AEL

CONDENSED INTERIM FINANCIAL STATEMENTS

(UN-AUDITED)
FOR THE THREE-MONTH AND
NINE-MONTH PERIOD ENDED MARCH 31, 2019

ALTERN ENERGY LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Taimur Dawood	(Chairman)
Mr. Fazal Hussain Asim	(Chief Executive)
Mr. Farooq Nazir	
Mr. Shah Muhammad Chaudhry	
Mr. Faisal Dawood	
Mr. Khalid Salman Khan	
Syed Rizwan Ali Shah	(Independent Director)

AUDIT COMMITTEE

Mr. Farooq Nazir	(Chairman)
Mr. Shah Muhammad Chaudhry	
Syed Rizwan Ali Shah	(Independent Director)

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Farooq Nazir	(Chairman)
Mr. Fazal Hussain Asim	
Mr. Shah Muhammad Chaudhry	

CFO AND COMPANY SECRETARY

Mr. Umer Shehzad

HEAD INTERNAL AUDIT

Ms. Annie Mazher Malik

EXTERNAL AUDITORS

A.F. Ferguson & Co. Chartered Accountants

BANKERS

MCB Bank Limited
The Bank of Punjab
Habib Bank Limited
Habib Metropolitan Bank Limited

REGISTERED OFFICE

DESCON HEADQUARTERS

18-km Ferozpur Road, Lahore.

REGISTRAR SHARES

Corplink (Pvt.) Limited

Wings Arcade, 1-k Commercial Model Town, Lahore.

Tel: (92-42) 35839182 Fax: (92-42) 35869037

I am pleased to present to you, the financial results of the Company for the nine months period ended March 31, 2019.

The Energy Sector is passing through major developments since last few years with notable investments by the Government of Pakistan and local as well as foreign private investors. Pakistan's power generation capacity has witnessed sizeable increase due to addition of more than 10,000 MW thermal, hydel and renewable power generating plants. In spite of these developments, lack of investment to improve Transmission and Distribution networks has unfortunately hindered the distribution of additional generation to the end users. Another challenge for the GoP is the ever increasing circular debt in the backdrop of uncontrolled transmission and distribution losses coupled with theft and low recovery ratios of Distribution Companies.

Your Board is fully aware of its role and responsibility to contribute towards rehabilitation of the power sector which will ultimately benefit the country in the longer run. Our active role in the power sector is evident from investment in another Independent Power Producer company namely Rousch (Pakistan) Power Limited (Rousch); a 450 Mega Watts gas- fired combined cycle thermal power plant.

Although, both companies, Altern and Rousch have faced challenges in recent past in terms of gas availability, dispatch demand from National Power Control Centre (NPCC) and impact of circular debt issue facing the off-taker i.e. Central Power Purchasing Agency (Guarantee) Limited (CPPA-G), yet we have been able to manage the partial operations with dedication and perseverance in these challenging times. As a result of persistent shortfall in gas resources, the Board of Directors authorized management to avail Re-gasified Liquid Natural Gas (RLNG) to produce electricity in place of indigenous gas. But this has led to higher cost of production leading to further decline in demand from the off-taker and serious shortfall in profitability. Particularly Altern, being on take-and-pay arrangement with the off-taker, faces serious challenges to keep the plant operational in view of reduced / no dispatch from NPCC as a result of its lower position in economic dispatch merit order. However, in the current situation the Company may not get sustainable dispatch from NPCC in the medium and long term. Your Board is currently considering the consequences of this complex situation which has no precedent and has myriad of consequences.

During the period under review, the Parent Company, Altern, is engaged in negotiations for signing interim tri-partite Gas Supply Agreement (GSA) with SNGPL and CPPA-G to avail RLNG for producing electricity, whereas Rousch has approached CPPA-G for extension in interim GSA with SNGPL and CPPA-G which expired on June 30, 2018. CPPA-G has recommended to the Ministry of Energy (Power Division) for seeking approval for the extension of interim GSA from the Economic Coordination Committee of Cabinet, which is in process.

I take this opportunity to place my gratitude to our Board of Directors who have contributed immensely by leading management to keep the Company operational in these challenging times. I would further extend my appreciation to Company's management for their devotion, commitment and perseverance. I also acknowledge the support of our valued Shareholders for their trust in the abilities of the Board and management to deliver results.

Taimur Dawood
Chairman

Lahore - April 17, 2019

چیئر مین کا جائزہ

میں 31مارچ2019ءکوختم ہونے والی ششماہی کے لئے کمپنی کے مالی نتائج پیش کرتے ہوئے خوشی محسوس کرر ہا ہوں۔

بجلی کا شعبہ گزشتہ چند سالوں سے حکومت پاکستان، مقامی اور غیر ملکی سرمایہ کاروں کی طرف سے قابل ذکر سرمایہ کاری کے ساتھ اہم تبدیلیوں سے گزر رہا ہے۔ پاکستان کی بجلی کی پیداواری صلاحیت تھرمل، ہائیڈل اور قابل تجدید پاور جنریشن پلانٹ میں 10,000 میگاواٹ سے زیادہ صلاحیت کے اضافہ کی وجہ سے نمایاں طور پر بڑھ گئی ہے۔ ان پیشرفتوں کے باوجود، ترسیل اور ڈسٹری بیوشن نیٹ ورکس کو بہتر بنانے کے لئے سرمایہ کاری کی کمی نے بدقسمتی سے آخری صارفین تک نئی پیداوار کی تقسیم کو کم کر دیا۔ بجلی کی چوری اور ڈسٹری بیوشن کمپنیوں کے کم ریکوری تناسب کے پس منظر میں گردشی قرضہ میں اضافہ حکومت پاکستان کے لئے ایک اور چیلنج ہے۔

آپ کا بورڈ توانائی کے شعبے کی بحالی میں حصہ لینے کے لئے اپنے کردار اور ذمہ داری سے مکمل طور پر واقف ہے جو بالآخر طویل عرصہ تک ملک کو فائدہ پہنچائے گا۔ بجلی کے شعبے میں ہمارا فعال کردار ایک مزید خود مختار پاور پروڈیوسر کمپنی Rousch (پاکستان) پاور لمیٹڈ؛ میں ایک 450 میگاواٹ گیس فائرڈ کمبائنڈ سائیکل تھرمل پاور پلانٹ کے لئے سرمایہ کاری سے ظاہر ہوتا ہے۔

اگرچہ Altern اور Rousch دونوں کمپنیوں نے ماضی قریب میں گیس کی دستیابی نیشنل پاور کنٹرول سنٹر (NPCC) سے ترسیل طلب اور آف ٹیکر یعنی سنٹرل پاور پرچیزنگ ایجنسی گارنٹی لمیٹڈ (CPPA-G) کے گردشی قرضہ کے مسئلہ کے اثرات کے لحاظ سے مشکلات کا سامنا کیا ہے، پھر بھی ہم لگن اور ہمت کے ساتھ مشکل اوقات میں کاروبار کرنے میں کامیاب رہے ہیں۔ گیس کے وسائل میں مستقل کمی کے نتیجہ میں، بورڈ آف ڈائریکٹرز نے انتظامیہ کو مقامی گیس کی جگہ بجلی پیدا کرنے کے لئے ری گیسیفائیڈ لیکویڈ نیچرل گیس (RLNG) سے مستفید ہونے کا اختیار دیا ہے۔ لیکن آف ٹیکر سے طلب میں مزید کمی اور پیداواری اخراجات میں بہت زیادہ اضافہ سے منافع میں شدید کمی واقع ہوئی ہے۔
خاص طور پر Altren کو، آف ٹیکر کے ساتھ ٹیک اینڈ پے کی حیثیت سے، اقتصادی ڈسپیچ میرٹ آرڈر میں کم پوزیشن کے سبب NPCC سے کم/ کوئی ترسیل نہ ہونے کے مدِ نظر پلانٹ کو آپریشنل رکھنے کے لئے شدید مشکلات کا سامنا کرنا پڑتا ہے۔ تاہم، موجودہ صورت حال میں کمپنی درمیانی اور طویل مدت میں NPCC سے پائیدار ترسیل حاصل نہیں کر سکتی ہے۔ بورڈ فی الحال اس پیچیدہ صورت حال کے نتائج پر غور کر رہا ہے جس کی پہلے سے مثال کوئی نہیں اور مسائل بے شمار ہیں۔

