AEL

CONDENSED INTERIM FINANCIAL STATEMENTS

(UN-AUDITED)
FOR THREE-MONTH AND SIX-MONTH PERIOD ENDED DECEMBER 31, 2021

ALTERN ENERGY LIMITED

BOARD OF DIRECTORS

Mr. Taimur Dawood	Chairman
Mr. Faisal Dawood	Director
Mr. Farooq Nazir	Director
Ms. Nausheen Ahmad	Independent 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	
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 presents the review report on financial and operational performance and (un-audited) interim financial statements of the Company for the six-month period ended December 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 registered office of the Company is situated at Descon Headquarters, 18 – KM, Ferozepur Road, Lahore.

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. 1.1 million (Rs. 181 million in corresponding period of 2020), resulting in a gross loss of Rs. 49 million as compared to gross loss of Rs. 1.5 million in corresponding period of 2020. The Company earned net profit of Rs. 6,659 million resulting in earnings per share of Rs. 18.32, as compared to net loss of Rs. 21 million and loss per share of Rs. 0.06 in corresponding period of 2020. Net profits for the current period include dividend income amounting to Rs. 6,697 million (2020: Rs. Nil) from the subsidiary, PMCL.

The Company, like other independent power producers, continues to be affected by the issue of circular debt being faced by the off-taker, CPPA-G. Resultantly, the Company has been managing its cashflows by utilizing working capital facilities where required. The total receivables as of December 31, 2021 stand at Rs. 215 million as compared to Rs. 324 million as on June 30, 2021. 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 period under review were Rs. 1,325 million resulting in EPS of Rs. 3.65 per share, as compared to consolidated earnings of Rs. 771 million and EPS of Rs. 2.12 in the corresponding period last year.

DIVIDEND DISTRIBUTION

On December 17, 2021, the Board of directors declared and subsequently distributed interim cash dividend @ 185% (Rs. 18.5 per ordinary share) to the shareholders of the Company.

OPERATIONS

We report that during the period under review, the plant did not dispatch electric power to the off-taker as compared to dispatch of 11.6 GWh during the corresponding period of the previous financial year. The reduced dispatch as compared to corresponding period of the last year is on account of plant being low on economic dispatch merit order of CPPAG. The is due to addition of significant generation capacity into the national grid system in the last 2 to 3 years. 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

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

As a result of influx of new power plants both in the public and private forum, power sector in Pakistan has witnessed a remarkable turned around in the last few years. New power plants demonstrate excellent efficiency and reliability. The Company shifted its plant operations on RLNG in 2017, as a result of unavailability of indigenous gas from SNGPL due to depletion of indigenous gas resources. This resulted in decline of Company's position in the economic dispatch merit order of the off-taker since the new power plants rank above your company in the merit order due to better fuel efficiency. As your Company is under a take-and-pay arrangement under the PPA with CPPA-G, less dispatch to the offtaker means less capacity revenue. Resultantly, the Company has been 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. We apprehend that your 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.

SUBSIDIARY'S REVIEW

During the period under review, the turnover of subsidiary, RPPL, was Rs. 8,726 million (corresponding period in 2020: Rs. 4,734 million) and the cost of sales was Rs. 6,170 million (2020: Rs. 1,532 million). Net profit for the period was Rs. 2,451 million (2020: Rs. 1,318 million) delivering earnings per share ('EPS') of Rs. 2.84 per share of Rs 10 each (2020: Rs. 1.53).

Payment default from RPPL's sole customer, CPPA-G continues. At the end of the reporting period, out of the total receivable of Rs. 10,118 million (June 2021: Rs. 15,785 million), Rs. 9,567 million were overdue as compared to overdue receivables of Rs 12,926 million at the end of June 2021. The reduction in receivables is mainly due to receipt of second tranche under PPA Amendment Agreement on November 29, 2021. RPPL's management continues to follow-up CPPA-G for payment of overdue receivables.

During the period under review, 265 GWh of electricity was delivered to the off-taker as compared to 18.5 GWh delivered during the same period last year. The plant dispatch factor during the period remained 20.5% as compared to 1% during the corresponding period last year. Higher generation was mainly due to low hydel indent, and outages of coal fired and other RLNG power plants. Other Force Majeure Event ('OFME) was declared on 13th December 2021 due to non-availability of RLNG. OFME is continuing till the signing of this report.

ACKNOWLEDGEMENT

The Board remains grateful to its shareholders, and all other stakeholders 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

Shah Muhammad Chaudhry
Director

February 16, 2022 - Lahore.

ڈائریکٹرز کی جائزہ رپورٹ

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

عمومی

کمپنی کی اہم ترین سرگرمیوں میں 32 میگاواٹ کے گیس تھرمل پاور پلانٹ واقع نزد فتح جنگ ضلع اٹک پنجاب کی ملکیت، آپریشن، دیکھ بھال اور بجلی کی فروخت ہے۔ پیداشدہ بجلی اپنے واحد صارف سنٹرل پاور پرچیزنگ ایجنسی (گارنٹی) لمیٹڈ ('CPPA-G') کو نیشنل ٹرانسمیشن اینڈ ڈسپیچ کمپنی ('NTDC') کے ٹرانسمیشن نیٹ ورک کے ذریعے فروخت کی جاتی ہے۔ کمپنی کا رجسٹرڈ دفتر ڈیسکون ہیڈکوارٹرز، 18-کلومیٹر، فیروز پور روڈ، لاہور پر واقع ہے۔

کمپنی کے حصص پاکستان سٹاک ایکسچینج میں درج ہیں۔ کمپنی پاور مینجمنٹ کمپنی (پرائیویٹ) لمیٹڈ ('PMCL') (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 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 کل کاٹرن اوور 1.1 ملین روپے (2020 کی اسی مدت میں 181 ملین روپے) جس کے نتیجے میں 2020 کی اسی مدت میں مجموعی نقصان 1.5 ملین روپے کے مقابلے 49 ملین روپے کا مجموعی نقصان ہوا۔ کمپنی کو 2020 کی اسی مدت میں خالص نقصان 21 ملین روپے اور فی شیئر نقصان 0.06 روپے کے مقابلے موجودہ مدت میں خالص منافع 6,659 ملین روپے اور فی شیئر آمدنی 18.32 روپے ہوا ہے۔ موجودہ مدت کے خالص منافع میں ذیلی کمپنی PMCL سے 6,697 ملین روپے ڈیویڈینڈ آمدنی کی رقم شامل ہے۔

