AEL

INTERIM FINANCIAL INFORMATION

(UN-AUDITED)
FOR THE QUARTER ENDED
SEPTEMBER 30, 2018

ALTERN ENERGY LIMITED

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

Mr. Shafique Ur Rahman Bhatti

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 financial results of the Company for the quarter ended September 30, 2018.

The Energy Sector is passing through major developments since last few years. These developments include construction of new LNG terminals and addition of significant capacity in the power sector. Additionally, with the popularity of renewable energy, the same has seen capacity additions in Pakistan particularly in the wind energy. With the new and efficient plants added to the Energy Mix, existing plants with older technology face an uphill task in keeping up with the declining demand from the off-taker and managing their fixed costs with reduced revenues, a scenario particularly true for your Company revenues. In spite of these developments, lack of investment to improve Transmission and Distribution networks has unfortunately hindered the distribution of new generation to the end users. The situation is further exacerbated with 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 namely Rousch (Pakistan) Power Limited (Rousch); a 450 Mega Watts gas- fired combined cycle thermal power plant.

Although, both companies, Altern and Rousch have though 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 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. 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 for seeking approval for the extension of interim GSA from the Economic Coordination Committee of Cabinet, which is in process.

As a result of rising Brent prices in internal market, RLNG prices in Pakistan have increased significantly during the last year. Resultantly, Altern despite facing low dispatch challenges resulting in serious loss of capacity revenue, has managed to maintain its focus on reliable plant operations by executing mandatory maintenance activities of the Complex.

I would conclude review by placing my gratitude to our Board of Directors who have contributed immensely by leading management to keep the plant operational in these challenging times. I would further extend my appreciation to Company's management for their dedication and commitment. I also acknowledge the support of our valued Shareholders for their trust in the abilities of the Board and management to deliver results.

Lahore
October 24, 2018

Taimur Dawood
Chairman

چیئرمین کا جائزہ

میں 30 ستمبر 2018 کو ختم ہونے والی سہ ماہی کے لئے کمپنی کے مالی نتائج پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

بجلی کا شعبہ گزشتہ چند سالوں سے اہم ترقیوں سے گزر رہا ہے۔ ان ترقیوں میں نئے LNG ٹرمینلز کی تعمیر اور بجلی کے شعبہ میں اہم صلاحیت کا اضافہ شامل ہے۔ اس کے علاوہ، قابل تجدید انرجی کی مقبولیت کے ساتھ، پاکستان میں خاص طور پر ونڈ انرجی کی صلاحیت کا اضافہ دیکھا گیا ہے۔ انرجی مکس کے لئے نئے اور مؤثر پلانٹس کے اضافہ کے ساتھ، خریدار سے کم طلب کے ساتھ پرانی ٹیکنالوجی کے موجودہ پلانٹس کو آپریشنل رکھنے اور کم وصولیوں، کمپنی کے لئے خاص طور حقیقی منظر نامہ کے ساتھ اپنی مقررہ قیمتوں کو برقرار رکھنے میں بہت ہی دشواریوں کا سامنا 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۔ چوری کے ساتھ بے قابو ترسیل اور ڈسٹری بیوشن نقصانات اور ڈسٹری بیوشن کمپنیوں کے کم تناسب کی بناء پر ہمیشہ بڑھتے ہوئے گردشی قرضہ کے ساتھ صورت حال مزید کشیدہ 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 اور پاور پروڈیوسر 450 میگاواٹ گیس فائرڈ کمبائنڈ سائیکل تھرمل پاور پلانٹ روسو (پاکستان) پاور لمیٹڈ؛ میں سرمایہ کاری سے ظاہر ہوتا ہے۔

اگرچہ، آلٹرن اور روسو دونوں کمپنیوں نے ماضی قریب میں گیس کی دستیابی اور آف ٹیک یعنی سنٹرل پاور پرچیزنگ ایجنسی گارنٹی لمیٹڈ (CPPA-G) کے گردشی قرضہ کے مسئلہ کے اثرات کے لحاظ سے مشکلات کا سامنا کیا ہے، ابھی تک ہم لگن اور ہمت کے ساتھ آپریشنز کا انتظام کرنے میں کامیاب رہے ہیں۔ گیس کے وسائل میں مستقل کمی کے سلسلے 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۔ زیرِ جائزہ مدت کے دوران، پیرنٹ کمپنی، آلٹرن، 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 روسو SNGPL 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۔

بین الاقوامی مارکیٹ میں برنٹ کی قیمتیں بڑھنے کے نتیجہ میں، پاکستان میں RLNG کی قیمتیں گزشتہ سال کے دوران نمایاں طور پر زیادہ ہو گئیں۔ نتیجتاً، کپیسٹی ریونیو کے شدید نقصان کی بدولت آلٹرن کم ترسیل مشکلات کا سامنا کرنے کے باوجود، کمپنی نے کمپلیکس کی معمول کی اور اہم دیکھ بھال کی سرگرمیاں انجام دے کر قابل اعتماد پلانٹ آپریشنز پر اپنی توجہ برقرار رکھی ہے۔

میں کمپنی کے بورڈ آف ڈائریکٹرز کا شکر گزار ہوں جنہوں نے کمپنی کے مشن کے اہداف کو حاصل کرنے میں انتظامیہ کی مدد کی ہے۔ بجلی کے شعبے کو پیش آنے والے چیلنجوں سے نمٹنے کے لئے 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
چیئرمین
24 اکتوبر 2018ء
لاہور

The Board of Directors of the Company takes pleasure to present the operational performance and (un-audited) financial statements of the Company for three months ended September 30, 2018.