زیرِ جائزہ مدت کے دوران، پیرنٹ کمپنی، Altern، بجلی پیدا کرنے کے لئے RLNG سے مستفید ہونے کے لئے SNGPL اور CPPA -G کے ساتھ عبوری تھرڈ پارٹی گیس سپلائی معاہدہ (جی ایس اے) پر دستخط کرنے کے لئے مذاکرات کر رہی ہے، جبکہ SNGPL Rousch اور CPPA-G کے ساتھ عبوری GSA میں توسیع کے لئے CPPA-G تک رسائی حاصل کی جو 30 جون 2018 کو ختم ہو گیا ہے۔ CPPA-G نے کابینہ کی اقتصادی تعاون کمیٹی سے عبوری GSA کی توسیع کے لئے منظوری حاصل کرنے کے لئے وزارت توانائی کو سفارش کی ہے، جو زیرِ پراسیس ہے۔

میں کمپنی کے بورڈ آف ڈائریکٹرز کا شکر گزار ہوں جنہوں نے ان مشکل اوقات میں کمپنی کو آپریشنل رکھنے میں انتظامیہ کی مدد کی ہے۔ میں کمپنی کی انتظامیہ کی لگن اور ہمت کو بھی سراہوں گا۔ میں نتائج کے حصول کے لئے بورڈ اور انتظامیہ کی صلاحیتوں پر ان کے اعتماد کے لئے اپنے قابلِ قدر حصص یافتگان کے تعاون کا بھی شکر گزار ہوں۔

تیمور داؤد
چیئر مین
17 اپریل 2019ء
لاہور

The Board of Directors of the Company takes pleasure to present the review report on financial and operational performance and (un-audited) interim financial statements of the Company for the nine months ended March 31, 2019.

GENERAL

The principal activities of the Company continue to be ownership, operation and maintenance of a 32 Mega Watts (June 30, 2018: 32 Mega Watts) gas based thermal power plant located near Fateh Jang, district Attock, Punjab, and sale of electricity produced to its sole customer Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G'). The Company's shares are listed on Pakistan Stock Exchange.

The Company owns 100% shares of Power Management Company (Private) Limited (a special purpose vehicle) which in turn holds 59.98% shares of Rousch (Pakistan) Power Limited ('RPPL'). RPPL is an unlisted public company and an independent power producer having a gross ISO capacity of 450 Mega Watts (June 30, 2018: 450 Mega Watts) from its gas-fired combined cycle thermal power plant, located near Sidhnai Barrage, near Abdul Hakeem, District Khanewal, Punjab.

FINANCE

During the period under review, the total turnover of the Company was Rs. 414 million (Rs. 1,176 million in corresponding period of 2018) resulting in a gross profit of Rs. 18 million as compared to gross profit of Rs. 50 million in corresponding period of 2018. The Company posted net profit of Rs. 1,198 million resulting in earnings per share of Rs. 3.30, as compared to net profit of Rs. 1,454 million and earnings per share of Rs. 4.00 in corresponding period of 2018. The Company's investment in RPPL has contributed Rs. 1,228 million to the net profit during the period. Operations from the Company's power plant suffered due to low demand from NPCC due to lower ranking in merit order of economic despatch and non-availability of gas during winter period. Without dividend contribution from RPPL, the Company would have suffered loss of Rs. 30 million (loss per share of 0.08) from its own operations.

The Company's sole off-taker, CPPA-G, continues to make payments with considerable delays due to circular debt issue which has been affecting the liquidity position of your Company as well as other power sector companies. Despite the delayed inflows from CPPA-G, the Company has been able to manage the cashflows to meet all its obligations including debt-servicing and operational payments. In the meanwhile, the Company's management is persistently interacting with the power purchaser, and Ministry of Energy (Power division) for timely release of due payments.

OPERATIONS

Due to an influx of significant generation capacity into the national grid system during the last few years, our plant has witnessed serious shortfall in dispatch demand from NPCC as the new plants are economical due to better efficiency and rank above Altern's plant in NPCC/CPPA's economic despatch merit order. It is evident from the fact that the plant dispatched 19 GWh during period under review as compared to 116.5 GWh dispatched during the corresponding nine months of the preceding financial year. The fact that the Company has a take-and-pay contract with CPPA-G, has exposed our Company to a serious challenge to remain operational since less dispatch results in less capacity revenue. In the current situation the Company may not get sustainable dispatch from NPCC in the medium and long term. The Board is currently considering many options, including both contractual and commercial, as this complex situation has no precedent and has myriad of consequences. The management has been assigned responsibility to present the impact of these options so that a decision can be made as soon as possible.

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

DIVIDEND DECLARATION

On March 15, 2019, the Board of Directors declared 1st Interim dividend @31.50% i-e Rs. 3.15 per ordinary share to the shareholders of the Company.

SUBSIDIARY'S REVIEW

During the period under review, your Company's subsidiary RPPL posted turnover of Rs. 11,273 million (Rs. 20,630 million in corresponding period of 2018) earning gross profit of Rs. 2,592 million (Rs. 3,118 million in corresponding period of 2018). Net profit for the period was Rs. 1,875 million (compared to Rs. 2,445 Million in the corresponding period of 2018) delivering earnings per share (EPS) of Rs. 2.17 per share of Rs.10 each (EPS Rs. 2.841 in corresponding period of 2018).

Payment default from the company's sole customer, CPPA-G continues. During March 2019, CPPA-G paid Rs. 2,047 million to RPPL under circular debt settlement arranged by the Government of Pakistan. As on March 31, 2019, the overdue receivables from CPPA-G were Rs. 10,271 million (June 30, 2018: Rs. 11,362 million). The company is pursuing CPPA-G for timely payment of its receivables on regular basis. Another round of circular debt settlement is expected within this financial year which will help to bring down the company's overdue receivables.

During the period, the company has paid Rs. 3,063 million to its lenders.

The company declared Other Force Majeure Event (OFME) on 06 December 2018 under the interim Gas Supply Agreement due to suspension of RLNG supply which continued till February 28, 2019. During the period, 547 GWh of electricity was delivered to CPPA- G as compared to 1,900 GWh delivered during the corresponding period of last year. Plant dispatch factor was 22.49% (74.93% in corresponding period of last year).

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

FUTURE OUTLOOK

The energy shortfall for more than a decade has adversely affected the socio-economic progress of the country. The energy sector in Pakistan has undergone a transition phase in the last few years whereby significant investment has been made by the GoP as well as private sector. Three RLNG-based, two coal-based, renewable and a few hydel power projects of about 10,000 MW have become operational whereas many other power projects are expected to come online in next 2-3 years which will positively affect demand-supply gap. Another crucial challenge for the GoP is to augment/upgrade the existing transmission and distribution systems which are currently not upto the required capacity to evacuate the additional power generation and distribution to end consumers. Addition of more efficient generation capacity in the country has impacted AEL's financial results negatively during the period under review and this trend may exacerbate in times to come. The management is endeavouring to keep the plant available under these challenging circumstances.

QUALITY, ENVIRONMENT, HEALTH & SAFETY

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

ACKNOWLEDGEMENT

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

Fazal Hussain Asim
Chief Executive

Shah Muhammad Chaudhry
Director

April 17, 2019 - Lahore

ڈائریکٹرز کی جائزہ رپورٹ

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

عمومی

کمپنی کی اہم ترین سرگرمیوں میں 32 میگاواٹ (30 جون 32:2018 میگاواٹ) کے گیس پرمبنی تھرمل پاور پلانٹ واقع نزد فتح جنگ ضلع اٹک پنجاب کی ملکیت، آپریشن، دیکھ بھال اور اپنے واحد صارف سنٹرل پاور پرچیزنگ ایجنسی (گارنٹی) لمیٹڈ ('CPPA-G') کو بجلی کی فروخت شامل ہے۔ کمپنی کے حصص پاکستان اسٹاک ایکسچینج لمیٹڈ میں درج ہیں۔

کمپنی PMCL (پرائیویٹ) لمیٹڈ (خصوصی مقصد کی کمپنی) 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 (30 جون 450:2018 میگاواٹ) کی مجموعی ISO صلاحیت رکھنے والی خودمختار پاور پروڈیوسر ہے جو کہ سدھنائی بیراج، عبدالحکیم، ضلع خانیوال، پنجاب کے قریب واقع ہے۔