کمپنی کو، دیگر آزاد پاور پروڈیوسرز کی طرح، خریدار، CPPA-G کو درپیش گردشی قرضہ کے سامنا کی وجہ سے لیکویڈیٹی مشکلات درپیش ہیں۔ جس وجہ سے، کمپنی جہاں ضرورت پڑی ورکنگ کیپٹل سہولیات کو استعمال کرتے ہوئے اپنے نقدی بہاؤ کو منظم کر رہی ہے۔ 30 جون 2021 کو کل قابل وصولیاں 324 ملین روپے کے مقابلے 31 دسمبر 2021 کو 215 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 زیرِ جائزہ مدت کے لئے 1,325 ملین روپے جس کے نتیجے میں فی شیئر آمدنی (EPS) 3.65 روپے فی شیئر جبکہ گزشتہ سال کی اسی مدت میں 771 ملین روپے اور فی شیئر آمدنی (EPS) 2.12 روپے فی شیئر تھی۔

ڈیویڈینڈ کی تقسیم

17 دسمبر، 2021 کو، بورڈ آف ڈائریکٹرز نے کمپنی کے شیئر ہولڈرز کے لئے عبوری منافع منقسمہ بشرح 185% (18 روپے فی عام شیئر) کا اعلان اور اس کے بعد تقسیم کیا۔

آپریشنز

ہم بیان کرتے ہیں کہ زیرِ جائزہ مدت کے دوران، پلانٹ نے گزشتہ مالی سال کی اسی مدت کے دوران 11.6 GWh کی ترسیل کے مقابلے خریدار کو بجلی کی کوئی ترسیل نہیں کی۔ گزشتہ سال کی اسی مدت کے مقابلے کم ترسیل پلانٹ کی CPPA-G کے اقتصادی ڈسپیچ میرٹ آرڈر پر کم ہونے کی وجہ سے ہے۔ جس کی وجہ گزشتہ 2 سے 3 سالوں میں نیشنل گرڈ سسٹم میں نمایاں جنریشن صلاحیت کا اضافہ ہے۔ نئے پاور جنریشن پلانٹس نئے اور زیادہ سستے ہونے کی حیثیت سے CPPA-G کے اقتصادی ڈسپیچ میرٹ آرڈر کے لحاظ سے آپ کے پلانٹ سے اوپر درجہ کے ہیں۔

زیر جائزہ مدت کے دوران، تمام دیگر مقررہ اور حفاظتی مینٹی نینس سرگرمیاں اصل ایکوپمنٹ مینوفیکچررs' ('OEM') سفارشات کے مطابق سرانجام دی گئیں۔ ہم بخوشی بیان کرتے ہیں کہ تمام انجن اور ان کے معاون آلات ہموار اور قابل بھروسہ آپریشنز کے لئے مستحکم میکینیکل حالت میں ہیں۔

معیار، ماحول، صحت اور حفاظت

کمپنی اپنے ملازمین کے لئے صحت اور حفاظت کے زیادہ سے زیادہ معیار کے حصول کے لئے لاگو EHS اصولوں پر عمل کرتی ہے۔ مجموعی طور پر، پلانٹ کی صحت، حفاظت اور ماحولیاتی کارکردگی زیرِ جائزہ عرصہ کے دوران تسلی بخش رہی۔ حکومتی ہدایت نامے کے مطابق کوویڈ 19 وبائی بیماری سے متعلق ایس او پیز کی پیروی کی جا رہی ہے۔

مستقبل کا نقطہ نظر

پچھلے کچھ سالوں میں، پبلک اور پرائیویٹ فورم دونوں میں نئے پاور پلانٹس **میں اضافہ** کے نتیجے، پاکستان میں پاور سیکٹر میں نمایاں تبدیلی دیکھی گئی ہے۔ نئے پاور پلانٹس نے شاندار کارکردگی کا مظاہرہ کرتے ہیں۔

قدرتی گیس ذرائع سکی کمی کی وجہ سے SNGPL سے قدرتی گیس کی عدم دستیابی کے نتیجے میں، کمپنی نے 2017 میں اپنے پلانٹ آپریشنز کو RLNG پر تبدیل کر دیا۔ اس کے نتیجے خریدار کے اکنامک ڈسپیچ میرٹ آرڈر میں کمپنی کی پوزیشن کم ہوئی چونکہ نئے پاور پلانٹ بہتر فیول کارکردگی کی بدولت میرٹ آرڈر میں آپ کی کمپنی کے پلانٹ سے اوپر کا درجہ رکھتے ہیں۔ خریدار کو 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 پلانٹ کے آپریشنز سے کیش پیدا کرنے میں بہت مشکلات پیش آ رہی ہیں۔ تاہم، CPPA-G سے زائدالمعیاد قابل وصولیوں سے آپریشنل اخراجات کو پورا کیا جارہا ہے۔ ہم پیش گوئی کرتے ہیں کہ آپ کے پلانٹ کو مستقبل قریب میں NPCC سے مستحکم ترسیل آرڈر نہ مل سکیں گے کیونکہ قومی گرڈ نظام میں مزید پاور پلانٹس کا اضافہ کیا جارہا ہے۔ تاہم، کمپنی اپنی ذیلی کمپنی RPPL میں اپنی سرمایہ کاری سے آمدنی کی بدولت قابل عمل وجود کو برقرار رکھے گی۔