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. 370 million (Rs. 401 million in corresponding period of 2017) resulting in a gross profit of Rs. 33 million (Rs. 59 million in corresponding period of 2017). The Company posted net profit after tax of Rs. 14 million (Rs 44 in corresponding period of 2017) delivering earnings per share (EPS) of Rs. 0.04 (Rs. 0.12 in corresponding period of 2017).

CPPA-G, the sole power purchaser of the Company, continues to delay payments due to circular debt issue which has been affecting the liquidity position of your Company as well as other power sector companies. Main reasons behind increasing circular debt are transmission and distribution, expensive fuel mix, low recovery by DISCOs and delay in tariff determination of DISCOs by NEPRA. We expect circular debt to remain a big challenge for the Government in near future unless drastic measures are taken to mitigate the core issues mentioned above. 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. The Company's management continues to pursue the off-taker for timely release of due payments.

OPERATIONS

The Company, ever since shifting of operations on RLNG from indigenous gas, has been receiving constant supply of RLNG. As a result of influx of significant generation capacity into the national grid system during last couple of years, the plant has witnessed serious shortfall in dispatch demand from NPCC since the new plants are economical due to better efficiency, rank above Altern's plant in NPCC/CPPA's economic despatch merit order. Due to these factors, the Company lost capacity revenue of Rs. 66 million as compared to the similar period of previous financial year and the Company successfully dispatched 20 GWh (54 GWh in corresponding period of 2017) to CPPA-G. Despite these challenges, the management is working tirelessly to keep the Company operational. We are confident that all the engines and their auxiliary equipment are in sound mechanical condition for smooth and reliable operations.

SUBSIDIARY'S REVIEW

During the year, your Company's subsidiary Rousch (Pakistan) Power Limited ('RPPL') has operated smoothly. The turnover for the period under review was Rs. 6,877 million (Rs. 7,071 million in corresponding period of 2017) earning gross profit of Rs. 1,420 million (Rs. 1,179 million in corresponding period of 2017). Net profit for the period was Rs. 1,220 million (compared to Rs. 1,013 Million in the corresponding period of 2017) delivering earnings per share (EPS) of Rs. 1.42 per share of Rs.10 each (EPS Rs. 1.17 in corresponding period of 2017).

Payment default from the company's sole customer, CPPA-G continues. On September 30, 2018, the overdue receivables from CPPA-G were Rs. 12,069 million. The company is pursuing CPPA-G for timely payment of its receivables on regular basis.

The company continues to discharge its liabilities to its lenders. During the period, the company has paid Rs. 1,257 million to its lenders.

During the period, complex was shut down for one (1) day due to suspension of gas supplies and the company declared this as Other Force Majeure Event under the interim Gas Supply Agreement.

During the period under review, 390 GWh of electricity was delivered to CPPA-G as compared to 723 GWh delivered during the corresponding period of last year. During the period, the company was not able to generate gas efficiency due to low demand from NPCC coupled with half & full complex reserve shutdown in order to control the system frequency.

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

FUTURE OUTLOOK

The power sector in Pakistan has undergone a transition phase whereby significant investment has been made by the GoP as well as private sector in the last few years to overcome the energy crisis which has adversely affected the socio-economic progress of the country. The GoP has been particularly active on completion of RLNG-based projects in the Punjab, many hydel projects in KPK / AJK and Coal-based projects in Punjab as well as in Sindh. Three RLNG-based and two coal-based power projects have become operational whereas most of other power projects are expected to come online in next 2-3 years which will positively affect demand-supply deficit. However, other 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 will continue to impact AEL's financial results negatively in times to come. The management continues to make efforts to operate the plant under these challenging circumstances with the reduced dispatch demand for the Company from NPCC.

QUALITY, ENVIRONMENT, HEALTH & SAFETY

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

ACKNOWLEDGEMENT

The Board of Directors would like to place on record its gratitude to its valuable 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

Dated: October 24, 2018
Lahore.

