوابط سے مشروط ہے۔ اس میں ان معاہدوں پر دستخط کرنے کے 30 کاروباری دن کے اندر یعنی 29 مارچ، 2021 کو 30 نومبر 2020 تک بتایا جات کی ادائیگی بھی شامل ہے۔ CPPA-G نے مقررہ تاریخ پر ادائیگی نہیں کی ہے اور اب ان معاہدوں کی شرائط کے مطابق نادر ہندہ ہے۔ تاہم، اس ادائیگی کی محتاط مدت 70 دن کی ہے۔ اگر CPPA-G محتاط مدت کے اندر یہ ادائیگی کرنے میں قاصر رہا تو، یہ معاہدے ختم کردیے جائیں گے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز اپنے قابل قدر حصص یافتگان، حکومتی اداروں، سوئی ناردرن گیس پائپ لائن کمیٹی لمیٹڈ، سنٹرل پاور پریچر اتھارٹی (گروپ) اور بینکوں کا اسکے تعاون مسلسل حمایت اور سرپرستی کیلئے شکریہ ادا کرتا ہے۔

محکم بورڈ
عمیر شہزاد شیخ
چیف ایگزیکٹو

شاہد محمد چوہدری
ڈائریکٹر


لاہور
126 اپریل 2021ء

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

	<i>Note</i>	Un-audited March 31, 2021 ---Rupees in thousand---	Audited June 30, 2020
EQUITY AND LIABILITIES			
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		470,826	525,335
		4,146,286	4,200,795
NON-CURRENT LIABILITIES			
Deferred liabilities		6,231	5,353
		6,231	5,353
CURRENT LIABILITIES			
Trade and other payables		42,960	50,623
Short term borrowing - secured		-	55,053
Unclaimed dividend		2,076	3,988
Accrued finance cost		65	2,021
		45,101	111,685
CONTINGENCIES AND COMMITMENTS	6	4,197,618	4,317,833

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


Chief Executive


Chief Financial Officer


Director

AS AT MARCH 31, 2021

		Un-audited March 31, 2021	Audited June 30, 2020
ASSETS	Note	---Rupees in thousand---	
NON-CURRENT ASSETS			
Property, plant and equipment	7	459,318	505,198
Intangible assets		-	3
Long term investment	8	3,204,510	3,204,510
Long term deposit		38	38
Long term loans to employees - unsecured		654	1,174
		3,664,520	3,710,923
CURRENT ASSETS			
Stores and spares		37,273	38,797
Trade debts - secured, considered good		361,732	467,637
Loans, advances, prepayments and other receivables		93,403	90,151
Bank balances		40,690	10,325
		533,098	606,910
		4,197,618	4,317,833


Chief Executive


Chief Financial Officer


Director

ALTERN ENERGY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2021

		Three-month period ended		Nine-month period ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<i>Note</i>		-----Rupees in thousand-----			
Revenue - net	9	3,001	7,964	184,191	94,534
Direct costs	10	(24,779)	(24,632)	(207,398)	(123,971)
Gross (loss) / profit		(21,778)	(16,668)	(23,207)	(29,437)
Administrative expenses	11	(8,934)	(6,922)	(25,974)	(21,676)
Other income		-	778,359	352	1,787,733
		(30,712)	754,769	(48,829)	1,736,620
Finance cost		(1,062)	(3,980)	(5,679)	(12,001)
(loss) / Profit before taxation		(31,774)	750,789	(54,508)	1,724,619
Taxation		(1,240)	(571)	-	(1,962)
(loss) / Profit after taxation		(33,014)	750,218	(54,508)	1,722,657
(loss) / Earnings per share - basic and diluted - Rupees		(0.09)	2.06	(0.15)	4.74

The annexed notes 1 to 16 form an integral part of these 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 NINE-MONTH PERIOD ENDED MARCH 31, 2021

	Three-month period ended		Nine-month period ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	-----Rupees in thousand -----			
(loss) /Profit for the period	(33,014)	750,218	(54,508)	1,722,657
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>	-	-	-	-
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-	-	-
Total comprehensive (loss) /income for the period	(33,014)	750,218	(54,508)	1,722,657

The annexed notes 1 to 16 form an integral part of these 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 NINE-MONTH PERIOD ENDED MARCH 31, 2021