فنانس

زیرِ جائزہ مدت کے دوران کمپنی کا کل ٹرن اوور 414 ملین روپے (2018 کی اسی مدت میں 1176 ملین روپے) جس کے نتیجے میں مجموعی منافع 18 ملین روپے حاصل ہوا جبکہ 2018 کی اسی مدت میں مجموعی منافع 50 ملین روپے تھا۔ کمپنی نے 1,198 ملین روپے خالص منافع درج کیا جس کے نتیجہ میں 3.30 روپے فی شیئر آمدنی ہوئی، جبکہ گزشتہ سال 2018 کی اسی مدت میں 1,454 ملین روپے خالص منافع اور 4.00 روپے فی شیئر آمدنی ہوئی۔

کمپنی کی RPPL میں سرمایہ کاری نے اس مدت کے دوران خالص منافع میں 1,228 ملین روپے کا حصہ شامل کیا۔ اکنامک ڈسپیچ کے میرٹ آرڈر میں کم رینکنگ اور سردیوں کے موسم میں گیس کی عدم دستیابی کے باعث NPCC سے کم طلب کی وجہ سے کمپنی کے پاور پلانٹ کو مشکلات برداشت کرنا پڑیں۔ RPPL سے ڈیویڈینڈ شراکت کے بغیر، کمپنی کو اپنے آپریشن سے 30 ملین روپے نقصان (0.08 فی شیئر نقصان) برداشت کرنا پڑے گا۔

کمپنی کے بجلی کے واحد خریدار CPPA-G کی طرف سے گردشی قرضہ کی وجہ سے ادائیگیوں میں تاخیر ایک مسلسل مسئلہ رہا ہے جو آپ کی کمپنی اور دیگر پاور کمپنیوں کی لیکویڈیٹی حالت کو متاثر کررہا ہے۔ گردشی قرضہ بڑھنے کی اہم وجوہات ٹرانسمشن اور ڈسٹری بیوشن، مہنگے فیول مکس، ڈسکوز سے کم ریکوری اور نیپرا کی طرف سے ڈسکوز کے ٹیرف کے تعین میں تاخیر ہیں۔ CPPA-G کی جانب سے ادائیگیوں میں تاخیر کے باوجود کمپنی اپنی تمام آپریشنل ذمہ داریوں بشمول ڈیبٹ سروسنگ اور آپریشنل ادائیگیوں کو پورا کرنے کیلئے نقد رقم کا انتظام کرنے کے قابل رہی ہے۔ اسی اثناء میں، کمپنی کی انتظامیہ اپنے خریدار اور وزارت توانائی (پاور ڈویژن) سے واجب ادائیگیوں کی بروقت واگزاری کے لئے مسلسل مطالبہ کررہی ہے۔

آپریشنز

گزشتہ چند برسوں کے دوران قومی گرڈ سسٹم میں بجلی کی پیداوار کی صلاحیت میں نمایاں اضافہ کے نتیجہ میں، پلانٹ نے NPCC سے ترسیل طلب میں شدید کمی ظاہر کی ہے، چونکہ نئے پلانٹس بہتر کارکردگی کی بدولت کم خرچ CPPA-G/NPCC کے اقتصادی ڈسپیچ میرٹ آرڈر میں آلٹرن کے پلانٹ کا درجہ بہت نیچے ہے۔ یہ حقیقت سے واضح ہے کہ پلانٹ نے زیرِ جائزہ مدت کے دوران 19 GWh بجلی کی ترسیل کی ہے جبکہ پچھلے مالی سال کے اسی نو ماہ کے دوران 116.5 GWh ترسیل کی تھی۔ کمپنی چونکہ، CPPA-G کے ساتھ ٹیک اینڈ پے معاہدہ کے تحت کم کپیسٹی ریونیو میں کم ترسیل کے نتیجے آپریشنل رہنے شدید مشکلات کا سامنا کررہی ہے۔ ملک کی موجودہ صورت حال میں کمپنی درمیانی اور طویل مدت میں NPCC سے پائیدار ترسیل حاصل نہیں کرسکتی۔ بورڈ فی الحال کنٹریکچوئل اور کمرشل سمیت کئی آپشنز پر غور کررہا ہے کیونکہ اس پیچیدہ صورت حال کی پہلے سے کوئی مثال نہیں اور مسائل بے شمار ہیں۔ انتظامیہ پر ان آپشنز کے نتائج پیش کرنے کے ذمہ داری عائد کی گئی ہے تاکہ جتنی جلدی ممکن ہو فیصلہ کیا جاسکے۔ پلانٹ کمپلیکس کی حالت کے مطابق، ہم پُر اعتماد ہیں کہ تمام انجن اور ان کے معاون آلات ہموار اور قابل اعتماد آپریشنز کے لئے مستحکم میکانیکل حالت میں ہیں۔

منافع منقسمہ (ڈیویڈینڈ) کا اعلان

15 مارچ 2019 کو بورڈ آف ڈائریکٹرز نے کمپنی کے حصص داران کے لئے پہلا عبوری منافع منقسمہ بشرح 31.50 فیصد یعنی 3.15 روپے فی شیئر کا اعلان کیا ہے۔

ماتحت ادارے کا جائزہ

زیرِ جائزہ مدت کے دوران، کمپنی کے ذیلی ادارہ Rousch (پاکستان) پاور لمیٹڈ (RPPL) نے ٹرن اوور 11,273 ملین روپے (2018 کی اسی مدت میں 20,630 ملین روپے) مجموعی منافع کی آمدنی 2,592 ملین روپے (2018 کی اسی مدت میں 3,118 ملین روپے) درج کی۔ موجودہ مدت کا خالص منافع 1,875 ملین روپے (2018 کی اسی مدت میں 2,445 ملین روپے) ہر ایک -/10 روپے کی فی حصص آمدنی (EPS) 2.17 روپے (2018 کی اسی مدت میں 2.841 روپے) ہوئی۔

کمپنی کے واحد صارف، CPPA-G سے عدم ادائیگی جاری رہی ہے۔ مارچ 2019 کے دوران CPPA-G نے RPPL کو حکومت پاکستان کی طرف سے گردشی قرضہ کے سیٹلمنٹ کے تحت 2,047 ملین روپے ادا کئے۔ 31 مارچ 2019 کے مطابق، CPPA-G سے زائد المعیاد قابل وصولی رقوم 10,271 ملین روپے (30 جون 11,362:2018 ملین روپے) تھیں۔ کمپنی باقاعدہ بنیاد پر اپنی قابل وصولی رقوم کے لئے CPPA-G سے مطالبہ کررہی ہے۔ گردشی قرضہ کی سیٹلمنٹ کا ایک اور راؤنڈ اس مالی سال کے اندر متوقع ہے جو کمپنی کی زائد المعیاد وصولیوں کو کم کرنے میں معاون ہوگا۔

مدت کے دوران، کمپنی نے اپنے قرض دہندگان کو 3,063 ملین روپے ادا کئے ہیں۔

RLNG سپلائی جو کہ 06 دسمبر 2018 سے 28 فروری 2019 تک بند رہی اس کی وجہ سے کمپنی نے دیگر فورس میجور ایونٹ (OFME) قرار دیا۔ زیرِ جائزہ مدت کے دوران، CPPA-G کو 547 GWh بجلی ترسیل کی گئی جبکہ گزشتہ سال کی اسی مدت کے دوران 1,900 GWh بجلی ترسیل کی گئی تھی۔ پلانٹ کا ترسیلی عنصر 22.49% (گزشتہ سال کی اسی مدت میں 74.93%) تھا۔