ڈائریکٹرز کی جائزہ رپورٹ

کمپنی کے بورڈ آف ڈائریکٹرز 30 ستمبر 2018 کو ختم ہونے والی سہ ماہی کی کمپنی کی آپریشنل کارکردگی اور (غیر نظر ثانی شدہ) مالی حسابات بخوشی پیش کرتے ہیں۔

عمومی

کمپنی کی اہم ترین سرگرمیوں میں 32 میگاواٹ (30 جون 32:2018 میگاواٹ) کے گیس پر مبنی 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 پاور مینجمنٹ کمپنی (پرائیویٹ) لمیٹڈ (خصوصی مقصد کی کمپنی) کے 100 فیصد حصص کی مالک ہے، جو بدلے میں Rousch (پاکستان) پاور لمیٹڈ (آر پی پی ایل) کے 59.98 فیصد حصص رکھتی ہے۔ آر پی پی ایل ایک غیر مندرج پبلک کمپنی اور گیس فائرڈ کمبائنڈ سائیکل تھرمل پاور پلانٹ کے ذریعے 450 میگاواٹ (30 جون 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 370 ملین روپے (2017 کی اسی مدت میں 401 ملین روپے) جس کے نتیجے میں مجموعی منافع 33 ملین روپے (2017 کی اسی مدت میں 59 ملین روپے) حاصل ہوا۔ کمپنی نے ٹیکس کے بعد خالص منافع 14 ملین روپے (2017 کی اسی مدت میں 44 ملین روپے) اور فی شیئر آمدنی (EPS) 0.04 روپے (2017 کی اسی مدت میں 0.12 روپے) درج کرایا ہے۔

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 کر رہا 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۔ ہم دیکھتے ہیں کہ گردشی قرضہ مستقبل قریب میں حکومت کے لئے ایک بڑا چیلنج رہے گا جب تک کہ مذکورہ بالا بنیادی مسائل کو ختم کرنے کے لئے اہم اقدامات نہ اُٹھائے گئے۔ 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۔ کمپنی کی انتظامیہ اپنے خریدار سے واجب ادائیگیوں کی بروقت واگزاری کے لئے مسلسل مطالبہ کر رہی ہے۔

آپریشنز

کمپنی، نے جب سے اپنے آپریشنز کو مقامی گیس سے آر ایل این جی پر منتقل کیا، RLNG کی فراہمی مسلسل حاصل کر رہی ہے۔ اس کے علاوہ، گزشتہ دو 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، این پی سی سی / سی پی پی کے اقتصادی ڈسپیچ میرٹ آرڈر میں آلٹرن کے پلانٹ کا درجہ بہت نیچے ہے۔ ان عوامل کی وجہ سے کمپنی کو گزشتہ مالی سال کی اسی مدت کے مقابلے 66 ملین روپے کا کپیسٹی ریونیو نقصان ہوا اور کمپنی نے CPPA-G کو کامیابی سے GWh 20 (2017 کی اسی مدت میں GWH 54) بجلی ترسیل کی ہے۔ ان چیلنجوں کے باوجود، انتظامیہ کمپنی کو آپریشنل رکھنے کے لئے انتھک کوششیں کر رہی ہے۔ ہم پُر اعتماد ہیں کہ تمام انجن اور ان کے معاون آلات ہموار اور قابل اعتماد آپریشنز کے لئے مستحکم میکانیکل حالت میں ہیں۔

ماتحت ادارے کا جائزہ

متذکرہ سال کے دوران کمپنی کے ذیلی ادارہ روش (پاکستان) پاور لمیٹڈ (آر پی پی ایل) نے بہترین طریقے سے کام کیا اور زیرِ جائزہ مدت ٹرن اوور کیلئے 6,877 ملین روپے (2017 کی اسی مدت میں 7,071 ملین روپے) مجموعی منافع کی آمدنی 1,420 ملین روپے (2017 کی اسی مدت میں 1,179 ملین روپے) تھی۔ موجودہ مدت کا خالص منافع 1,220 ملین روپے (2017 کی اسی مدت میں 1,013 ملین روپے) ہر ایک -/10 روپے کی فی حصص آمدنی (EPS) 1.42 روپے (2017 کی اسی مدت میں 1.17 روپے) تھی۔

کمپنی کے واحد صارف، CPPA-G سے عدم ادائیگی جاری رہی ہے۔ 30 ستمبر 2018 کو، CPPA-G سے زائد المعیاد قابل وصولی رقوم 12,069 ملین روپے تھیں۔ کمپنی باقاعدہ بنیاد پر اپنی قابل وصولی رقوم کے لئے CPPA-G سے مطالبہ کر رہی ہے۔ کمپنی نے اپنے قرض دہندگان کو اپنے ذمہ ادائیگیوں کو ادا کر رہی ہے۔ مدت کے دوران، کمپنی نے اپنے بنکرز کو 1,257 ملین روپے ادا کئے ہیں۔

مدت کے دوران، کمپلیکس گیس سپلائی کی معطّلی کی وجہ سے (1) ایک دن بند رہا تھا اور کمپنی نے اسے عبوری گیس سپلائی معاہدہ کے تحت دیگر فورس میجور قرار دیا۔

زیرِ جائزہ مدت کے دوران، CPPA-G کو GWh 390 بجلی ترسیل کی گئی جبکہ گزشتہ سال کی اسی مدت کے دوران GWh 723 بجلی ترسیل کی گئی۔ مدت کے دوران، کمپنی کنٹرول سسٹم فریکوئنسی کے لئے نصف اور تمام کمپلیکس ریز روشٹ ڈاؤن کے ساتھ NPCC سے کم طلب کی وجہ سے گیس کی صلاحیت پیدا کرنے کے قابل نہیں تھی۔