	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
Profit for the period	-	-	1,722,657	1,722,657
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for nine-month period ended March 31, 2020	-	-	1,722,657	1,722,657
Total contributions by and distributions to owners of the Company recognized directly in equity:	-	-	-	-
Final cash dividend @ Rs. 3 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)
Balance as on March 31, 2020 (un-audited)	3,633,800	41,660	558,371	4,233,831
Loss for the period	-	-	(33,036)	(33,036)
Other comprehensive income for the period	-	-	-	-
Total contributions by and distributions to owners of the Company recognized directly in equity:	-	-	(33,036)	(33,036)
Balance as on July 01, 2020 (audited)	3,633,800	41,660	525,335	4,200,795
Loss for the period	-	-	(54,509)	(54,509)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for nine-month period ended March 31, 2021	-	-	(54,509)	(54,509)
Total contributions by and distributions to owners of the Company recognized directly in equity:	-	-	-	-
Balance as on March 31, 2021 (un-audited)	3,633,800	41,660	470,826	4,146,286

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


Chief Executive

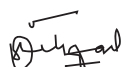

Chief Financial Officer



Director

ALTERN ENERGY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2021

		March 31, 2021	March 31, 2020
		---Rupees in thousand---	
	<i>Notes</i>		
Cash generated from operations	12	94,146	244,708
Finance costs paid		(7,633)	(18,186)
Income tax paid		-	(761)
Retirement and other benefits paid		-	(196)
		(7,633)	(19,143)
Net cash inflow from operating activities		86,513	225,565
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure - net		712	(144)
Proceeds from disposal of operating fixed assets		99	-
Dividends received		-	1,780,310
Profit on bank deposits received		6	6,064
Net cash inflow from investing activities		817	1,786,230
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(1,912)	(2,237,828)
Net cash outflow from financing activities		(1,912)	(2,237,828)
Net increase /(decrease) in cash and cash equivalents		85,418	(226,033)
Cash and cash equivalents at beginning of the period		(44,728)	169,627
Cash and cash equivalents at the end of the period	13	40,690	(56,406)

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


Chief Executive


Chief Financial Officer


Director

ALTERN ENERGY LIMITED
NOTES TO AND FORMING PART OF THE UNCONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2021

1. LEGAL STATUS & NATURE OF BUSINESS

- 1.1** Altern Energy Limited (the 'Company') was incorporated in Pakistan as a public company limited by shares under the Companies Ordinance, 1984 (now the Companies Act, 2017) on January 17, 1995. It is a 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. 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 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 5, 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 the 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** During the current period on August 25, 2020, the Company has requested the Government of Pakistan's Committee for negotiation with Independent Private Power Producers (the 'Committee') to terminate its PPA and Implementation Agreement ('IA') on the terms to be mutually agreed between the Company and the Committee. Furthermore, on December 23, 2020, the Company has also requested the Private Power and Infrastructure Board ('PPIB') and CPPA-G to grant their consents for retirement of the PPA and IA by mutual agreement. The Company has started discussions with CPPA-G on this matter. However, till the finalization of these negotiations, the financial impact of the above on the prospective unconsolidated financial statements can not be measured.

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 the International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017 ('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 unconsolidated condensed interim financial statements are un-audited and are being submitted to the members as required by section 237 of the Act.

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, 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 annual 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 and the methods of computation adopted in the preparation of these 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, 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 period 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.

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 01, 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.

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, interest rate risk, and other price risk), credit risk and liquidity risk.

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, 2020.

There have been no changes in the risk management department or in any 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 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.

5. ACCOUNTING ESTIMATES

The preparation of these unconsolidated condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing 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 annual 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) Refer to notes 13.1(v) and (vi) to the unconsolidated financial statements for the year ended June 30, 2020, on October 26, 2020, the tax authorities have filed a reference before the Honourable Lahore High Court against the decision of the Appellate Tribunal Inland Revenue for tax years 2015 and 2016 and it is pending adjudication.
- ii) 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 June 14, 2021 and is renewable.