مدت کے دوران کمپنی نے کامیابی سے سالانہ ڈیپینڈ ایبل کیپسٹی ٹیسٹ کا انعقاد کیا۔

مستقبل کا نقطہ نظر

بجلی کی قلت کی تقریباً ایک دہائی کے ختم ہونے کے بعد، ہمارے ملک نے بالآخر ایسی پوزیشن حاصل کر لی ہے جہاں بجلی کی دستیابی ایک مسئلہ نہیں ہے۔ پاکستان میں پاور سیکٹر تبدیلی کے مرحلے سے گزر رہا ہے جہاں حکومت پاکستان اور نجی شعبہ نے بجلی کے بحران جس نے ملک کی اقتصادی ترقی کو بُری طرح متاثر کیا، پر قابو پانے کے لئے گزشتہ چند سالوں میں نمایاں سرمایہ کاری کی ہے۔ حکومت پاکستان پنجاب میں RLNG بیسڈ پراجیکٹس، KPK/AJK میں ملٹی ہائیڈل پراجیکٹس اور سندھ میں کوئلہ بیسڈ پراجیکٹس کو مکمل کرنے میں خاص طور فعال رہی ہے۔ تین RLNG بیسڈ اور دو (2) پاور پراجیکٹس آپریشنل ہو گئے ہیں جبکہ دیگر پراجیکٹس میں سے اکثر اگلے 2-3 سالوں میں آن لائن ہو جانے کی توقعات ہیں جو طلب۔ سپلائی کی کمی پر مثبت اثر انداز ہوں گے۔ تاہم، حکومت پاکستان کے لئے دوسرا اہم چیلنج موجودہ ترسیل اور تقسیم کے نظام کو اپ گریڈ کرنا ہے جو فی الحال آخری صارفین تک اضافی پاور جنریشن اور ڈسٹری بیوشن کو ہینڈل کرنے کے لئے درکار معیار کے مطابق نہیں ہے۔ زیادہ مؤثر پیداواری صلاحیت کا اضافہ آنے والے وقتوں میں AEL کے مالی نتائج پر منفی اثرات جاری رکھے گا۔ انتظامیہ NPCC سے محدود ترسیل کی ضروریات کے ساتھ ان مشکل حالات کے تحت کاروبار کو جاری رکھنے کی مسلسل کوشش کر رہی ہے۔

کوالٹی، ماحول، صحت اور حفاظت

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

اظہار تشکر

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

بحکم بورڈ

فضل حسین عاصم
چیف ایگزیکٹو

شاہ محمود چوہدری
ڈائریکٹر

لاہور
17 اپریل 2019ء

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

	Note	Un-audited March 31, 2019	Audited June 30, 2018
EQUITY AND LIABILITIES		----Rupees in thousand----	
SHARE CAPITAL AND RESERVES			
Authorized share capital			
400,000,000 (June 30, 2018: 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, 2018: 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		1,132,182	1,078,636
		4,807,642	4,754,096
NON-CURRENT LIABILITIES			
Long term financing - unsecured	5	-	-
Deferred liabilities		4,613	4,378
		4,613	4,378
CURRENT LIABILITIES			
Trade and other payables		24,960	75,140
Short term borrowings - secured		9,480	159,569
Dividend payable		1,145,985	1,345
Mark - up accrued		2,685	15,248
Current portion of long term financing - unsecured	5	-	79,120
		1,183,110	330,422
CONTINGENCIES AND COMMITMENTS	6		
		5,995,365	5,088,896

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

Chief Executive	Chief Financial Officer	Director

As at March 31, 2019

ASSETS	Note	Un-audited March 31, 2019	Audited June 30, 2018
		----Rupees in thousand----	
NON-CURRENT ASSETS			
Property, plant and equipment	*7*	654,106	701,204
Intangible assets	*8*	160	418
Long term investment	*9*	3,204,510	3,204,510
Long term deposit		38	38
		3,858,814	3,906,170
CURRENT ASSETS			
Stores and spares		74,099	76,735
Trade debts - secured, considered good		773,002	934,919
Advances, prepayments and other receivables		136,558	162,155
Income tax recoverable		864	1,527
Cash and bank balances		1,152,028	7,390
		2,136,551	1,182,726
		5,995,365	5,088,896

Chief Executive — Chief Financial Officer — Director

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

		Three-month period ended		Nine-month period ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Note	----Rupees in thousand----		----Rupees in thousand----	
Revenue - net	*10*	21,119	165,199	414,490	1,176,186
Direct costs	*11*	(27,328)	(200,647)	(396,562)	(1,126,022)
Gross (loss) / profit		(6,209)	(35,448)	17,928	50,164
Administrative expenses		(11,956)	(11,212)	(32,082)	(32,405)
Other income		1,227,690	5	1,229,119	1,455,686
		1,209,525	(46,655)	1,214,965	1,473,445
Finance cost		(3,948)	(5,939)	(16,103)	(19,295)
Profit / (Loss) before taxation		1,205,577	(52,594)	1,198,862	1,454,150
Taxation		-	-	(667)	325
Profit / (Loss) for the period		1,205,577	(52,594)	1,198,195	1,454,475
Earnings / (Loss) per share - basic and diluted - Rupees		3.32	(0.14)	3.30	4.00

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

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

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

	Three-month period ended		Nine-month period ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----Rupees in thousand ----		----Rupees in thousand ----	
Profit / (loss) for the period	1,205,577	(52,594)	1,198,195	1,454,475
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	1,205,577	(52,594)	1,198,195	1,454,475

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

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

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

	Share capital	Share premium	Un-appropriated profit	Total
	----------------------Rupees in thousand ---------------------			
Balance as on July 01, 2017 (audited)	**3,633,800**	**41,660**	**1,079,514**	**4,754,974**
Profit for the period	-	-	1,454,474	1,454,474
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the nine months ended March 31, 2018	-	-	1,454,474	1,454,474
Total contributions by and distributions to owners of the Company recognized directly in equity:				
Interim Dividend @ Rs. 4 / ordinary share for the nine months ending March 31, 2018	-	-	(1,453,520)	(1,453,520)
Balance as on March 31, 2018 (un-audited)	**3,633,800**	**41,660**	**1,080,468**	**4,755,928**
Balance as on July 01, 2018 (audited)	**3,633,800**	**41,660**	**1,078,636**	**4,754,096**
Profit for the period	-	-	1,198,193	1,198,193
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the nine months ended March 31, 2019	-	-	1,198,193	1,198,193
Total contributions by and distributions to owners of the Company recognized directly in equity:				
Interim Dividend @ Rs. 3.15 / ordinary share for the nine months ending March 31, 2019	-	-	(1,144,647)	(1,144,647)
Balance as on March 31, 2019 (un-audited)	**3,633,800**	**41,660**	**1,132,182**	**4,807,642**

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

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

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

	Notes	March 31, 2019	March 31, 2018
		----Rupees in thousand----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	12	180,130	(98,479)
Finance costs paid		(26,813)	(9,888)
Income tax paid		(4)	(295)
		(26,817)	(10,183)
Net cash (outflow) / inflow from operating activities		153,313	(108,662)
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		-	(17,390)
Purchase of intangible asset		-	(370)
Dividends received		1,228,087	2,888,628
Profit on bank deposits received		12	2,165
Net cash inflow from investing activities		1,228,099	2,873,033
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of current portion of long term finances - unsecured		(80,981)	(18,500)
Dividends paid		-	(2,905,695)
Net cash outflow from financing activities		(80,981)	(2,924,195)
Net (decrease) / increase in cash and cash equivalents		1,300,431	(159,824)
Cash and cash equivalents at beginning of the period		(157,883)	48,572
Cash and cash equivalents at the end of the period	13	1,142,548	(111,252)

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

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

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

1.3 The principal activity of the Company is to build, own, operate and maintain a gas fired power plant having gross capacity of 32 Mega Watts (June 30, 2018: 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 condensed interim financial statements.

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

1.5 These condensed interim financial statements are the separate condensed interim financial statements of the Company. Condensed consolidated interim financial statements are prepared seperately.

2 BASIS OF PREPARATION

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted for the preparation of this 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, 2018, except for the adoption of new and amended standards as set out below.

3.2 Initial application of standards, amendments or interpretations to existing standards

The following amendments to existing standards have been published that are applicable to the Company's condensed interim financial statements covering annual periods, beginning on or after the following dates:

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

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 1, 2018, 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 condensed interim financial statements, except for the following:

- IFRS 15, 'Revenue from contracts with customers': (effective for periods beginning on or after January 1, 2018). This standard has been notified by the SECP to be effective for annual periods beginning on or after July 1, 2018. This standard deals with revenue recognition and establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18, 'Revenue', and IAS 11, 'Construction contracts', and related interpretations.

The Company has applied IFRS 15 using the modified retrospective approach for transition. This approach requires entities to recognise the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of un-appropriated profit in the period of initial application. Comparative prior year periods would not be adjusted. The application of IFRS 15 does not have any impact on the revenue recognition policy of the Company and therefore, the cumulative effect of initially applying this standard as an adjustment to the opening balance of un-appropriated profit in the period of initial application is nil.