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

مستقبل کا نقطہ نظر

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 اور دو(2) کوئلہ پر چلنے والے پاور پراجیکٹس فعال ہوگئے ہیں جبکہ دیگر پراجیکٹس میں سے اکثر اگلے 2-3 سالوں میں آن لائن ہوجانے 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 کم ہوتی ہوئی ترسیل کی ڈیمانڈ کے باوجود پلانٹ کو فعال رکھنے کی کوشش کر رہی ہے۔

کوالٹی، ماحول، صحت اور حفاظت

متذکرہ مدت کے دوران آپ کی کمپنی نے پاور پلانٹ میں کوالٹی، ماحولیات، صحت اور حفاظتی اقدامات میں کارکردگی کی تسلی بخش سطح کو برقرار رکھا ہے۔ زیرِ جائزہ مدت کے دوران کوئی وقت کے ضیاع کا واقعہ (LTI) اور کوئی ماحول کی تبدیلی کے واقع رونما نہیں ہوا ہے۔

اظہار تشکر

بورڈ آف ڈائریکٹرز اپنے قابل قدر حصص یافتگان، حکومتی اداروں، سوئی ناردرن گیس پائپ لائن کمپنی لمیٹڈ CPPA-G اور بینکوں کا انکے تعاون مسلسل حمایت اور سرپرستی کیلئے شکر گزار ہیں۔
بورڈ کمپنی کی اعلیٰ کارکردگی کا ایک اہم حصہ ہونے پر اپنے ایگزیکٹوز، سٹاف اور ورکرز کی تعریف کرتا ہے۔

بحکم بورڈ

فضل حسین عاصم
چیف ایگزیکٹو

شاہ محمود چوہدری
ڈائریکٹر

لاہور
24 اکتوبر 2018ء

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

	Note	**Un-audited September 30, 2018**	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		1,092,923	1,078,636
		4,768,383	4,754,096
NON-CURRENT LIABILITIES			
Long term financing - unsecured	5	-	-
Deferred liabilities		4,614	4,378
		4,614	4,378
CURRENT LIABILITIES			
Trade and other payables		48,182	75,140
Short term borrowings - secured		230,752	159,569
Unclaimed dividend		1,345	1,345
Mark up accrued		15,831	15,248
Current portion of long term financing - unsecured	5	79,758	79,120
		375,868	330,422
CONTINGENCIES AND COMMITMENTS	6		
		5,148,865	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 SEPTEMBER 30, 2018

ASSETS	Note	Un-audited September 30, 2018	Audited June 30, 2018
		---Rupees in thousand---	
NON-CURRENT ASSETS			
Property, plant and equipment	7	685,183	701,204
Intangible assets	8	353	418
Long term investment	9	3,204,510	3,204,510
Long term deposit		38	38
		3,890,084	3,906,170
CURRENT ASSETS			
Stores and spares		74,658	76,735
Trade debts - secured		1,013,238	934,919
Advances, deposits, prepayments and other receivables		161,964	162,155
Income tax recoverable		1,527	1,527
Cash and bank balances		7,394	7,390
		1,258,781	1,182,726
		5,148,865	5,088,896

Chief Executive

Chief Financial Officer

Director

ALTERN ENERGY LIMITED
CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THREE MONTHS ENDED SEPTEMBER 30, 2018

	Note	September 30, 2018	September 30, 2017
		------Rupees in thousand-------	
Revenue - net	*10*	370,114	400,841
Direct costs	*11*	(336,962)	(342,066)
Gross profit		33,152	58,775
Administrative expenses		(12,517)	(10,234)
Other income		5	415
Profit from operations		20,640	48,956
Finance cost		(6,353)	(4,898)
Profit before taxation		14,287	44,058
Taxation		-	(129)
Profit for the period		14,287	43,929
Earnings per share - basic and diluted - Rupees		0.04	0.12

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 UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THREE MONTHS ENDED SEPTEMBER 30, 2018

	September 30, 2018	September 30, 2017
	-------Rupees in thousand -------	
Profit for the period	14,287	43,929
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	14,287	43,929

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 UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THREE MONTHS ENDED SEPTEMBER 30, 2018

	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	-	-	43,929	43,929
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for three month ended September 30, 2017	-	-	43,929	43,929
Balance as on September 30, 2017 (un-audited)	3,633,800	41,660	1,123,443	4,798,903
Profit for the period	-	-	1,408,713	1,408,713
Other comprehensive income for the period	-	-	-	-
	-	-	1,408,713	1,408,713
Total contributions by and distributions to owners of the Company recognized directly in equity:				
Interim Dividend @ Rs. 4 / ordinary share for the year ending June 30, 2018	-	-	(1,453,520)	(1,453,520)
Balance as on July 01, 2018 (audited)	3,633,800	41,660	1,078,636	4,754,096
Profit for the period	-	-	14,287	14,287
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for three months ended September 30, 2018	-	-	14,287	14,287
Total contributions by and distributions to owners of the Company recognized directly in equity:	-	-	-	-
Balance as on September 30, 2018 (un-audited)	3,633,800	41,660	1,092,923	4,768,383

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 UNCONSOLIDATED STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THREE MONTHS ENDED SEPTEMBER 30, 2018