6.2 Commitments - Nil

		Un-audited March 31, 2021	Audited June 30, 2020
		----Rupees in thousand----	
7	PROPERTY, PLANT AND EQUIPMENT		
	Operating fixed assets	456,626	502,506
	Major spare parts and stand-by equipment	2,692	2,692
		<u>459,318</u>	<u>505,198</u>
7.1	Operating fixed assets		
	Opening net book value	502,506	563,044
	Additions / (deletions) during the period / year	449	146
	Disposals during the period/year - at book value	(134)	-
	Adjustments during the period/ year	(1,123)	-
	Depreciation charged during the period / year	(45,072)	(60,684)
		<u>(46,329)</u>	<u>(60,684)</u>
	Closing net book value	<u>456,626</u>	<u>502,506</u>
7.2	Additions during the period / year		
	Office equipment	205	146
	Electric equipment	244	-
		<u>449</u>	<u>146</u>

8. LONG TERM INVESTMENT

Un-audited
March 31,
2021
Audited
June 30,
2020
-----Rupees in thousand-----

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, Power Management Company (Private) Limited ('PMCL') which in turn, directly holds 58.18% shares in Rousch (Pakistan) Power Limited ('RPPL'). For the sustainability of the power sector in Pakistan, subsequent to the reporting period, the RPPL's Board of Directors on February 11, 2021 has approved a "Master Agreement" and a "PPA Amendment Agreement" with CPPA-G to alter certain contractual arrangements for sale and purchase of electricity wherein amongst others, certain reductions in tariff components have been agreed which shall result in decrease in the future profits of RPPL. Consequently, management has carried out an impairment testing of the Company's investment in PMCL under International Accounting Standard (IAS) 36 "Impairment of Assets" and determined that it is unimpaired.

9. REVENUE - NET

Un-audited
Three-month period ended
March 31,
2021
Un-audited
Nine-month period ended
March 31,
2020
-----Rupees in thousand-----

Energy purchase price	-	-	164,842	61,658
Sales tax	-	-	(23,951)	(8,959)
	-	-	140,891	52,699

Capacity purchase price	-	-	32,894	6,764
Delayed payment mark-up	3,001	7,964	10,406	35,071
	3,001	7,964	184,191	94,534

10. DIRECT COSTS

RLNG consumed	104	99	127,294	47,270
Depreciation on operating fixed assets	14,782	14,895	44,571	44,684
Stores and spares consumed	20	65	5,936	352
Purchase of energy from CPPA-G	510	560	1,693	4,458
Lube oil consumed	167	-	633	179
Operation and maintenance contractor's fee	6,600	6,600	19,800	19,800
Security expenses	1,360	1,591	4,530	4,636
Salaries, benefits and other allowances	210	218	603	574
Insurance cost	877	486	1,848	1,651
Travelling & conveyance	92	61	218	160
Generation License fee	48	42	147	128
Miscellaneous expenses	10	15	126	79
	24,779	24,632	207,398	123,971

	Un-audited Three-month period ended		Un-audited Nine-month period ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
11 ADMINISTRATIVE EXPENSES	-----Rupees in thousand-----			
Salaries, benefits and other allowances	2,209	1,899	6,718	5,383
Directors' meeting fee	125	250	500	500
ERP related cost	174	707	554	2,091
Traveling and conveyance	665	365	1,503	1,303
Utilities	229	214	686	641
Postage and telephone	122	129	378	417
Printing, stationery and advertisement	156	317	1,076	1,622
Auditors' remuneration	105	49	427	979
Legal and professional expenses	4,214	1,825	10,456	4,394
Training Expenses	-	-	381	-
Fee and subscription	674	624	2,021	1,777
Entertainment	29	54	103	153
Amortization of intangible assets	-	31	-	93
Depreciation on operating fixed assets	31	274	502	838
Repair and maintenance	-	4	4	46
Rent, rates and taxes	198	153	593	494
Provision for doubtful debt	-	-	-	823
Miscellaneous expenses	2	28	72	122
	<u>8,934</u>	<u>6,922</u>	<u>25,974</u>	<u>21,676</u>

	Un-audited	
	March 31, 2021	March 31, 2020
12 CASH GENERATED FROM OPERATIONS	-----Rupees in thousand-----	
(loss) /Profit before taxation	(54,508)	1,724,619
Adjustment for non cash charges and other items:		
-Depreciation on operating fixed assets	45,072	45,522
-Dividend income from PMCL (wholly owned subsidiary)	-	(1,780,310)
-Amortization of intangible assets	-	93
-Provision for employee retirement benefits	878	377
-Provision for doubtful debts	-	823
-Liabilities written back	(346)	-
-Profit on bank deposits	(6)	(6,064)
-Finance cost	5,679	12,001
	<u>51,277</u>	<u>(1,727,558)</u>
Loss before working capital changes	(3,231)	(2,939)