ماتحت ادارے کا جائزہ

زیرِ جائزہ مدت کے دوران، کمپنی کے ذیلی ادارہ RPPL نے ٹرن اوور 8,726 ملین روپے (2020 کی اسی مدت میں 4,734 ملین روپے) اور فروخت کی لاگت 6,170 ملین روپے (2020 کی اسی مدت میں 1,532 ملین روپے) درج کی۔ موجودہ مدت کا خالص منافع 2,451 ملین روپے (2020 کی اسی مدت میں 1,318 ملین روپے) ہر ایک -/10 روپے کی فی حصص آمدنی (EPS) 2.84 روپے (2020 کی اسی مدت میں 1.53 روپے) تھی۔

RPPL کے واحد صارف، CPPA-G سے عدم ادائیگی جاری رہی ہے۔ رپورٹنگ مدت کے اختتام پر CPPA-G سے کل قابل وصولی رقوم 10,118 ملین روپے (جون 2021: 15,785 ملین روپے)، جس میں سے 9,567 ملین روپے زائدالمیعاد، جبکہ جون 2021 کے اختتام پر قابل وصولی 12,926 ملین روپے زائدالمیعاد تھے۔ قابل وصولی رقوم میں کمی بنیادی طور پر 29 نومبر 2021 کو PPA ترمیم شدہ معاہدہ کے تحت دوسری قسط کی وصولی کے باعث ہوئی ہے۔ RPPL کی انتظامیہ زائدالمیعاد قابل وصولیوں کی ادائیگی کے لئے CPPA-G کے ساتھ مسلسل گفت وشنید کر رہی ہے۔

زیرِ جائزہ مدت کے دوران خریدار کو 265 GWh بجلی ترسیل کی گئی جبکہ گزشتہ سال کی اسی مدت کے دوران 18.50 GWh بجلی کی ترسیل کی گئی۔ اس مدت کے دوران پلانٹ کی ترسیل کا عنصر 20.5 فیصد رہا جبکہ گزشتہ سال کی اسی مدت میں 1 فیصد تھا۔ زیادہ جنریشن بنیادی طور پر بنیادی طور پر کول فائرڈ اور دیگر RLNG پاور پلانٹس کے کم ہائیڈل انڈینٹ، اور پرانے ہونے کی وجہ سے ہوئی۔

RLNG کی عدم دستیابی کے باعث 13 دسمبر 2021 کو، دیگر فورس میجور ایونٹ ('OFME') قرار دیا گیا۔ اس رپورٹ کے دستخط تک OFME جاری رہی ہے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز اپنے قابل قدر حصص یافتگان، اور تمام دیگر اسٹیک ہولڈرز کا انکے مسلسل تعاون کیلئے شکر گزار ہیں۔ بورڈ کمپنی کے آپریشنز کے لئے ایگزیکٹوز، سٹاف اور ورکرز کی تعریف کرتا ہے۔

بحکم بورڈ

عمر شہزاد شیخ
چیف ایگزیکٹو

شاہ محمد چوہدری
ڈائریکٹر

لاہور
16 فروری 2022ء

pwc

A·F·FERGUSON&Co.

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF ALTERN ENERGY LIMITED

REPORT ON REVIEW OF UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Altern Energy Limited as at December 31, 2021 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity, and unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated financial statements for the six-month period then ended (here-in-after referred to as the “unconsolidated interim financial statements”). Management is responsible for the preparation and presentation of these unconsolidated interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these unconsolidated financial statements based on our review. The figures of the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income for the three-month period ended December 31, 2020 and 2021 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2021.

Scope of Review

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

Conclusion

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

The engagement partner on the audit resulting in this independent auditor's report is Khurram Akbar Khan.

A. F. Ferguson & Co.
Chartered Accountants

Lahore
Date: February 17,2022
UDIN: RR202110070uZI82lkR6

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

	Note	December 31, 2021 Un-audited	June 30, 2021 Audited
		(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
400,000,000 (June 30, 2021: 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, 2021: 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		377,204	441,020
		4,052,664	4,116,480
NON-CURRENT LIABILITIES			
Employee benefit obligations		6,908	6,364
CURRENT LIABILITIES			
Trade and other payables		179,705	45,723
Provision for taxation		7,122	-
Short term borrowing from banking company - secured		-	-
Dividend payable	6	6,722,530	-
Unclaimed dividend		2,143	2,143
		6,911,500	47,866
CONTINGENCIES AND COMMITMENTS	7		
		10,971,072	4,170,710

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive	Chief Financial Officer	Director

AS AT DECEMBER 31, 2021

	Note	December 31, 2021 Un-audited	June 30, 2021 Audited
		(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	417,680	445,539
Intangible assets		595	665
Long term investment	9	3,204,510	3,204,510
Long term deposit		38	38
Long term loans to employees - unsecured		167	500
		3,622,990	3,651,252
CURRENT ASSETS			
Stores and spares		38,103	37,746
Trade debts - secured		215,189	324,131
Loans, advances, prepayments and other receivables		247,171	86,503
Income tax recoverable		-	829
Short term investments	10	132,136	-
Bank balances	11	6,715,483	70,249
		7,348,082	519,458
		10,971,072	4,170,710

Chief Executive | Chief Financial Officer | Director

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

		Three-month period ended		Six-month period ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	Note	(Rupees in thousand)			
Revenue	12	(55)	3,004	1,058	181,190
Direct costs	13	(25,045)	(27,535)	(50,455)	(182,619)
Gross loss		(25,100)	(24,531)	(49,397)	(1,429)
Administrative expenses		(6,010)	(9,550)	(13,385)	(17,040)
Other income	14	6,732,873	352	6,733,492	352
Finance cost		(929)	(2,030)	(1,877)	(4,617)
Profit/(loss) before taxation		6,700,834	(35,759)	6,668,833	(22,734)
Taxation		(10,119)	1,240	(10,119)	1,240
Profit/(loss) for the period		6,690,715	(34,519)	6,658,714	(21,494)
Earnings/(loss) per share - basic and diluted	**(Rupees)**	18.41	(0.09)	18.32	(0.06)

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

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

ALTERN ENERGY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED DECEMBER 31, 2021