	Notes	September 30, 2018	September 30, 2017
		-------Rupees in thousand-------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	*12*	(58,811)	69,059
Finance costs paid		(5,141)	(3,422)
Income taxe paid		(1)	(198)
		(5,142)	(3,620)
Net cash (outflow) / inflow from operating activities		(63,953)	65,439
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received		-	1,435,108
Profit on bank deposits received		5	415
Net cash inflow from investing activities		5	1,435,523
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		-	(1,453,090)
Net cash outflow from financing activities		-	(1,453,090)
Net (decrease) / increase in cash and cash equivalents		(63,948)	47,872
Cash and cash equivalents at beginning of the period		(157,883)	48,572
Cash and cash equivalents at the end of the period	*13*	(221,831)	96,444

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

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

1 LEGAL STATUS & NATURE OF BUSINESS

1.1 Altern Energy Limited (the 'Company') was incorporated in Pakistan as a listed public company limited by shares under the Companies Ordinance, 1984 (now the Companies Act, 2017 and hereinafter referred to as the 'Act') on January 17, 1995. 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 year, 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'), has been sanctioned by the Lahore High Court ('LHC') through its order dated November 21, 2017. The Scheme is effective from December 15, 2017 and has 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. During the previous year, on May 9, 2017, the Company executed a Novation Agreement with The Pakistan Water And Power Development Authority ('WAPDA') and CPPA-G whereby all the rights and obligations of WAPDA under the PPA were transferred to CPPA-G. Consequently, WAPDA ceased to be a party to PPA and CPPA-G became a party in place of WAPDA assuming all of WAPDA's rights and obligations thereunder. Furthermore, the Company signed amendments to Government Guarantee and Implementation Agreement to reflect this change in PPA. 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 financial statements are the separate financial statements of the Company. Consolidated 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

The accounting policies adopted for the preparation of this condensed interim financial information 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.

4 ACCOUNTING ESTIMATES

The preparation of the condensed interim 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 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 financial statements for the year ended June 30, 2018.

	Un-audited September 30, 2018	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	638	2,769
Payments during the period	-	(18,500)
	79,758	79,120
Current portion shown under current liabilities	(79,758)	(79,120)
	0	-

5.1 This represents long term loan obtained by the Company from its wholly owned subsidiary, Power Management Company (Private) Limited ('PMCL'). This is an unsecured loan and carries mark-up at the rate of six months Karachi Inter-Bank Offered Rate ('KIBOR') plus 100 basis points per annum. The mark-up rate charged during the period on the outstanding balance was 8.04% (June 30, 2018: 7.15% to 7.21%) per annum. Based on mutually agreed terms with PMCL, the remaining loan is repayable within twelve months from the statement of financial position date and has, therefore, been classified as a current liability. This includes accrued mark-up amounting to Rs 48.25 million (June 30, 2018: Rs 47.62 million).

6 CONTINGENCIES AND COMMITMENTS

There is no change in the status of contingencies and commitments set out in note 13 to the financial statements of the Company for the year ended June 30, 2018 except for the following:

6.1 Contingencies

In respect of tax year 2015, the Additional Commissioner (Audit), Inland Revenue ['AC(A)IR'] passed an amended assessment order under section 122(5A), creating income tax demand amounting to Rs 81.60 million which mainly relates to denying the claim of exemption of dividend income from PMCL (wholly owned subsidiary) on account of non-filing of group tax return for the said tax year. The Company being aggrieved of the said order filed appeal before CIR(A). CIR(A), through order dated April 16, 2018, has accepted all the contentions of the Company except the taxation of dividend income thereby reducing the demand to Rs 68.33 million. On April 18, 2018, the Company has filed an appeal before ATIR against the CIR(A)'s order. On this issue, the Company has obtained stay order against impugned tax demand from Honorable Lahore High Court.

In respect of tax year 2016, the AC(A)IR passed an amended assessment order under section 122(5A), creating income tax demand amounting to Rs 150.97 million which mainly relates to taxability of dividend income from PMCL (wholly owned subsidiary) on accrual basis. The Company being aggrieved of the said order filed the appeal before CIR(A). CIR(A), through order dated April 16, 2018, has accepted all the contentions of the Company except the taxation of dividend income thereby reducing the demand to Rs 147.52 million. On April 18, 2018, the Company has filed an appeal before ATIR against the CIR(A)'s order. On the issue, company has obtained stay order against impugned tax demand from Honorable Lahore High Court.

Based on the advised of the Company's legal counsel, management believes that there are sufficient grounds to defend the Company's stance in respect of the above mentioned cases. Consequently, no provision has been recognized in these condensed interim financial information.