	Un-audited	
	March 31, 2021	March 31, 2020
	-----Rupees in thousand-----	
Effect on cashflow due to working capital changes:		
(Increase) / decrease in current assets		
Stores and spares	1,523	(305)
Advances, prepayments, and other receivables	(3,142)	70,679
Trade debts -secured, considered good	105,904	192,434
	104,285	262,808
Decrease in current liabilities		
Trade & other payables	(6,908)	(15,161)
Cash generated from operations	94,146	244,708

13 CASH AND CASH EQUIVALENTS

Cash and bank balances	40,690	12,263
Short term borrowings - secured	-	(68,669)
	40,690	(56,406)

14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties include 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		
i) Holding company			
DEL Power (Private) Limited	Dividends paid	-	1,146,829
i) Subsidiary companies			
Power Management Company (Private) Limited (wholly owned)	Dividends received	-	1,780,310
	Repayment of short term loan	-	80,000
	Mark up accrued on short term loan	-	7,580
Rousch (Pakistan) Power Limited	Common cost charged to the Company	367	225

	Un-audited March 31, 2021	March 31, 2020
	-----Rupees in thousand-----	
ii) Other related parties		
On the basis of common directorship		
Descon Engineering Limited		
Common cost charged to the Company	2,041	2,348
Descon Power Solutions (Private) Limited		
Operation & maintenance contractor's fee	19,800	19,800
Common cost charged to the Company	186	312
Descon Corporation (Private) Limited		
ERP running cost	554	2,091
Common cost charged to the Company	593	494
Services Rendered	987	-
Group company		
Descon Holdings (Private) Limited		
Dividend paid	-	157
iv) Key management personnel		
Short term employee benefits	4,734	4,412
Post employment benefits	810	350
Director's meeting fee	500	500

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 March 31, 2021	Audited June 30, 2020
	----Rupees in thousand----	
Period end balances are as follows:		
Payable to related parties		
<i>Subsidiaries:</i>		
Rousch (Pakistan) Power Limited	25	-
<i>Other related parties:</i>		
Descon Engineering Limited	227	2,587
Descon Corporation (Private) Limited	1,367	55
Inspectest (Private) Limited	88	88
Descon Power Solutions (Private) Limited	2,693	4,842
	<u>4,400</u>	<u>7,572</u>
Receivable from related parties		
Key management personnel	<u>1,354</u>	<u>1,833</u>

15. CORRESPONDING FIGURES

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

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

16. GENERAL

16.1 These condensed interim unconsolidated financial statements were authorized for issue on April 26, 2021 by the Board of Directors of the Company.

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



Chief Executive



Chief Financial Officer



Director

**CONSOLIDATED
CONDENSED INTERIM
FINANCIAL STATEMENTS**

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

		Un-audited March 31, 2021	Audited June 30, 2020
EQUITY AND LIABILITIES	Note	-----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		15,988,950	14,637,976
		19,664,410	18,313,436
Non-controlling interests		12,421,177	11,484,480
		32,085,587	29,797,916
NON-CURRENT LIABILITIES			
Long term financing - secured	6	-	-
Deferred liabilities		22,667	21,912
		22,667	21,912
CURRENT LIABILITIES			
Current portion of long term financing - secured	6	-	-
Trade and other payables		458,980	936,356
Short term borrowings - secured		2,987,588	2,344,701
Accrued markup on short term borrowings - secured		57,846	81,874
Unclaimed dividend		2,075	3,988
		3,506,489	3,366,919
CONTINGENCIES AND COMMITMENTS			
	7		
		35,614,743	33,186,747

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 March 31, 2021

		Un-audited March 31, 2021	Audited June 30, 2020
ASSETS	Note	-----Rupees in thousand-----	
NON-CURRENT ASSETS			
Property, plant and equipment	8	14,872,999	16,074,703
Intangible assets		1,031	292
Long term deposits		754	739
Long term loan to employees - unsecured		3,335	1,174
		14,878,119	16,076,908
CURRENT ASSETS			
Store, spares & loose tools		711,580	696,207
Inventory of fuel oil		459,018	460,772
Trade debts - secured, considered good	9	17,749,319	14,027,093
Loans, advances, prepayments and other receivables		1,613,406	1,360,430
Income tax recoverable		153,459	148,751
Bank balances		49,842	416,586
		20,736,624	17,109,839
		35,614,743	33,186,747