	Three-month period ended		Six-month period ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	(Rupees in thousand)			
Profit/(loss) for the period	6,690,715	(34,519)	6,658,714	(21,494)
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	6,690,715	(34,519)	6,658,714	(21,494)

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

Chief Executive	Chief Financial Officer	Director

ALTERN ENERGY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE-MONTH AND SIX-MONTH PERIOD ENDED DECEMBER 31, 2021

		Capital reserve	Revenue reserve	
	Share capital	Share premium	Un-appropriated profits	Total
	(Rupees in thousand)			
Balance as on July 1, 2020 (audited)	3,633,800	41,660	525,335	4,200,795
Loss for the period	-	-	(21,494)	(21,494)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	(21,494)	(21,494)
Transactions with owners in their capacity as owners recognised directly in equity	-	-	-	-
Balance as on December 31, 2020 (un-audited)	3,633,800	41,660	503,841	4,179,301
Balance as on July 1, 2021 (audited)	3,633,800	41,660	441,020	4,116,480
Profit for the period	-	-	6,658,714	6,658,714
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	6,658,714	6,658,714
Transactions with owners in their capacity as owners recognised directly in equity				
Interim dividend @ Rs 18.5 per ordinary share	-	-	(6,722,530)	(6,722,530)
Balance as on December 31, 2021 (un-audited)	**3,633,800**	**41,660**	**377,204**	**4,052,664**

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

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

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

	Note	December 31, 2021	December 31, 2020
		(Rupees in thousand)	
Cash flows from operating activities			
Cash generated from operations	15	69,831	40,759
Finance cost paid		(1,877)	(5,814)
Income tax paid		(2,168)	-
Net cash inflow from operating activities		65,786	34,945
Cash flows from investing activities			
Fixed capital expenditure		(50)	(449)
Proceeds from disposal of operating fixed assets		-	99
Purchase of short term investments		(132,141)	-
Profit on short term investments received		2,507	-
Dividend received		6,697,173	-
Profit on bank deposits received		11,959	6
Net cash inflow/(outflow) from investing activities		6,579,448	(344)
Cash flows from financing activities		-	-
Net increase in cash and cash equivalents		6,645,234	34,601
Cash and cash equivalents at the beginning of the period		70,249	(44,728)
Cash and cash equivalents at the end of the period	16	6,715,483	(10,127)

The annexed notes 1 to 20 form an integral part of these unconsolidated condensed interim financial statements.

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

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 Altern Energy Limited (the 'Company') was incorporated in Pakistan as a 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 is located 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 9 to these unconsolidated condensed interim financial statements.

1.3 During the previous year on August 25, 2020, the Company had 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 had 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. However, the Company has now requested the relevant authorities not to proceed with the above requests, and the management is no longer pursuing the retirement of the PPA and IA.

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:

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

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

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

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

2.2 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, 2021. 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, 2021, 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, 2021, 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, 2022 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

4. ACCOUNTING ESTIMATES

The preparation of these unconsolidated condensed interim financial statements requires management to make 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 of the Company for the year ended June 30, 2021, with the exception of change in estimate that is required in determining the provision for income taxes as referred to in note 5.

5. TAXATION

Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

In November 2019, the Securities and Exchange Commission of Pakistan ('SECP') had registered the Company as a Taxation Group, which comprised of DEL Processing (Private) Limited and its directly and indirectly held subsidiary companies namely:

- DEL Power (Private) Limited;
- DEL Chemicals (Private) Limited;
- Altern Energy Limited;
- Power Management Company (Private) Limited; and
- Rousch (Pakistan) Power Limited

Furthermore, in January 2020, SECP had also designated the Taxation Group for the purpose of Group Relief under Section 59B of the Income Tax Ordinance, 2001. Consequently, till June 30, 2021, the Group was taxed as one fiscal unit from the tax year 2020 onwards.

However, during the current period, SECP upon request of the Company, cancelled the Taxation Group registered in November 2019. Thereafter, in September 2021, SECP registered a Group comprising of the Company and its wholly owned subsidiary, Power Management Company (Private) Limited, and designated the Group for Group Taxation under section 59AA of the Income Tax Ordinance, 2001. Consequently, the Group will be taxed as one fiscal unit from the tax year 2022 onwards.

Current and deferred taxes based on the consolidated results of the Group are allocated within the Group on the basis of separate return method, modified for determining realizability of tax credits and tax losses which are assessed at Group level. Any adjustments in the current and deferred taxes of the Company on account of group taxation are credited or charged to unconsolidated statement of profit or loss in the year in which they arise.

6. This represents interim cash dividend at the rate of Rupees 18.5 per ordinary share, declared by the Board of Directors of the Company in its meeting held on December 17, 2021.

7. CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies and commitments from the preceding annual financial statements of the Company for the year ended June 30, 2021, except for the following:

i) Refer to note 10.1(vii) to the unconsolidated financial statements for the year ended June 30, 2021, such bank guarantee has been extended till December 31, 2022 and is renewable.

		Note	December 31, 2021 Un-audited	June 30, 2021 Audited
			(Rupees in thousand)	
8.	**Property, plant and equipment**			
	Operating fixed assets	8.1	414,988	442,847
	Major spare parts and stand-by equipment		2,692	2,692
			417,680	445,539
8.1	**Operating fixed assets**			
	Opening net book value		442,847	502,506
	Additions during the period/year		-	446
	Disposals during the period/year - at book value		-	(78)
	Depreciation charged for the period/year		(27,859)	(60,027)
			(27,859)	(60,105)
	Closing net book value		414,988	442,847

9. The Company directly holds 100% shares in its wholly owned subsidiary, Power Management Company (Private) Limited (PMCL) which in turn, directly holds 59.98% shares (June 30, 2021: 59.98%) in Rousch (Pakistan) Power Limited ('RPPL'). RPPL is an unlisted public company limited by shares incorporated in Pakistan to generate and supply electricity to CPPA-G from its combined cycle thermal power plant having a gross (ISO) capacity of 450 Mega Watts, located near Sidhnai Barrage, Abdul Hakim town, District Khanewal, Punjab.