	Note	Un-audited September 30, 2018	Audited June 30, 2018
		-------Rupees in thousand-------	
7 PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	*7.1*	680,377	696,398
Major spare parts and stand-by equipment		4,806	4,806
		685,183	701,204
7.1 Operating fixed assets			
Opening book value		696,398	737,666
Additions/transfers during the period / year	*7.1.1*	-	23,267
Depreciation charged during the period / year		(16,021)	(64,535)
Closing book value		680,377	696,398
7.1.1 Additions during the period / year			
Plant and machinery		-	20,210
Electric equipment		-	-
Office equipment		-	384
Vehicle		-	2,673
		-	23,267

7.2 According to the SRO 24(I)/2012 dated January 16, 2012 issued by SECP [as fully explained in note 4.17(b) to these financial statements], the Company is allowed to capitalize exchange gains/losses arising on outstanding amounts of foreign currency loans contracted under the Implementation Agreement with Government of Pakistan until the date of expiry of such Implementation Agreement. There were no exchange losses capitalized during the period (June 30, 2018: Nil). This has resulted in accumulated capitalization of Rs 88.165 million (June 30, 2018: Rs 88.165 million) in the cost of plant and equipment up to September 30, 2018, with net book value of Rs 52.257 million (June 30, 2018: Rs 53.294 million). The exchange gains/ losses capitalized are amortized over the remaining useful life of plant.

		Note	Un-audited September 30, 2018	Audited June 30, 2018
			-------Rupees in thousand-------	
8	**INTANGIBLE ASSETS**			
	Cost			
	Opening balance		7,565	7,195
	Additions during the period / year		-	370
	Closing balance		7,565	7,565
	Amortization			
	Opening balance		7,147	5,240
	Amortization charged during the period / year		65	1,907
	Closing balance		7,212	7,147
	Net book value as at September 30,		353	418
	Annual amortization rate		33%	33%
9	**LONG TERM INVESTMENT**			
	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% (2017: 100%)] - Cost	*9.1 & 9.2*	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.

9.2 Investment in associated company has been made in accordance with the requirements under the Act.

		Un-audited September 30, 2018	Un-audited September 30, 2017
		----Rupees in thousand----	
10	**REVENUE - NET**		
	Energy purchase price - gross	370,301	339,570
	Sales tax	(53,804)	(49,339)
	Energy purchase price - net	316,497	290,231
	Capacity purchase price	38,231	104,277
	Other supplemental charges	15,386	6,334
		370,114	400,841

		Un-audited	
		September 30, 2018	September 30, 2017
11	**DIRECT COSTS**	----Rupees in thousand----	
	Natural gas / RLNG consumed	300,820	271,302
	Depreciation on operating fixed assets	15,674	15,510
	Stores and spares consumed	2,889	31,540
	Repairs and maintenance	1,919	3,755
	Purchase of energy from CPPA-G	655	911
	Lube oil consumed	734	2,051
	Operation and maintenance contractor's fee	12,001	14,522
	Security expenses	1,422	1,354
	Salaries, wages and other benefits	187	286
	Insurance cost	511	500
	Travelling & conveyance	65	102
	Generation license fee	39	149
	Miscellaneous expenses	44	82
		336,962	342,066

12	**CASH (USED IN) / GENERATED FROM OPERATIONS**		
	Profit before taxation	14,287	44,058
	Adjustment for non cash charges and other items:		
	-Depreciation on operating fixed assets	16,021	15,746
	-Amortization of intangible assets	65	602
	-Provision for employee retirement benefits	236	481
	-Amortization of bank guarantee cost	-	489
	-Profit on bank deposits	(5)	(415)
	-Finance cost	6,353	4,409
		22,670	21,312
	Profit before working capital changes	36,957	65,370
	Effect on cashflow due to working capital changes:		
	Decrease in stores and spares	2,076	22,860
	Decrease / (Increase) in advances, deposits, prepayments, and other receivables	1,718	(4,808)
	Increase in trade debts	(78,319)	(11,880)
	Decrease in trade & other payables	(21,243)	(2,483)
		(95,768)	3,689
	Cash (used in) / generated from operations	(58,811)	69,059

13	**CASH AND CASH EQUIVALENTS**		
	Cash and bank balances	7,394	96,444
	Short term borrowings - secured	(230,752)	-
		(223,358)	96,444

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 RELATED PARTY TRANSACTIONS

The related parties comprise holding company, subsidiary companies, associated companies, other related companies, key management personnel and post employment benefit plans. Significant transactions with related parties are as follows:

Relationship with the Company	Nature of transaction	Un-audited September 30, 2018	Un-audited September 30, 2017
		----Rupees in thousand----	
i) Holding company			
Descon Engineering Limited:			
	Dividends paid	-	845,728
	Common cost charged to the Company	606	556
ii) Subsidiary companies			
Power Management Company (Private) Limited (wholly owned)			
	Dividends received	-	1,435,108
	Mark up accrued on loan	754	1,004
Rousch (Pakistan) Power Limited			
	Common cost charged to the Company	75	137
iii) Other related parties			
On the basis of common directorship			
Descon Power Solutions (Private) Limited			
	Operation & maintenance contractor's fee	12,001	13,202
	Service agreement for generators	-	1,320
	Purchase of spare parts	-	11,710
	Major maintenance fee	-	870
	Common cost charged to the Company	58	29
Descon Corporation (Private) Limited			
	ERP implementation fee and running costs	893	724
	Common cost charged to the Company	101	46