Chief Executive


Chief Financial Officer


Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2021

	Note	Three-month period ended		Nine-month period ended	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		-----Rupees in thousand-----			
Revenue	10	1,716,756	1,108,385	6,632,122	8,048,908
Direct costs	11	(631,712)	(681,110)	(2,346,237)	(4,939,292)
Gross profit		1,085,044	427,275	4,285,885	3,109,616
Administrative expenses		(39,274)	(45,143)	(170,527)	(140,221)
Other income		3,775	(539)	21,198	130,295
Finance cost		(58,465)	(71,642)	(188,330)	(275,533)
Settlement of dispute with Off-taker	15	-	-	(1,659,822)	-
Profit before taxation		991,080	309,951	2,288,404	2,824,157
Taxation		(1,445)	39,775	(733)	(92,128)
Profit for the period		989,635	349,726	2,287,671	2,732,029
Attributable to:					
Equity holders of the Parent Company		580,387	217,438	1,350,974	1,589,680
Non-controlling interest		409,248	132,288	936,697	1,142,349
		989,635	349,726	2,287,671	2,732,029
Earnings per share attributable to equity holders of the Parent Company during the period - basic and diluted		Rupees			
		1.60	0.60	3.72	4.37

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
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(UN-AUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2021

	Three-month period ended		Nine-month period ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	-----Rupees in thousand-----			
Profit for the period	989,635	349,726	2,287,671	2,732,029
Other comprehensive income:				
<i>Items that may be reclassified subsequently to profit or loss</i>	-	-	-	-
<i>Items that will not be reclassified subsequently to profit or loss</i>	-	-	-	-
	-	-	-	-
Total comprehensive income for the period	989,635	349,726	2,287,671	2,732,029
Attributable to:				
Equity holders of the Parent Company	580,387	217,438	1,350,974	1,589,680
Non-controlling interest	409,248	132,288	936,697	1,142,349
	989,635	349,726	2,287,671	2,732,029

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
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2021

	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	-	-	1,589,680	1,142,349	2,732,029
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	1,589,680	1,142,349	2,732,029
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)
Final cash dividend relating to 2019 paid to non-controlling interest by Roush	-	-	-	(724,502)	(724,502)
Interim cash dividend for the year ended 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 Roush	-	-	-	(517,502)	(517,502)
Balance as on March 31, 2020 (Un-audited)	<u>3,633,800</u>	<u>41,660</u>	<u>12,843,368</u>	<u>10,927,318</u>	<u>27,446,146</u>
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	-	-	1,350,974	936,697	2,287,671
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	1,350,974	936,697	2,287,671
Transactions with owners in their capacity as owners:	-	-	-	-	-
Balance as on March 31, 2021 (Un-audited)	<u>3,633,800</u>	<u>41,660</u>	<u>15,988,950</u>	<u>12,421,177</u>	<u>32,085,587</u>

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
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2021

		March 31, 2021	March 31, 2020
	Note	-----Rupees in thousand-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in)/generated from operations	12	(772,593)	3,895,493
Long term deposits - net		(15)	1,417
Finance cost paid		(212,357)	(392,430)
Income tax paid		(8,901)	(97,460)
Interest income received		2,526	-
Retirement benefits paid		(5,340)	(5,813)
		(224,087)	(494,286)
Net cash (outflow) / inflow from operating activities		(996,680)	3,401,207
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure - net		(15,449)	(6,477)
Profit on bank deposits received		2,841	68,096
Proceeds from disposal of operating fixed assets		1,569	-
Net cash (outflow) / inflow from investing activities		(11,039)	61,619
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing - secured		-	(2,011,220)
Dividends paid		(1,912)	(3,479,832)
Net cash outflow from financing activities		(1,912)	(5,491,052)
Net decrease in cash and cash equivalents		(1,009,631)	(2,028,226)
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	13	(2,937,746)	(2,752,690)

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
NOTES TO AND FORMING PART OF THE CONSOLIDATED CONDENSED INTERIM FINANCIAL
STATEMENTS (UN-AUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2021

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	Audited
		March 31,	June 30,
		2021	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.

During the current period on August 25, 2020, the Parent Company has requested the Government of Pakistan's Committee for negotiation with Independent Private Power Producers (the 'Committee') to terminate its PPA and Implementation Agreement ('IA') on the terms to be mutually agreed between the Company and the Committee. Furthermore, on December 23, 2020, the Parent Company has also requested the Private Power and Infrastructure Board ('PPIB') and CPPA-G to grant their consents for retirement of the PPA and IA by mutual agreement. The Parent Company has started discussions with CPPA-G on this matter. However, till the finalization of these negotiations, the financial impact of the above on the prospective consolidated financial statements can not be measured.