- IFRIC 22, 'Foreign currency transactions and advance consideration' (effective for periods beginning on or after January 1, 2018). This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice. The Company's current accounting treatment is already in line with the requirements of this interpretation.

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

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the companies having accounting periods beginning on or after July 1, 2019 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements, except for the following:

- The Securities and Exchange Commission of Pakistan ('SECP') through SRO 1007(I)/2017 dated October 4, 2017 had notified that IFRS 9, 'Financial Instruments' would be applicable for annual periods beginning on or after July 1, 2018, however, subsequent to reporting date, SECP through SRO 229(I)/2019 dated February 14, 2019 has notified the deferment of this standard to reporting period/year ending on or after June 30, 2019 (earlier application is permitted). Consequently, the Company has not adopted this standard in the preparation of these condensed interim financial statements for the nine month period ended March 31, 2019.

This standard replaces the guidance in IAS 39, 'Financial Instruments: Recognition and measurement'. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. As allowed above, the Company will apply this standard in the preparation of its financial statements for the year ending June 30, 2019 and it is yet to assess the full impact of this standard.

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

- IFRIC 23, 'Uncertainty over income tax treatments': (effective for periods beginning on or after January 1, 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRIC explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. The IFRIC applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Company is yet to assess the full impact of this interpretation.

4. ACCOUNTING ESTIMATES

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

In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended June 30, 2018.

		Note	Un-audited March 31, 2019	Audited June 30, 2018
5	**LONG TERM FINANCING - UNSECURED**		----Rupees in thousand----	
	The reconciliation of the carrying amount of loan is as follows:			
	Opening balance		79,120	94,851
	Mark-up accrued during the period / year		1,861	2,769
	Payments during the period / year		(80,981)	(18,500)
	Closing balance		-	79,120
	Current portion shown under current liabilities		-	(79,120)
			-	-

5.1 This represents long term loan obtained by the Company from its wholly owned subsidiary, Power Management Company (Private) Limited ('PMCL'). This was an unsecured loan and carried mark-up at the rate of six months Karachi Inter-Bank Offered Rate ('KIBOR') plus 100 basis points per annum. The mark-up rate charged during the period on the outstanding balance ranged from 8.04% to 11.80% (June 30, 2018: 7.15% to 7.21%) per annum. The outstanding loan amount has been repaid during the current financial year.

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, 2018, except for the following:

(i) Habib Metropolitan Bank Limited has issued bank guarantee amounting to Rs 532.68 million (June 30, 2018 : 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, 2019 and is renewable.

		Note	Un-audited March 31, 2019	Audited June 30, 2018
7	**PROPERTY, PLANT AND EQUIPMENT**		----Rupees in thousand----	
	Operating fixed assets	*7.1*	649,299	696,398
	Major spare parts and stand-by equipment		4,806	4,806
			654,106	701,204
7.1	**Operating fixed assets**			
	Opening net book value		696,398	737,666
	Additions during the period / year	*7.1.1*	305	23,267
	Depreciation charged during the period / year		(47,404)	(64,535)
	Closing net book value		649,299	696,398
7.1.1	**Additions during the period / year**			
	Plant and machinery		305	20,210
	Electric equipment		-	-
	Office equipment		-	384
	Vehicle		-	2,673
			305	23,267

		Un-audited March 31, 2019	Audited June 30, 2018
		----Rupees in thousand----	

8 INTANGIBLE ASSETS

Opening net book value	418	1,955
Additions during the period / year	-	370
Amortization charged during the period / year	(258)	(1,907)
Closing net book value	160	418

9 LONG TERM INVESTMENT

	Note		
Subsidiary - Unquoted:			
Power Management Company (Private) Limited (PMCL):			
320,451,000 (June 30, 2018: 320,451,000) fully paid ordinary shares of Rs 10 each [Equity held 100% (June 30, 2018: 100%)] - Cost	9.1	3,204,510	3,204,510

9.1 The Company directly holds 100% shares in its wholly owned subsidiary, PMCL. PMCL is a private company limited by shares incorporated in Pakistan to invest, manage, operate, run, own and build power projects. PMCL's registered office is situated at Descon Headquarters, 18 km Ferozepur Road, Lahore. The investment in PMCL is accounted for using cost method in the separate financial statements of the Company. PMCL, in turn, directly holds 59.98% shares in Rousch (Pakistan) Power Limited ('RPPL'). RPPL is an unlisted public company limited by shares incorporated in Pakistan to generate and supply electricity to CPPA-G from its combined cycle thermal power plant having a gross (ISO) capacity of 450 Mega Watts (June 30, 2018: 450 Mega Watts), located near Sidhnai Barrage, Abdul Hakim town, District Khanewal, Punjab. RPPL's registered office is situated at 2nd Floor emirates tower, F-7 Markaz, Islamabad.

10 REVENUE - NET

	Three-month period ended		Nine-month period ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Un-audited		Un-audited	
	----Rupees in thousand----		----Rupees in thousand----	
Energy purchase price - gross	-	153,537	371,880	1,079,601
Sales tax	(-)	(22,309)	(54,034)	(156,865)
Energy purchase price - net	-	131,228	317,846	922,736
Capacity purchase price	-	19,344	38,392	213,550
Other supplemental charges	21,119	14,628	58,252	39,901
	21,119	165,200	414,490	1,176,187

	Three-month period ended March 31, 2019	Three-month period ended March 31, 2018	Nine-month period ended March 31, 2019	Nine-month period ended March 31, 2018
	Un-audited		Un-audited	
	----Rupees in thousand----		----Rupees in thousand----	

11 DIRECT COSTS

Natural gas / RLNG consumed	66	131,521	302,208	905,562
Depreciation on operating fixed assets	14,990	16,231	46,358	47,645
Stores and spares consumed	222	30,281	3,324	103,301
Repairs and maintenance	467	2,987	3,300	7,794
Purchase of energy from CPPA-G	514	676	3,547	1,574
Lube oil consumed	651	2,240	1,398	9,526
Operation and maintenance contractor's fee	7,600	14,522	29,201	43,567
Security expenses	2,086	1,397	4,907	4,121
Salaries, wages and other benefits	187	180	560	661
Insurance cost	429	508	1,357	1,508
Travelling & conveyance	54	40	209	300
Generation License fee	40	-	118	149
Miscellaneous expenses	22	64	75	314
	27,328	200,647	396,562	1,126,022

12 CASH (USED IN) / GENERATED FROM OPERATIONS

	Nine-month period ended March 31, 2019	Nine-month period ended March 31, 2018
Profit before taxation	1,198,862	1,454,150
Adjustment for non cash charges and other items:		
-Depreciation on operating fixed assets	47,404	48,501
-Dividend income from PMCL (wholly owned subsidiary)	(1,228,087)	(1,453,520)
-Amortization of intangible assets	258	1,803
-Provision for employee retirement benefits	236	835
-Provision for doubtful debts	-	1,743
-Amortization of bank guarantee cost	-	2,226
-Profit on bank deposits	(12)	(2,165)
-Finance cost	16,103	17,069
	(1,164,098)	(1,383,508)
Profit before working capital changes	34,764	70,642
Effect on cashflow due to working capital changes:		
Decrease in stores and spares	2,326	29,905
Decrease / (Increase) in advances, prepayments, and other receivables	25,597	(25,927)
Decrease / (Increase) in trade debts	161,917	(80,703)
Decrease in trade & other payables	(44,474)	(92,396)
	145,366	(169,121)
Cash (used in) / generated from operations	180,130	(98,479)

	Un-audited March 31, 2019	Un-audited March 31, 2018
	----Rupees in thousand----	

13 CASH AND CASH EQUIVALENTS

	March 31, 2019	March 31, 2018
Cash and bank balances	1,152,028	17
Short term borrowings - secured	(9,480)	(111,269)
	1,142,548	(111,252)

14 CORRESPONDING FIGURES

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

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

15 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise the Holding Company, subsidiaries and associates of Holding Company, group companies, related parties on the basis of common directorship and key management personnel of the Company and its Holding Company. 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:

		Nine months ended	
		Un-audited	
		March 31, 2019	March 31, 2018
		----Rupees in thousand----	
Relationship with the Company	**Nature of transaction**		
i) Holding company			
Descon Engineering Limited - till December 15, 2017:			
	Dividends paid	-	1,691,177
	Common cost charged to the Company	-	1,649
ii) Subsidiary companies			
Power Management Company (Private) Limited (wholly owned)			
	Dividends received	1,228,087	2,888,628
	Repayment of short term loan	5,708	10
	Repayment of current portion of long term financing	31,500	18,500
	Mark up accrued on short term loan	399	310

		Nine months ended	
		Un-audited	
		March 31, 2019	March 31, 2018
iii) Other related parties		----Rupees in thousand----	
On the basis of common directorship			
Descon Engineering Limited - from December 16, 2017:			
	Common cost charged to the Company	1,825	-
Descon Power Solutions (Private) Limited			
	Operation & maintenance contractor's fee	29,201	39,606
	Service agreement for generators	-	3,691
	Purchase of spare parts	8,762	75,339
	Major maintenance fee	-	1,625
	Common cost charged to the Company	124	101
Descon Corporation (Private) Limited			
	ERP implmentation fee and running cost	2,723	2,394
	Building rent	272	397
Group company			
Descon Holdings (Private) Limited	Dividend paid	-	240
iv) Key management personnel			
	Short term employee benefits	4,587	3,953
	Post employment benefits	235	835
	Director's meeting fee	375	375
	Dividends paid	-	28

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.

Period end balances are as follows:	Un-audited March 31, 2019	Audited June 30, 2018
Payable to related parties		
Subsidiaries:	----Rupees in thousand----	
PMCL	-	16,830
RPPL	175	175
Other related parties:		
Descon Engineering Limited	4,562	8,756
Descon Corporation (Private) Limited	775	1,607
Descon Power Solutions (Private) Limited	6,658	13,868
	12,170	41,236

16 GENERAL

16.1 These condensed interim financial statements were authorized for issue on April 17, 2019 by the Board of Directors of the Company.

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

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

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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

	Note	March 31, 2019 Un-audited	June 30, 2018 Audited
EQUITY AND LIABILITIES		----Rupees in thousand----	
SHARE CAPITAL AND RESERVES			
Authorized share capital			
400,000,000 (June 30, 2018: 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, 2018: 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		12,788,275	12,920,994
		16,463,735	16,596,454
Non-controlling interests		10,535,317	10,613,034
		26,999,052	27,209,488
NON-CURRENT LIABILITIES			
Long term financing - secured	6	-	1,561,704
Deferred liabilities		22,353	24,606
Deferred taxation		949,804	958,542
		972,157	2,544,852
CURRENT LIABILITIES			
Trade and other payables		1,306,179	1,680,570
Short term borrowings - secured		2,923,930	1,816,641
Mark - up accrued		40,118	47,491
Current portion of long term financing - secured		2,196,743	3,123,407
Derivative financial instrument	7	11,716	45,232
Dividend payable		1,145,985	1,345
		7,624,671	6,714,686
CONTINGENCIES AND COMMITMENTS	8		
		35,595,880	36,469,026

The annexed notes 1 to 17 form an integral part of these condensed interim consolidated financial statements.

Chief Executive	Chief Financial Officer	Director

AS AT MARCH 31, 2019

ASSETS	Note	March 31, 2019 Un-audited	June 30, 2018 Audited
		----Rupees in thousand----	
NON-CURRENT ASSETS			
Property, plant and equipment	9	18,109,345	19,131,670
Intangible assets		160	418
Long term deposits		739	369
Long term loan to employees - secured		2,890	5,161
		18,113,134	19,137,618
CURRENT ASSETS			
Store, spares & loose tools		662,468	621,053
Inventory of fuel oil		465,776	468,560
Trade debts - secured, considered good		12,075,036	13,751,910
Advances, prepayments and other receivables		882,952	710,438
Income tax recoverable		232,882	221,361
Cash and bank balances		3,163,632	1,558,086
		17,482,746	17,331,408
		35,595,880	36,469,026

Chief Executive | Chief Financial Officer | Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2019

		Three-month period ended		Nine-month period ended	
		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Note	----Rupees in thousand----		----Rupees in thousand----	
Revenue - net	10	1,554,352	8,280,066	11,687,708	21,806,631
Direct costs	11	(1,310,236)	(7,088,295)	(9,077,517)	(18,637,408)
Gross profit		244,116	1,191,771	2,610,191	3,169,223
Administrative expenses		(51,359)	(47,975)	(155,346)	(181,474)
Other income		41,791	30,012	115,775	167,780
		234,548	1,173,808	2,570,620	3,155,529
Finance cost		(140,066)	(253,698)	(701,845)	(687,196)
Profit before taxation		94,482	920,110	1,868,775	2,468,333
Taxation		(14,468)	(43,944)	(106,562)	(131,170)
Profit for the period		80,014	876,166	1,762,213	2,337,163
Attributable to:					
Equity holders of the Parent Company		37,306	487,167	1,011,928	1,358,868
Non-controlling interest		42,708	388,999	750,285	978,295
		80,014	876,166	1,762,213	2,337,163
Earnings per share attributable to equity holders of the Parent Company during the period - basic and diluted	Rupees	0.10	1.34	2.78	3.74

The annexed notes 1 to 17 form an integral part of these condensed interim consolidated financial statements.

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

ALTERN ENERGY LIMITED AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2019

	Three-month period ended		Nine-month period ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----Rupees in thousand----		----Rupees in thousand----	
Profit for the period	80,014	876,166	1,762,213	2,337,163
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
	-	-	-	-
Total comprehensive income for the period	80,014	876,166	1,762,213	2,337,163
Attributable to:				
Equity holders of the Parent Company	37,306	487,167	1,011,928	1,358,868
Non-controlling interest	42,708	388,999	750,285	978,295
	80,014	876,166	1,762,213	2,337,163

The annexed notes 1 to 17 form an integral part of these condensed interim consolidated financial statements.

Chief Executive	Chief Financial Officer	Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2019

	Note	March 31, 2019	March 31, 2018
		----Rupees in thousand----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,868,775	2,468,333
Cash generated from operations	12	4,906,173	2,423,317
Long term deposits - net		(370)	2,710
Finance cost paid		(448,681)	(415,077)
Income tax paid		(117,298)	(295,275)
Long term loans to employees - net		2,271	-
Retirement benefits paid		(8,161)	(5,360)
		(572,239)	(713,002)
Net cash inflow from operating activities		4,333,934	1,710,315
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(2,274)	(32,876)
Purchase of intangible assets		-	(370)
Profit on bank deposits received		78,586	76,135
Proceeds from disposal of operating fixed assets		525	1,161
Net cash outflow from investing activities		76,837	44,050
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing - secured		(3,062,769)	(2,539,921)
Dividends paid		(828,002)	(4,975,702)
Net cash outflow from financing activities		(3,890,771)	(7,515,623)
Net decrease in cash and cash equivalents		520,000	(5,761,258)
Cash and cash equivalents at the beginning of the period		(258,555)	4,743,887
Cash and cash equivalents at the end of the period	13	261,445	(1,017,371)

The annexed notes 1 to 17 form an integral part of these condensed interim consolidated financial statements.

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

ALTERN ENERGY LIMITED AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2019

	Attributable to equity holders of Parent Company				
	Share capital	Share premium	Un-appropriated profit	Non-controlling Interests	Total
	----------(Rupees in thousand)----------				
Balance as on July 1, 2017 (Audited)	3,633,800	41,660	12,379,592	10,209,062	26,264,114
Profit for the period	-	-	1,358,868	978,295	2,337,163
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	1,358,868	978,295	2,337,163
Transactions with owners in their capacity as owners					
Interim dividend @4 per ordinary share	-	-	(1,453,520)	-	(1,453,520)
Dividend relating to 2018 paid to non-controlling interest	-	-	-	(1,035,003)	(1,035,003)
Balance as on March 31, 2018 (Un-audited)	3,633,800	41,660	12,284,940	10,152,354	26,112,754
Balance as on July 01, 2018 (Audited)	3,633,800	41,660	12,920,994	10,613,034	27,209,488
Profit for the period	-	-	1,011,928	750,285	1,762,214
Other comprehensive income for the period	-	-		-	-
Total comprehensive income for the period	-	-	1,011,928	750,285	1,762,214
Transactions with owners in their capacity as owners					
Interim dividend @ 3.15 per ordinary share by Parent Company	-	-	(1,144,647)	-	(1,144,647)
Interim dividend @ 2.4 per ordinary share by Rousch	-	-	-	(828,002)	(828,002)
Balance as on March 31, 2019 (Un-audited)	3,633,800	41,660	12,788,275	10,535,317	26,999,052

The annexed notes 1 to 17 form an integral part of these condensed interim consolidated financial statements.