		Un-audited September 30, 2018	September 30, 2017
		----Rupees in thousand----	
iv) Key management personnel	Salaries and other employment benefits	1,294	1,104
iv) Director's remuneration	Salaries and other employment benefits	1,043	791
iv) Director's fee	Meeting fee	250	125
v) Post employment benefit plans	Expenses charged in respect of retirement benefit plans	236	481

	Un-audited September 30, 2018	Audited June 30, 2018
	-------Rupees in thousand-------	
Period end balances are as follows:		
Payable to related parties		
Descon Engineering Limited (Holding company)	7,652	8,756
Power Management Company (Private) Limited (Subsidiary company)	11,241	11,126
Descon Corporation (Private) Limited (Associated company)	472	1,607
Descon Power Solutions (Private) Limited (Associated company)	16,159	13,547
Rousch (Pakistan) Power Limited (Subsidiary company)	200	175
	35,724	35,210

16 GENERAL

16.1 These condensed interim financial statements were authorized for issue on October 24, 2018 by the Board of Directors of the Company.

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

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

CONSOLIDATED FINANCIAL INFORMATION

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

EQUITY AND LIABILITIES	Note	Un-audited September 30, 2018	Audited June 30, 2018
		(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		13,613,084	12,920,994
		17,288,544	16,596,454
Non-controlling interests		11,101,422	10,613,034
		28,389,966	27,209,488
NON-CURRENT LIABILITIES			
Long term financing - secured	5	344,311	1,561,704
Deferred liabilities		26,124	24,606
Deferred taxation		1,013,444	958,542
		1,383,879	2,544,852
CURRENT LIABILITIES			
Trade and other payables		1,108,807	1,680,570
Short term borrowings - secured		2,399,423	1,816,641
Mark up accrued		40,320	47,491
Current portion of long term financing - secured		3,192,759	3,123,407
Derivative financial instrument	6	29,181	45,232
Unclaimed dividend		1,345	1,345
		6,771,835	6,714,686
CONTINGENCIES AND COMMITMENTS	7		
		36,545,681	36,469,026

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

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

ASSETS	Note	Un-audited September 30, 2018	Audited June 30, 2018
		(Rupees in thousand)	
NON-CURRENT ASSETS			
Property, plant and equipment	8	18,756,969	19,131,670
Intangible assets		353	418
Long term deposits		369	369
Long term loan to employees - secured		4,025	5,161
		18,761,716	19,137,618
CURRENT ASSETS			
Store, spares & loose tools		619,516	621,053
Inventory of fuel oil		467,613	468,560
Trade debts - secured, considered good		14,257,114	13,751,910
Advances, deposits, prepayments and other receivables		732,079	710,438
Income tax recoverable		254,238	221,361
Cash and bank balances		1,453,405	1,558,086
		17,783,965	17,331,408
		36,545,681	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 THREE MONTHS ENDED SEPTEMBER 30, 2018

	Note	September 30, 2018	September 30, 2017
		---Rupees in thousand---	
Revenue - net	9	7,247,472	7,471,469
Direct costs	10	(5,793,985)	(6,233,635)
Gross profit		1,453,487	1,237,834
Administrative expenses		(47,518)	(61,427)
Other income		30,952	70,492
		1,436,921	1,246,899
Finance cost		(197,223)	(178,455)
Profit before taxation		1,239,698	1,068,444
Taxation		(59,220)	(56,453)
Profit after taxation		1,180,478	1,011,991
Attributable to:			
Equity holders of the Parent Company		692,090	606,625
Non-controlling interest		488,388	405,366
		1,180,478	1,011,991
Earnings per share attributable to equity holders of the Parent Company during the period - basic and diluted	**Rupees**	1.90	1.67

The annexed notes 1 to 16 form an integral part of these 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 THREE MONTHS ENDED SEPTEMBER 30, 2018

	September 30, 2018	September 30, 2017
	---Rupees in thousand---	
Profit for the period	1,180,478	1,011,991
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss	-	-
Items that will not be reclassified subsequently to profit or loss	-	-
	-	-
Total comprehensive income for the period	1,180,478	1,011,991
Attributable to:		
Equity holders of the Parent Company	692,090	606,625
Non-controlling interest	488,388	405,366
	1,180,478	1,011,991

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

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

ALTERN ENERGY LIMITED AND ITS SUBSIDIARY COMPANIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW (UN-AUDITED)
FOR THREE MONTHS ENDED SEPTEMBER 30, 2018

	Note	September 30, 2018	September 30, 2017
		---Rupees in thousand---	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	11	734,913	3,113,892
Long term advances		1,136	319
Finance cost paid		(161,026)	(174,102)
Income tax paid		(4,096)	(118,422)
Retirement benefits paid		(609)	-
		(164,595)	(292,205)
Net cash inflow from operating activities		570,318	2,821,687
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(1,689)	(7,565)
Profit on bank deposits received		5	415
Proceeds from disposal of operating fixed assets		505	384
Net cash outflow from investing activities		(1,179)	(6,766)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing - secured		(1,256,602)	(1,064,208)
Dividend paid		-	(2,488,095)
Net cash outflow from financing activities		(1,256,602)	(3,552,303)
Net decrease in cash and cash equivalents		(687,463)	(737,382)
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	12	(946,018)	4,006,505