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 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 ('IA'), 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' 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(c) of the PPA. The PPA has been extended by a period of 209 days as of March 31, 2021, owing to non-supply of RLNG under interim GSA. Moreover, the PPA term has been extended by 112 days as per terms of Settlement Agreement referred to in note 7.1.(iv). Resultantly, the term of PPA will now end in October 2030 and the remaining life of the project is approximately 10 years.

On January 23, 2021, RPPL and CPPA-G initialed a Master Agreement and a PPA Amendment Agreement (collectively referred to as the "Agreements"). Subsequently, after the approval of the Federal Cabinet, the Shareholders of RPPL approved signing and execution of the Agreements. Accordingly, on February 11, 2021, RPPL and CPPA-G have signed and executed the Agreements. Pursuant to the terms of these Agreements, RPPL and CPPA-G have agreed to the following matters, inter alia: (1) Mechanism of settlement of outstanding receivables; (2) Discount in Tariff components; (3) Resolution of dispute of Liquidated Damages as mentioned in Note 7.1.(iv); (4) Option to RPPL to participate in GoP's scheme to create competitive power market.

The finalization of these matters is subject to terms and conditions mentioned in the abovementioned Agreements. This included payment of outstanding dues as of November 30, 2020 within 30 Business Days of signing these Agreements i.e. March 29, 2021. CPPA-G has not made payment on the due date

and is now under default as per the terms of these Agreements. However, there is a cure period of 70 days to make this payment. If CPPA-G is unable to make this payment within the cure period, these Agreements will be terminated. Consequently, the Group has assessed the accounting implications of these developments on these condensed interim consolidated financial statements, including the impairment of tangible and intangible assets under IAS 36, 'Impairment of assets'. However, according to Group's assessment, there is no significant impact of the abovementioned agreements on these consolidated condensed interim financial statements.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

These consolidated condensed interim 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 consolidated condensed interim 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 consolidated 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 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 consolidated condensed interim financial statements.

4. ACCOUNTING ESTIMATES

The preparation of these consolidated 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 consolidated condensed interim 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.

These consolidated condensed interim 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 changes in the risk management department or in any 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 consolidated condensed interim 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 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. CONTINGENCIES & 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

- i) Refer to notes 15.1(v) and (vi) to the consolidated financial statements for the year ended June 30, 2020, on October 26, 2020, the tax authorities have filed a reference before the Honourable Lahore High Court against the decision of the Appellate Tribunal Inland Revenue for tax years 2015 and 2016 and it is pending adjudication.
- ii) The tax authorities under section 161/205 of the Income Tax Ordinance, 2001 raised aggregate tax demand of Rs 85.78 million for tax years 2015, 2016 and 2017 respectively, alleging the Group, a taxpayer in default for non-withholding of income tax on payments made specifically to Siemens AG in 2016 under the long term maintenance contract. On appeals filed by the Group, the CIR(A) directed re-assessments through appellate orders dated March 6, 2020 and December 22, 2020. The matter is expected to be eventually concluded in favour of the Group.

Based on the advice of the Group's tax advisor and the favourable decision of ATIR on a parallel issue, the management believes that there are meritorious grounds to defend the Group's stance in respect of this matter. Consequently, no provision has been made in these consolidated condensed interim financial statements.