10. This represents investment in units of mutual funds and are measured at fair value through profit or loss.

			December 31, 2021	June 30, 2021
			Un-audited	
11.	**Bank balances**	**Note**	**(Rupees in thousand)**	
	Cash at bank:			
	- on savings accounts		2,391	3,667
	- on current accounts		15,919	66,582
	Term Deposit Receipt	11.1	6,697,173	-
			6,715,483	70,249

11.1 This represents a Term Deposit Receipt invested at the rate of 14.75% per annum and has subsequently matured on January 07, 2022.

		Three-month period ended		Six-month period ended	
		2021	2020	2021	2020
		Un-audited		Un-audited	
		(Rupees in thousand)		(Rupees in thousand)	
12.	**Revenue**				
	Energy purchase price	-	319	-	164,842
	Sales tax	-	(46)	-	(23,951)
		-	273	-	140,891
	Capacity purchase price	-	-	-	32,894
	Delayed payment mark-up	(55)	2,731	1,058	7,405
		(55)	3,004	1,058	181,190
13.	**Direct costs**				
	RLNG consumed	64	(823)	169	127,190
	Salaries, wages and other benefits	269	191	522	393
	Operation and maintenance expenses	7,260	6,600	14,520	13,200
	Stores and spares consumed	254	3,991	982	5,916
	Purchase of energy from CPPA-G	728	437	1,791	1,183
	Insurance	722	485	1,445	971
	Lube oil consumed	83	32	83	466
	Travelling and conveyance	73	58	136	126
	Depreciation on operating fixed assets	13,806	14,895	27,526	29,789
	Security	1,681	1,566	3,071	3,170
	Generation license fee	66	50	131	99
	Miscellaneous	39	52	79	116
		25,045	27,534	50,455	182,619

14. Other income

This includes dividend income amounting to Rs 6,697,172,803, declared by the wholly owned subsidiary, PMCL at the rate of Rs 20.90 per share on December 16, 2021.

	Six-month period ended December 31, 2021	Six-month period ended December 31, 2020
	Un-audited	
	(Rupees in thousand)	
15. Cash generated from operations		
Profit/(loss) before taxation	6,668,833	(22,734)
Adjustment for non cash charges and other items:		
- Depreciation on operating fixed assets	27,859	30,260
- Amortization on intangible assets	120	-
- Profit on bank deposits	(33,602)	(6)
- Liabilities no longer payable written back	-	(346)
- Impairment reversal	(205)	-
- Dividend income from PMCL	(6,697,173)	-
- Profit on short term investments	(2,507)	-
- Fair value gain on short term investments	(5)	-
- Finance cost	1,877	4,617
- Provision for employee benefit obligations	543	528
	(6,703,093)	35,053
(Loss)/profit before working capital changes	(34,260)	12,319
Effect on cash flow due to working capital changes:		
(Increase)/decrease in stores and spares	(141)	1,574
Increase in advances, prepayments and other receivables	(138,692)	(3,576)
Decrease in trade debts	108,942	38,906
Increase/(decrease) in trade and other payables	133,982	(8,464)
	104,091	28,440
Cash generated from operations	69,831	40,759

16. Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash at bank	18,310	8,998
Term deposit receipt	6,697,173	-
Short term borrowings - secured	-	(19,125)
	6,715,483	(10,127)

17. 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:

		Six-month period ended	
		December 31, 2021	December 31, 2020
		Un-audited	
Relationship with the Company	**Nature of transaction**	(Rupees in thousand)	
i) Subsidiaries			
PMCL	Dividend received	6,697,173	-
RPPL	Common costs charged to the Company	177	273
ii) Entities on the basis of common directorship			
Descon Engineering Limited	Common costs charged to the Company	1,698	1,361
Descon Power Solutions (Private) Limited	Operation and maintenance contractor's fee	14,520	13,200
	Common cost charged to the Company	179	120
Descon Corporation (Private) Limited	ERP implementation fee and running costs	83	126
	Building rent	480	396
Inspectest (Private) Limited	Inspection Testing services	119	-
iii) Key management personnel	Short term employee benefits	3,178	2,773
	Director's meeting fee	375	375

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

	December 31, 2021	June 30, 2021
	Un-audited	Audited
Period / year end balances	(Rupees in thousand)	
Payable to related parties		
Subsidiary		
Rousch (Pakistan) Power Limited	259	25
Entities on the basis of common directorship		
Descon Engineering Limited	1,448	-
Descon Corporation (Private) Limited	195	24
Inspectest (Private) Limited	246	1,123
Descon Power Solutions (Private) Limited	3,743	4,896
	5,891	6,068
Receivable from related parties		
Key management personnel	833	1,167

18. Financial risk management

18.1 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, 2021.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2021.

18.2 Fair value estimation

a) Fair value hierarchy

The different levels for fair value estimation used by the Company have been defined as follows:

- The fair value of financial instruments traded in active markets (such as publicly traded equity securities) is based on quoted (unadjusted) market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1.

- The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to determine fair value of an instrument are observable, the instrument is included in Level 2.

- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity instruments.

To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into the three levels prescribed above. The following table presents the Company's financial assets measured and recognised at fair value at December 31, 2021 and June 30, 2021 on a recurring basis:

	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
As at December 31, 2021				
Recurring fair value measurements				
Assets				
Short term investments	132,136	-	-	132,136
As at June 30, 2021				
Recurring fair value measurements				
Assets				
Short term investments	-	-	-	-

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between Levels 1, 2 and 3 during the period. There were no changes in valuation techniques during the period.

The Company did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at December 31, 2021.

19. Date of authorization for issue

These unconsolidated condensed interim financial statements were authorized for issue on February 16, 2022 by the Board of Directors of the Company.

20. 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.