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

1 LEGAL STATUS & NATURE OF BUSINESS

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

1.1 The Group is structured as follows:

Parent Company:

Altern Energy Limited (AEL); and

Subsidiary companies:	**Un-audited**	**Audited**
	Percentage of Holding	
	March 31, 2019	**June 30, 2018**
PMCL	100.000%	100.000%
RPPL	59.984%	59.984%

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

1.2 Altern Energy Limited, the Parent Company (AEL)

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

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

The principal activity of the Parent Company is to build, own, operate and maintain a gas fired power plant having gross capacity of 32 Mega Watts (June 30, 2018: 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 has signed a Supplemental Deed dated March 17, 2014 with SNGPL, whereby SNGPL has agreed to supply gas to the Parent Company on as-and-when available basis till the expiry of PPA on June 6, 2031. The Ministry of Petroleum and Natural Resources (MOPNR), empowered for Re-liquefied Natural Gas ('RLNG') allocation by the Economic Coordination Committee ('ECC') of the Federal Cabinet , issued an allocation of 6 MMCFD of RLNG to AEL on April 28, 2017 and advised AEL and SNGPL to negotiate a new GSA. Currently, AEL, SNGPL and CPPA-G are in the process of execution of an interim GSA for supply of RLNG. Under the interim GSA, RLNG will be supplied on as-and-when available basis till the execution of a long term GSA between the parties.

1.3 PMCL

PMCL was incorporated in Pakistan as a private company limited by shares under the Companies Ordinance, 1984 (now Companies Act, 2017) on February 24, 2006. PMCL is a wholly owned subsidiary of the Parent company. The principal objective of PMCL is to invest, manage, operate, run, own and build power projects. PMCL directly holds 59.98% shares in RPPL, a company engaged in power generation as detailed in note 1.4 to these consolidated financial statements. The registered office of PMCL is situated at Descon Headquarters, 18 km Ferozepur Road, Lahore.

1.4 RPPL

RPPL is an unlisted public company, incorporated in Pakistan on August 4, 1994 under the Companies Ordinance, 1984 (now Companies Act, 2017). 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 Megawatts (June 30, 2018: 450 Megawatts), located near Sidhnai Barrage, Abdul Hakim town, District Khanewal, Punjab province, Pakistan. The company started commercial operations from December 11, 1999. The registered office of the company is situated at 2nd Floor Emirates Tower, F-7 Markaz, Islamabad.

RPPL has a PPA with CPPA-G for sale of power to CPPA-G upto January, 2030. The plant was initially designed to operate with residual furnace oil and was converted the Complex to gas fired facility in 2003 after allocation of 85 MMSCFD by the Government 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 the company will be provided gas post August 2015, in preference to the new projects commissioned after the company.

The MOPNR, empowered for RLNG allocation by the ECC of the cabinet, issued an allocation of 85 MMSCFD of RLNG to RPPL on firm basis on September 23, 2015 and advised the company and SNGPL to negotiate a long-term GSA on firm basis. While negotiations for the long-term GSA are in process, ECC of the Cabinet approved interim GSA for supply of RLNG to the company up-to June 2018 or signing of a long-term GSA, whichever is earlier. The interim GSA was executed with CPPA-G and SNGPL which was effective from June 1, 2017. Under the interim GSA, RLNG was supplied on 'as-available' basis, however, the non-supply of RLNG was treated as 'Other Force Majeure' under the PPA. The interim GSA has expired in June 2018. Ministry of Energy (Power Division) with the consultation of Ministry of Petroleum agreed that interim RLNG Agreement signed between RPPL, SNGPL and CPPA-G may be extended till the time formal approval of ECC is obtained. The summary for extension of interim RLNG Agreement is in circulation for approval from the ECC of the cabinet.

In terms of Amendment No. 3 to the PPA executed between RPPL and CPPA-G on August 21, 2003, the company agreed to transfer ownership of the Complex to CPPA-G at a token value of US$ 1 at the expiry of 30 years term of PPA (starting from December 11, 1999), if CPPA-G does not opt for a renewal of the PPA for the additional term pursuant to section 4.1 (c) of the PPA. During the year, the PPA was extended by a period of 26 days owing to non-supply of RLNG under the term of interim GSA.

2. BASIS OF PREPARATION

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

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

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

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

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted for the preparation of this condensed interim consolidated financial statements are the same as those applied in the preparation of preceding annual published consolidated financial statements of the Group for the year ended June 30, 2018, except for the adoption of new and amended standards as set out below.

3.2 Initial application of standards, amendments or interpretations to existing standards

The following amendments to existing standards have been published that are applicable to the Group's condensed interim consolidated financial statements covering annual periods, beginning on or after the following dates:

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

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 1, 2018, but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim cosolidated financial statements, except for the following:

- IFRS 15, 'Revenue from contracts with customers': (effective for periods beginning on or after January 1, 2018). This standard has been notified by the SECP to be effective for annual periods beginning on or after July 1, 2018. This standard deals with revenue recognition and establishes principles for reporting useful information to users of the financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces IAS 18, 'Revenue', and IAS 11, 'Construction contracts', and related interpretations.

The Group has applied IFRS 15 using the modified retrospective approach for transition. This approach requires entities to recognise the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of un-appropriated profit in the period of initial application. Comparative prior year periods would not be adjusted. The application of IFRS 15 does not have any impact on the revenue recognition policy of the Group and therefore, the cumulative effect of initially applying this standard as an adjustment to the opening balance of un-appropriated profit in the period of initial application is nil.

- IFRIC 22, 'Foreign currency transactions and advance consideration' (effective for periods beginning on or after January 1, 2018). This IFRIC addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The interpretation provides guidance for when a single payment/receipt is made as well as for situations where multiple payments/receipts are made. The guidance aims to reduce diversity in practice. The Group's current accounting treatment is already in line with the requirements of this interpretation.

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

There are certain standards, amendments to the approved accounting standards and interpretations that are mandatory for the companies having accounting periods beginning on or after July 1, 2019 but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these condensed interim consolidated financial statements, except for the following:

- The Securities and Exchange Commission of Pakistan ('SECP') through SRO 1007(I)/2017 dated October 4, 2017 had notified that IFRS 9, 'Financial Instruments' would be applicable for annual periods beginning on or after July 1, 2018, however, subsequent to reporting date, SECP through SRO 229(I)/2019 dated February 14, 2019 has notified the deferment of this standard to reporting period/year ending on or after June 30, 2019 (earlier application is permitted). Consequently, the Group has not adopted this standard in the preparation of these condensed interim consolidated financial statements for the nine month period ended March 31, 2019.

This standard replaces the guidance in IAS 39, 'Financial Instruments: Recognition and measurement'. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model. As allowed above, the Group will apply this standard in the preparation of its consolidated financial statements for the year ending June 30, 2019 and it is yet to assess the full impact of this standard.

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

- IFRIC 23, 'Uncertainty over income tax treatments': (effective for periods beginning on or after January 1, 2019). This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRIC explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. The IFRIC applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates. The Group is yet to assess the full impact of this interpretation.

4 ACCOUNTING ESTIMATES

The preparation of the condensed interim consolidated financial information 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 this condensed interim consolidated financial information, the significant judgments made by management in applying accounting policies and key sources of estimation were the same as those that were applied to the consolidated financial statements for the year ended June 30, 2018.

5 FINANCIAL RISK MANAGEMENT

5.1 Financial risk factors

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

The condensed interim consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at June 30, 2018.

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

5.2 Fair value estimation

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

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

6 LONG TERM FINANCING - SECURED

This represents two loans taken from Standard Chartered Bank (SCB) UAE amounting to USD 36.515 million under facility-A and USD 27.7 million under facility-B. Facility-A is repayable in 5 equal semi-annual installments and it carries markup at three months London Inter-Bank Offered Rate (LIBOR) plus 400 basis points per annum to be served quarterly. Facility-B is repayable in 10 equal quarterly installments and it carries markup at three months LIBOR plus 140 basis points per annum.