- iii) As disclosed in Note 15.1.15 of the annual audited financial statements of the Group for the year ended June 30, 2020, the Group uses canal water for its plant for which it has an agreement with the Irrigation Department, Sahiwal, Government of the Punjab. Irrigation Department has levied canal water charges on maximum intake basis (7 Cusec) whereas the Group is of the view that canal water should be charged on actual consumption basis (3.62 Cusec). On January 15, 2021, Additional District Judge, Khanewal returned Group's Appeal for injunction order on account of matter being beyond jurisdiction of the Additional District Judge. On January 27, 2021, the Irrigation Department served a Notice to Group to deposit Rs. 116.7 million against water and effluent charges. On February 02, 2021, the Group filed an Appeal at the Honorable Lahore High Court, Multan Bench for Stay Order to restrain the Irrigation Department against suspension of water supply. On February 03, 2021, the Court granted Stay in favour of the Group and advised Irrigation Department not to disconnect water supply. During the hearing, the Court dismissed Group's request for grant of interim injunction. Based on the advice of the Group's legal counsel, the management is of the view that there are meritorious grounds available to defend the Group's position in the above matters, hence, no provision has been made in these consolidated condensed interim financial statements.
- iv) As disclosed in Note 15.1.(viii) of the annual audited consolidated financial statements of the Group for the year ended June 30, 2020, CPPA-G raised invoices for Liquidated Damages ('LDs') to the Group for the operating year starting from December 11, 2012 to December 10, 2013 (after taking into account forced outage allowance stipulated under the terms of PPA) on account of short supply of electricity by the Group, which was due to cash flow constraints of the Group as a result of default by CPPA-G in making timely payments. Similarly, in January 2017, SNGPL suspended the gas supply for a period of 26 days and as a result CPPA-G levied LDs for this period. On February 11, 2021, RPPL and CPPA-G have signed an Amendment to the PPA, whereby both parties have agreed to amicably settle the dispute of LDs as per the terms of the Settlement Agreement. The financial impact of the settlement of dispute has been charged to the consolidated Condensed Interim Statement of Profit or Loss (Note 15). However, as referred to in note 1.4, if CPPA-G is unable to make the payment within the cure period of 70 days from the date of signing of these Agreements, these Agreements shall be terminated. Resultantly, the financial impact of Rs. 1,660 million will be reversed accordingly.
- v) The Group has issued the following guarantees:
 - a) 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 June 14, 2021 and is renewable.
 - b) National Bank of Pakistan has issued standby letter of credit (SBLC) for Rs. 4,981 million (June 30, 2020 : 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 SBLC will expire on July 13, 2021, which is renewable.

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 March 31, 2021, with book value of Rs. 5,582 million (June 30, 2020: Rs. 5,990 million).

9. TRADE DEBTS - SECURED, CONSIDERED GOOD

This includes the financial impact of approval of Settlement Agreement recognised as described in note 7.1.(iv) to these consolidated condensed interim financial statements. The Settlement Agreement has been executed on the same basis as approved in 2017 by the Boards of RPPL and CPPA-G as part of PPA Amendment Agreement as disclosed in note 1.4.

	Un-audited		Un-audited	
	Three-month period ended		Nine-month period ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
	---Rupees in thousand---		---Rupees in thousand---	
10 REVENUE - NET				
Energy purchase price	-	-	361,111	3,312,643
Sales tax	-	-	(52,469)	(481,324)
	-	-	308,642	2,831,319
Capacity purchase price	1,379,646	769,516	5,461,197	4,358,428
Delayed payment mark-up	337,110	338,869	862,283	859,161
	1,716,756	1,108,385	6,632,122	8,048,908
11 DIRECT COSTS				
RLNG consumed	560	883	299,182	2,849,880
Operation and maintenance contractor's fee	153,385	152,751	482,338	515,909
Depreciation on operating fixed assets	402,625	436,740	1,210,366	1,284,130
Stores, spares and loose tools consumed	13,842	10,142	73,359	43,931
Repairs & maintenance	804	6,481	31,997	7,809
Insurance cost	30,640	39,345	98,442	94,151
Purchase of energy from CPPA-G	12,797	14,601	92,917	85,626
Salaries, benefits and other allowances	7,670	9,633	27,190	28,750
Traveling & conveyance	285	347	709	958
Generation license fee and electricity duty	2,146	1,987	6,420	6,257
Colony maintenance	3,216	2,440	11,703	9,308
Communication	1,491	1,930	4,246	4,265
Vehicle maintenance	89	517	533	1,171
Security expenses	1,360	1,592	4,530	4,637
Liquidated damages	-	-	71	-
Miscellaneous expenses	802	1,721	2,234	2,510
	631,712	681,110	2,346,237	4,939,292