Chief Executive	Chief Financial Officer	Director

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

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

EQUITY AND LIABILITIES	Note	Un-audited December 31, 2021	Audited June 30, 2021
		(Rupees in thousand)	
SHARE CAPITAL AND RESERVES			
Authorized share capital			
400,000,000 (June 30, 2021: 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, 2021: 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		10,048,530	15,446,166
Attributable to owners of the Parent Company		13,723,990	19,121,626
Non-controlling interests		9,208,177	13,057,299
Total equity		22,932,167	32,178,925
NON-CURRENT LIABILITIES			
Employees benefit obligations		15,374	15,075
Deferred taxation		1,035,094	1,467,802
		1,050,468	1,482,877
CURRENT LIABILITIES			
Trade and other payables		625,960	950,634
Short term borrowings from banking companies- secured		5,625	4,354
Accrued markup on short term borrowings from banking companies- secured		1,251	58,457
Unclaimed dividends		2,143	2,143
Dividend Payable		10,444,208	-
		11,079,187	1,015,588
CONTINGENCIES AND COMMITMENTS	6		
		35,061,822	34,677,390

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

Chief Executive	Chief Financial Officer	Director

As at December 31, 2021

ASSETS	Note	Un-audited December 31, 2021	Audited June 30, 2021
		(Rupees in thousand)	
NON-CURRENT ASSETS			
Property, plant and equipment	7	13,717,647	14,496,889
Intangible assets		1,317	1,626
Long term deposits		754	754
Long term loan to employees		2,325	2,998
		13,722,043	14,502,267
CURRENT ASSETS			
Store, spares & loose tools		669,236	674,195
Inventory of fuel oil		455,376	457,115
Trade debts - secured, considered good		10,333,673	16,109,046
Loans, advances, prepayments and other receivables		1,565,684	1,301,557
Income tax recoverable		184,022	156,642
Short Term Investment	8	238,609	103,056
Bank balances		7,893,179	1,373,512
		21,339,779	20,175,123
		35,061,822	34,677,390

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 SIX-MONTH PERIOD ENDED DECEMBER 31, 2021

		Three-month period ended		Six-month period ended	
		December 31,	December 31,	December 31,	December 31,
		2021	2020	2021	2020
	Note	(Rupees in thousand)		(Rupees in thousand)	
Revenue	9	2,800,555	2,317,583	8,727,208	4,915,366
Direct costs	10	(1,781,097)	(720,857)	(6,220,717)	(1,714,525)
Gross profit		1,019,458	1,596,726	2,506,491	3,200,841
Administrative expenses		(41,821)	(77,624)	(75,554)	(131,253)
Other expenses		-	-	(17,226)	-
Other income		88,674	14,442	99,219	17,423
Finance cost		(42,648)	(65,147)	(69,598)	(129,865)
Settlement of dispute with CPPA-G		-	(1,659,822)	-	(1,659,822)
Profit/ (Loss) before taxation		1,023,663	(191,425)	2,443,332	1,297,324
Taxation		(69,366)	1,347	(137,545)	712
Profit/ (Loss) for the period		954,297	(190,078)	2,305,787	1,298,036
Attributable to:					
Equity holders of the Parent Company		1,016,734	(127,641)	1,324,894	770,587
Non-controlling interest		(62,437)	(62,437)	980,893	527,449
		954,297	(190,078)	2,305,787	1,298,036
Earnings / (Loss) per share attributable to equity holders of the Parent Company during the period - basic and diluted					
	Rupees	2.80	(0.35)	3.65	2.12

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim 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 SIX-MONTH PERIOD ENDED DECEMBER 31, 2021

	Three-month period ended		Six-month period ended	
	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
	(Rupees in thousand)		(Rupees in thousand)	
Profit/ (Loss) for the period	954,297	(190,078)	2,305,787	1,298,036
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 / (Loss) for the period	954,297	(190,078)	2,305,787	1,298,036
Attributable to:				
Equity holders of the Parent Company	1,016,734	(127,641)	1,324,894	770,587
Non-controlling interest	(62,437)	(62,437)	980,893	527,449
	954,297	(190,078)	2,305,787	1,298,036

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim 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 THREE-MONTH AND SIX-MONTH PERIOD ENDED DECEMBER 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, 2020 (Audited)	3,633,800	41,660	14,637,976	11,484,480	29,797,916
Profit for the period	-	-	770,587	527,449	1,298,036
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	770,587	527,449	1,298,036
Transactions with owners in their capacity as owners:	-	-	-	-	-
Balance as on December 31, 2020 (Un-audited)	3,633,800	41,660	15,408,563	12,011,929	31,095,952
Balance as on July 01, 2021 (Audited)	3,633,800	41,660	15,446,166	13,057,299	32,178,925
Profit for the period	-	-	1,324,894	980,893	2,305,787
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	1,324,894	980,893	2,305,787
Transactions with owners in their capacity as owners:	-	-	-	-	-
Interim cash dividend @ Rs 18.50 per ordinary share by Parent Company			(6,722,530)	-	(6,722,530)
Interim cash dividend paid to non-controlling interest by Rousch	-	-	-	(4,830,015)	(4,830,015)
Balance as on December 31, 2021 (Un-audited)	**3,633,800**	**41,660**	**10,048,530**	**9,208,177**	**22,932,167**

The annexed notes 1 to 16 form an integral part of these consolidated condensed interim 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 SIX-MONTH PERIOD ENDED DECEMBER 31, 2021

	Note	December 31, 2021	December 31, 2020
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used) in operations	11	8,392,071	(399,076)
Long term deposits - net		-	(15)
Finance cost paid		(100,090)	(161,416)
Income tax paid		(555,931)	(7,026)
Interest income received		56,978	1,820
Long term loans to employees - net		340	-
Retirement benefits paid		(2,255)	(3,601)
		(600,958)	(170,238)
Net cash inflow/ (outflow) from operating activities		7,791,113	(569,314)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure - net		(3,759)	(12,074)
Investments acquired during the period		(5,824,688)	-
Investment disposed off during the period		5,645,579	-
Profit on bank deposits received		11,959	4,393
Proceeds from disposal of operating fixed assets		38	99
Net cash outflow from investing activities		(170,871)	(7,582)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(1,101,846)	-
Net cash inflow from financing activities		(1,101,846)	-
Net increase/ (decrease) in cash and cash equivalents		6,518,396	(576,896)
Cash and cash equivalents at the beginning of the period		1,369,158	(1,928,115)
Cash and cash equivalents at the end of the period	12	7,887,554	(2,505,011)

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

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

1. THE GROUP AND ITS OPERATIONS

Altern Energy Limited (the 'Parent Company') and its subsidiaries, Power Management Company (Private) Limited ('PMCL') and Rousch (Pakistan) Power Limited ('RPPL'), (together, the 'Group') are engaged in power generation activities.