Facility-A is secured by first charge on fixed assets of the RPPL amounting to USD 49 million, assignment of receivables relating to capacity payments and lien on debt service reserve account maintained with SCB Pakistan and Facility-B is secured by assignment of receivables relating to capacity payments and lien on collection account amounting to USD 36 million maintained with the Trustee.

7 DERIVATIVE FINANCIAL INSTRUMENT

This represents derivative interest rate swap arrangement by RPPL with a commercial bank. Under the terms of the arrangement, the company pays a fixed interest rate of 4.80% to the arranging bank on the notional US Dollar (USD) amount for the purposes of the interest rate swap, and receives three months LIBOR on the notional US Dollar (USD) amount from the arranging bank. There have been no transfer of liabilities under the arrangement, only the nature of interest payment has changed. The derivative interest rate swap outstanding as at March 31, 2019 has been marked to market and the resulting gain has been included in the statement of profit or loss.

8 CONTIGENCIES & COMMITMENTS

There is no material change in the status of contingencies and commitments set out in note 14 to the consolidated financial statements of the Group for the year ended June 30, 2018 except for the following:

8.1 Contingencies

Altern Energy Limited - the Parent company

Habib Metropolitan Bank Limited has issued bank guarantee amounting to Rs 532.68 million (June 30, 2018 : 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, 2019 and is renewable.

Rousch (Pakistan) Power Limited - the Subsidiary company

During the period, the irrigation department has issued a recovery notice for Rs. 85 million. On the company's application, the Court has restrained the irrigation department from taking any coercive action till the case is decided by the Arbitrator. The Arbitrator heard the case and intimated that he will announce the award in the next hearing. The management is of the view that there is meritorious ground available to defend the company's position in this matter, hence no provision has been made in the consolidated financial statements in this connection.

National Bank of Pakistan has issued standby letter of credit (SBLC) for Rs. 4,981 million (June 30, 2018 : Rs 4,981 million) in favor of SNGPL as a security to cover gas supply for which payments are made in arrears. The guarantee will expire on July 13, 2019, which is renewable.

8.2 Commitments - Nil

9 PROPERTY, PLANT AND EQUIPMENT

Additions to plant and equipment include net exchange loss of Rs 304 million (Juna 30, 2018: 448 million) on related foreign currency loans during the period from July 1, 2018 to March 31, 2019. This has resulted in accumulated capitalization of exchange losses of Rs. 13,020 million (June 30, 2018: Rs 12,741 million) in the cost of plant and equipment upto March 31, 2019, with net book value of Rs 6,144 million (June 30, 2018: Rs 6,508 million). The exchange gains / losses capitalized are amortized over the remaining useful life of the plant.

	Three-month period ended		Nine-month period ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Un-audited		Un-audited	
	----Rupees in thousand----		----Rupees in thousand----	
10 REVENUE - NET				
Energy purchase price - gross	702,208	7,660,535	8,318,565	20,090,221
Sales tax	(102,030)	(1,113,069)	(1,208,680)	(2,919,092)
Energy purchase price - net	600,178	6,547,466	7,109,885	17,171,129
Capacity purchase price	673,606	1,644,433	3,761,755	4,383,643
True-up	-	-	105,139	-
Other supplemental charges	213,698	171,084	721,671	511,577
Gas efficiency passed to CPPA-G	-	(82,917)	(10,742)	(259,718)
	1,487,482	8,280,066	11,687,708	21,806,631

	Three-month period ended		Nine-month period ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Un-audited		Un-audited	
11 DIRECT COSTS	----Rupees in thousand----		----Rupees in thousand----	
Natural gas / RLNG consumed	584,958	6,193,839	6,931,038	16,094,600
Operation and maintenance	155,737	266,383	522,342	798,276
Depreciation on operating fixed assets	441,815	437,972	1,320,935	1,295,345
Stores and spares consumed	54,383	135,250	89,724	266,446
Lube oil consumed	651	2,240	1,398	9,526
Repairs & maintenance	4,899	3,487	8,911	9,901
Insurance cost	28,199	26,103	80,520	76,418
Purchase of energy from CPPA-G	20,766	4,028	64,563	25,775
Salaries, wages and other benefits	9,561	8,011	30,238	28,571
Traveling & conveyance	370	256	1,233	1,579
Generation license fee	1,721	1,598	5,163	4,944
Electricity duty	128	957	1,118	3,674
Colony maintenance	2,564	4,817	8,311	11,300
Communication	1,233	1,013	3,346	3,244
Vehicle maintenance	168	315	683	1,068
Security expenses	2,086	1,397	4,907	4,121
Liquidated damages	-	-	8	4
Miscellaneous	997	629	3,079	2,616
	1,310,236	7,088,295	9,077,517	18,637,408

12 CASH GENERATED FROM OPERATIONS		
Profit before taxation	1,868,775	2,468,333
Adjustment for non cash charges and other items:		
-Depreciation on operating fixed assets	1,327,777	1,303,446
-Profit on bank deposits	(75,167)	(71,232)
-Amortization of bank guarantee cost	-	2,226
-Amortization of intangible assets	258	1,803
-Gain on sale of property, plant & equipment	(5)	(435)
-Capital spares consumed	411	12,372
-Gain on adjustment in fair value of DFI	(33,516)	(96,994)
-Finance cost	704,026	687,484
-Provision for doubtful debts	-	28,338
-Provision for stores & spares	(412)	-
-Provision for employee retirement benefits	5,909	6,322
Profit before working capital changes	3,798,055	4,341,663

	Nine-month period ended March 31, 2019	March 31, 2018
	Un-audited	
	----Rupees in thousand----	
Effect on cash flow due to working capital changes:		
-(Increase) / decrease in stores, spares and loose tools	(38,528)	63,522
- (Increase) / decrease in trade debts	1,698,617	(786,208)
-Increase in advances, deposits, prepayments and other receivables	(170,065)	82,312
-Decrease in trade and other payables	(381,906)	(1,277,972)
	1,108,119	(1,918,346)
Cash generated from operations	4,906,174	2,423,317

13 CASH AND CASH EQUIVALENTS

Cash and bank balances	3,163,632	1,618,192
Short term borrowings - secured	(2,923,930)	(2,635,563)
	239,702	(1,017,371)

14 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Relationship with the Group	**Nature of transactions**		
i. Holding company			
Descon Engineering Limited:			
	Dividends paid	-	1,691,177
	Common costs charged	6,792	5,708
ii. Other related parties			
On the basis of common directorship			
Descon Power Solutions (Private) Limited:			
	Operations & maintenance contractor's fee	387,112	379,854
	Purchase of spare parts	8,762	75,339
	Major maintenance fee	-	1,625
	Common costs charged	2,047	1,854
Descon Corporation (Private) Limited:			
	ERP implementation fee & running costs	2,723	2,394
	Common costs charged	10,744	5,625

		Nine-month period ended March 31, 2019	March 31, 2018
		Un-audited	
		----Rupees in thousand----	
iii. Group companies			
Descon Holdings (Private) Limited:			
	Dividends paid	-	240
Siemens AG			
	Long term maintenance services	150,374	271,687
	Purchase of spare parts	10,058	6,956
Siemens Pakistan Engineering Company Limited			
	Long term maintenance services	41,064	96,392
	Purchase of spare parts	-	562
Siemens Project Ventures GmbH			
	Dividend paid	538,070	1,345,176
iv. Key Management Personnel			
	Short term employee benefits	49,608	48,358
	Post employment benefits	10,717	11,638
	Director's meeting fee	375	375
	Dividends paid	-	28

	March 31, 2019	June 30, 2018
	Un-audited	Audited
Period end balances are as follows:	----Rupees in thousand----	
Payable to related parties		
Descon Engineering Limited (Holding company)	17,568	30,342
Descon Corporation (Private) Limited (Associated company)	1,949	2,225
Descon Power Solutions (Private) Limited (Associated company)	83,968	51,248
Siemens Pakistan Engineering Company Limited	3,745	32,952
Siemens AG	248,886	417,696
Receivable from related parties		
Descon Power Solutions (Private) Limited (Associated company)	30	947

15 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial statements were authorized for issue on April 17, 2019 by the Board of Directors of the Parent company.

16 CORRESPONDING FIGURES

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

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

17 GENERAL

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

Chief Executive	Chief Financial Officer	Director