		Un-audited Nine-month period ended March 31, 2021 March 31, 2020 ---Rupees in thousand---	
12	CASH (USED IN)/GENERATED FROM OPERATIONS		
	Profit before taxation	2,288,404	2,824,157
	Adjustment for non cash charges and other items:		
	-Depreciation on operating fixed assets	1,214,883	1,290,121
	-Profit on bank deposits	(5,367)	(67,419)
	- Liabilities no longer required written back	(15,643)	-
	-Amortization of intangible assets	-	93
	-Gain on disposal of operating fixed assets	(37)	-
	-Un-realised gain on derivative financial instrument	-	(7,842)
	-Finance cost	188,329	283,113
	-Exchange gain - net	-	(1)
	-Provision for doubtful debts	-	823
	-Provision for employee retirement benefits	6,095	6,697
	Profit before working capital changes	3,676,664	4,329,742
	Effect on cash flow due to working capital changes:		
	(Increase) / Decrease in current assets		
	-Stores, spares and loose tools	(13,520)	(26,482)
	-Trade debts- secured, considered good	(3,723,586)	2,181,953
	-Advances, deposits, prepayments and other receivables	(251,677)	(318,814)
		(3,988,783)	1,836,657
	Decrease in current liabilities		
	-Decrease in trade and other payables	(460,474)	(2,270,906)
		(4,449,257)	(434,249)
		<u>(772,593)</u>	<u>3,895,493</u>
13	CASH AND CASH EQUIVALENTS		
	Bank balances	49,842	127,385
	Short term borrowings - secured	(2,987,588)	(2,880,075)
		<u>(2,937,746)</u>	<u>(2,752,690)</u>

14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise the holding company, ultimate parent, subsidiaries and associates of holding company and ultimate parent, group companies, related parties on the basis of common directorship, key management personnel of the Group and its holding company and post-employment benefit plans (Gratuity Fund and Provident Fund). 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 Group in the normal course of business carries out transactions with various related parties. Significant related party transactions not disclosed elsewhere in these consolidated condensed interim financial statements are as follows:

		Un-audited Nine-month period ended March 31, March 31, 2021 2020 ---Rupees in thousand---	
Relationship with the Group	Nature of transactions		
i. Holding company			
DEL Power (Private) Limited	Dividends paid	-	1,146,829
i. Other related parties			
<i>On the basis of common directorship</i>			
Descon Engineering Limited:			
	Common costs charged charged to the Group	11,040	8,175
	Purchase of spare parts	-	8,710
Descon Power Solutions (Private) Limited:			
	Operations & maintenance contractor's fee	448,489	419,005
	Common costs charged charged to the Group	1,108	2,650
	Services rendered	-	5,308
Descon Corporation (Private) Limited:			
	ERP implementation fee & running costs	554	2,091
	Common costs charged charged to the Group	19,534	14,202
	Services Rendered	987	-
ii. Group companies			
Descon Holdings (Private) Limited:			
	Dividends paid	-	157
Siemens Pakistan Engineering Company Limited			
	Purchase of long term maintenance services	5,462	21,032
	Purchase of spare parts	7,985	34,616
Siemens Project Ventures GmbH			
	Dividend paid	-	807,106
Siemens AG			
	Purchase of long term maintenance services	-	98,021
	Purchase of spare parts	728	34,801
iv. Key Management Personnel			
	Short-term employment benefits	44,115	47,333
	Post employment benefits	9,966	11,225
	Director's meeting fee	500	500

All transactions with related parties have been carried out on mutually agreed terms and conditions. There are no transactions with key management personnel other than under the terms of employment.

	Un-audited March 31, 2021	Audited June 30, 2020
Period end balances are as follows:		
---Rupees in thousand---		
Payable to related parties		
Descon Engineering Limited (Holding company)	11,764	20,969
Descon Corporation (Private) Limited (Associated company)	3,276	215
Descon Power Solutions (Private) Limited (Associated company)	48,264	51,184
Siemens Pakistan Engineering Company Limited	242	1,768
Inspectest (Private) Limited	88	88
	<u>139,724</u>	<u>142,470</u>
Receivable from related parties		
Siemens Pakistan Engineering Company Limited	873	-
Descon Power Solutions (Private) Limited (Associated company)	-	566
Key management personnel	1,354	1833
	<u>2,227</u>	<u>2,399</u>

15. SETTLEMENT OF DISPUTE WITH OFF-TAKER

This represents the financial impact of approval of Settlement Agreement recognised as described in note 7.1.(iv) to these consolidated condensed interim financial statements. The Settlement Agreement has been executed on the same basis as approved in 2017 by the Boards of RPPL and CPPA-G as a part of PPA Amendment Agreement as disclosed in 1.4.

16. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on April 26, 2021 by the Board of Directors of the Parent company.

17. CORRESPONDING FIGURES

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

18. GENERAL

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


Chief Executive


Chief Financial Officer


Director

[illegible]

[illegible]