1.1 The Group is structured as follows:

	Note	(Effective holding percentage) Un-audited December 31, 2021	Audited June 30, 2021
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 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 a subsidiary of DEL Power (Private) Limited ('the Holding Company'). The Ultimate Parent of the Parent Company is DEL Processing (Private) Limited. The Parent Company's ordinary shares are listed on the Pakistan Stock Exchange Limited. The registered office of the Parent Company is situated at Descon Headquarters, 18 km, Ferozepur Road, Lahore and its thermal power plant is located 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, 2021: 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.

During the previous year on August 25, 2020, the Parent Company had 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 had 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. However, the Parent Company has now requested the relevant authorities not to proceed with the above requests, and the management is no longer pursuing the retirement of the PPA and IA.

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'). RPPL is a subsidiary of PMCL, which is a wholly owned subsidiary of the Parent Company. Further, the ultimate parent of RPPL is DEL Processing (Private) Limited, Pakistan. 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, 2021: 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 4th Floor, Evacuee Trust Complex, on Plot No. 4, Sector F-5/1, 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 gas 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 Ministry of Petroleum and Natural Resources, now Ministry of Energy, Petroleum Division), empowered for RLNG allocation by the ECC of the Federal Cabinet, 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 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, the RPPL agreed to transfer ownership of the Complex (including land) to CPPA-G at a token value of US$ 1 at the expiry of the 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 228 days as of December 31, 2021, owing to non-supply of RLNG under interim GSA. Moreover, the PPA term has also been extended by 112 days as per the terms of the Settlement Agreement. Resultantly, the term of PPA will now end in November 2030 and the remaining life of the Complex is approximately 9 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 members of RPPL approved the signing and execution of the Agreements. Accordingly, on February 11, 2021, RPPL and CPPA-G signed and executed the Agreements.

As per the terms of PPA Amendment Agreement, RPPL has started raising Capacity Purchase Price ('CPP') invoices according to the revised Tariff. The tariff reduction of 11% will also apply to Variable Operations and Maintenance portion of Energy Purchase Price ('EPP') invoicing starting from the date of receipt of first tranche i.e. June 4, 2021. Consequently, the Group has also assessed the accounting implications of these developments on these financial statements, including the impairment testing of the Cash Generating Unit ('CGU') under International Accounting Standard (IAS) 36, 'Impairment of Assets'. However, according to Group's assessment, there is no impairment of the CGU.

On February 11, 2021, RPPL and CPPA-G signed the Settlement Agreement as part of the PPA Amendment Agreement, whereby both parties decided to resolve the issue of LDs pertaining to the year 2013 and 2017 amicably as per the agreed terms. According to the terms, RPPL will refund the Capacity Payments already received from CPPA-G, which pertain to 2013 LDs period along with 50% of late payment interest accrued on these Capacity Payments. The event will be treated as an OFME and PPA will be extended by a total of 112 days on account of 2013 and 2017 LDs period. As a result of the PPA Amendment Agreement, LDs amount raised by CPPA-G stands withdrawn irrevocably. After this settlement, no party will have any claim against the other party with regards to LDs levied by CPPA in 2013 and 2017.

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, 2021. 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, 2021, 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, 2021, 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 Group

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group accounting periods beginning on or after January 01, 2022 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.

3.4 Group taxation

In November 2019, the Securities and Exchange Commission of Pakistan ('SECP') had registered the Group as a Taxation Group, which comprised of DEL Processing (Private) Limited and its directly and indirectly held subsidiary companies namely:

- DEL Power (Private) Limited;
- DEL Chemicals (Private) Limited;
- Altern Energy Limited;
- Power Management Company (Private) Limited; and
- Rousch (Pakistan) Power Limited

Furthermore, in January 2020, SECP had also designated the Taxation Group for the purpose of Group Relief under Section 59B of the Income Tax Ordinance, 2001. Consequently, till June 30, 2021, the Group was taxed as one fiscal unit from the tax year 2020 onwards.

However, during the current period, SECP upon request of the Group, cancelled the Taxation Group registered in November 2019. Thereafter, in September 2021, SECP registered a Group comprising of the Parent Company and its wholly owned subsidiary, PMCL. Thereafter, SECP also designated the Group for Group Taxation under section 59AA of the Income Tax Ordinance, 2001. Consequently, the Group will be taxed as one fiscal unit from the tax year 2022 onwards.

Current and deferred taxes based on the consolidated results of the Group are allocated within the Group on the basis of separate return method, modified for determining realizability of tax credits and tax losses which are assessed at Group level. Any adjustments in the current and deferred taxes of the Group on account of group taxation are credited or charged to consolidated statement of profit or loss in the year in which they arise.

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 annual financial statements of the Group for the year ended June 30, 2021.

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, 2021.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2021.

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. 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, 2021, except for the following:

6.1 Contingencies

a) National Bank of Pakistan has issued standby letter of credit (SBLC) on behalf of RPPL for Rs. 4,981 million (June 30, 2021 : Rs 4,981 million) in favor of SNGPL as a security to cover gas supply for which payments are made in arrears. The SBLC will expire on July 13, 2022, which is renewable.

b) Habib Metropolitan Bank Limited has issued a guarantee on behalf of the Parent Company of Rs. 532.68 million (June 30, 2021 : Rs. 532.68 million) in favour of SNGPL as a a security to cover natural gas/ RLNG supply for which payments are made in arrears. The guarantee is due to expire on December 31, 2022, which is renewable.

6.2 Commitments - Nil

	Un-audited December 31, 2021	Audited June 30, 2021
	(Rupees in thousand)	
7 PROPERTY, PLANT AND EQUIPMENT		
Operating fixed assets	13,708,129	14,488,260
Capital work in progress	6,826	5,937
Major spare parts and stand-by equipment	2,692	2,692
	13,717,647	14,496,889

8 SHORT TERM INVESTMENT

This represents investment in units of mutual funds and are measured at fair value through profit or loss.

9 REVENUE - NET

	Un-audited Three-month period ended December 31, 2021	Un-audited Three-month period ended December 31, 2020	Un-audited Six-month period ended December 31, 2021	Un-audited Six-month period ended December 31, 2020
	(Rupees in thousand)		(Rupees in thousand)	
Energy purchase price - gross	1,180,827	22,476	5,548,606	361,111
Sales tax	(171,573)	(3,266)	(806,208)	(52,469)
Energy purchase price - net	1,009,254	19,210	4,742,398	308,642
Capacity purchase price	1,447,416	2,024,329	3,250,086	4,081,551
Delayed payment mark-up	343,885	274,044	734,724	525,173
	2,800,555	2,317,583	8,727,208	4,915,366

10 DIRECT COSTS

	Un-audited Three-month period ended December 31, 2021	Un-audited Three-month period ended December 31, 2020	Un-audited Six-month period ended December 31, 2021	Un-audited Six-month period ended December 31, 2020
	(Rupees in thousand)		(Rupees in thousand)	
RLNG consumed	994,346	(823)	4,708,326	127,190
Operation and maintenance expenses	176,575	161,882	401,435	328,953
Depreciation on operating fixed assets	391,515	369,384	779,721	807,741
Stores and spares consumed	125,366	72,623	140,221	230,949
Repairs & maintenance	2,775	30,597	2,847	31,193
Insurance cost	27,578	33,825	57,806	67,802
Purchase of energy from CPPA-G	39,483	33,248	82,853	80,120
Salaries, benefits and other allowances	6,092	8,534	14,623	19,520
Traveling & conveyance	748	356	811	424
Generation license fee and electricity duty	7,724	2,056	15,866	4,274
Colony maintenance	4,011	5,124	7,396	8,487
Communication	1,455	1,398	2,804	2,755
Vehicle maintenance	275	156	526	444
Security expenses	1,681	1,566	3,071	3,170
Liquidated damages	-	71	-	71
Miscellaneous expenses	1,473	860	2,411	1,432
	1,781,097	720,857	6,220,717	1,714,525

		Un-audited	
		Six-month period ended	
		December 31, 2021	December 31, 2020
		(Rupees in thousand)	
11	**CASH GENERATED FROM / (USED IN) OPERATIONS**		
	Profit before taxation	2,443,332	1,297,324
	Adjustment for non cash charges and other items:		
	-Depreciation on operating fixed assets	783,148	810,811
	-Impairment loss on property, plant & equipment	(205)	-
	-Profit on short term investments	(3,984)	-
	-Gain on disposal of operating fixed assets	-	(37)
	-Provision for employee benefit obligation	2,553	4,006
	-Liabilities no longer payable written back	-	(12,575)
	-Amortization of intangible assets	120	-
	-Exchange gain -net	9	-
	-Fair value gain on short term investment	(5)	-
	-Loss on sale of investment	41,043	-
	-Finance cost	42,882	129,864
	-Profit on bank deposits	(90,580)	(4,661)
	Profit before working capital changes	3,218,354	2,224,732
	Effect on cash flow due to working capital changes:		
	Decrease / (Increase) in current assets		
	-Stores, spares and loose tools	6,918	(5,134)
	-Trade debts- secured	5,775,373	(2,430,731)
	-Advances, prepayments and other receivables	(140,674)	(201,461)
		5,641,617	(2,637,326)
	Decrease / (Increase) in current liabilities		
	-Decrease in trade and other payables	(467,900)	13,518
		5,173,717	(2,623,808)
		8,392,071	(399,076)
12	**CASH AND CASH EQUIVALENTS**		
	Bank balances	7,893,179	89,894
	Short term borrowings - secured	(5,625)	(2,594,905)
		7,887,554	(2,505,011)

13 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	
		Six-month period ended	
		December 31, 2021	December 31, 2020
		(Rupees in thousand)	
Relationship with the Group	**Nature of transactions**		
i. Other related parties			
On the basis of common directorship			
Descon Engineering Limited:			
	Common costs charged to the Group	9,295	8,497
Descon Power Solutions (Private) Limited:			
	Operations & maintenance contractor's fee	295,580	301,074
	Common costs charged to the Group	2,044	537
Descon Corporation (Private) Limited:			
	ERP implementation fee & running costs	4,421	126
	Common costs charged to the Group	14,297	12,799
Inspectest (Private) Limited			
	Inspection Testing services	119	-
ii. Group companies			
Siemens Pakistan Engineering Company Limited			
	Purchase of long term maintenance services	21,019	4,703
	Purchase of spare parts	209	7,985
iv. Key Management Personnel			
	Short-term employment benefits	27,955	35,634
	Director's meeting fee	375	375

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 December 31, 2021	Audited June 30, 2021
	(Rupees in thousand)	
Period end balances are as follows:		
Payable to related parties		
Descon Engineering Limited (Holding company)	9,666	-
Descon Corporation (Private) Limited (Associated company)	428	2,088
Descon Power Solutions (Private) Limited (Associated company)	51,551	48,771
Siemens Pakistan Engineering Company Limited	287	-
Inspectest (Private) Limited	246	1,123
	62,178	51,982
Receivable from related parties		
Siemens Pakistan Engineering Company Limited	3,829	-

14. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on February 16, 2022 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 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.

16. GENERAL

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

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

NOTE

NOTE