The annexed notes 1 to 16 form an integral part of these 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 THREE MONTHS ENDED SEPTEMBER 30, 2018

	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	-	-	606,625	405,366	1,011,991
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for three months ended September 30, 2017	-	-	606,625	405,366	1,011,991
Transactions with owners in their capacity as owners	-	-	-	-	-
Balance as on September 30, 2017 (Un-audited)	3,633,800	41,660	12,986,217	10,614,428	27,276,105
Profit for the period	-	-	1,388,359	1,033,651	2,422,010
Other comprehensive loss for the period	-	-	(62)	(42)	(104)
Total comprehensive income for the year ended June 30, 2018	-	-	1,388,297	1,033,609	2,421,906
Transactions with owners in their capacity as owners:					
Interim dividend for the year ended June 30, 2018 @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 June 30, 2018 (Audited)	3,633,800	41,660	12,920,994	10,613,034	27,209,488
Profit for the period	-	-	692,090	488,388	1,180,478
Other comprehensive income for the period	-	-		-	-
Total comprehensive income for three months ended September 30, 2018	-	-	692,090	488,388	1,180,478
Transactions with owners in their capacity as owners	-	-	-	-	-
Balance as on September 30, 2018 (Un-audited)	3,633,800	41,660	13,613,084	11,101,422	28,389,966

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

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	
	September 30, 2018	**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)

AEL 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 AEL 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.

During the previous year, 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'), has been sanctioned by the Lahore High Court ('LHC') through its order dated November 21, 2017. The Scheme is effective from December 15, 2017 and has 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 Parent company is Descon Processing (Private) Limited.

The principal activity of AEL 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.

AEL's 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 AEL 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.

1.3 PMCL

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

1.4 RPPL

RPPL is an unlisted public company, incorporated in Pakistan on August 4, 1994 under the repealed Companies Ordinance, 1984 (now the Act). The company is a subsidiary of PMCL, which is a wholly owned subsidiary of AEL. Further, the ultimate parent of the company is Descon 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, 2018: 450 Mega Watts), 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 RPPL 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 for the period of twelve years under GSA with SNGPL till August 18, 2015. At that time, under the amended and restated Implementation Agreement ('IA'), the Government of Pakistan ('GoP') provided an assurance that RPPL will be provided gas post August 2015, in preference to the new projects commissioned after the company.

The Ministry of Petroleum and Natural Resources ('MOPNR'), empowered for RLNG allocation by the Economic Co-ordination Committee ('ECC'), issued an allocation of 85 MMSCFD of RLNG to RPPL on firm basis on September 23, 2015 and advised the company and SNGPL to negotiate a long term GSA on firm basis. While negotiations for the long term GSA are in process, ECC of the Cabinet approved interim GSA for supply of RLNG to RPPL upto June 2018 or signing of a long-term GSA, whichever is earlier. The interim GSA was executed with CPPA-G and SNGPL which was effective from June 1, 2017. Under the interim GSA, RLNG was supplied on 'as-available' basis, however, the non-supply of RLNG was treated as 'Other Force Majeure' under the PPA. The interim GSA has expired in June 2018. CPPA-G has intimated the approval of its Board of directors relating to signing of a new interim GSA to the company and has also communicated the same to Ministry of Energy. The Board of CPPA-G has referred the matter to ECC for its approval for extension of interim GSA until the signing of a long term GSA. SNGPL through its letter dated May 8, 2018 has also expressed its consent to supply RLNG to the company on the same payment terms.

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

The accounting policies adopted for the preparation of this condensed interim consolidated financial information are the same as those applied in the preparation of preceding annual consolidated financial statements of the Group for the year ended June 30, 2018.

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 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 company 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.

6 DERIVATIVE FINANCIAL INSTRUMENT

This represents derivative interest rate swap arrangement with a commercial bank. Under the terms of the arrangement, the group pays a fixed interest rate of 4.80% to the arranging bank on the notional US Dollar (USD) amount for the purposes of the interest rate swap, and receives three months LIBOR on the notional US Dollar (USD) amount from the arranging bank. There have been no transfer of liabilities under the arrangement, only the nature of interest payment has changed. The derivative interest rate swap outstanding as at September 30, 2018 has been marked to market and the resulting gain has been included in the consolidated statement of profit or loss.

7 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:

7.1 Contingencies

Altern Energy Limited - the Parent company

In respect of tax year 2015, the Additional Commissioner (Audit), Inland Revenue ['AC(A)IR'] passed an amended assessment order under section 122(5A), creating income tax demand amounting to Rs 81.60 million which mainly relates to denying the claim of exemption of dividend income from PMCL (wholly owned subsidiary) on account of non-filing of group tax return for the said tax year. The company being aggrieved of the said order filed appeal before CIR(A). CIR(A), through order dated April 16, 2018, has accepted all the contentions of the company except the taxation of dividend income thereby reducing the demand to Rs 68.33 million. On April 18, 2018, the company has filed an appeal before ATIR against the CIR(A)'s order. On this issue, the company has obtained stay order against impugned tax demand from Honorable Lahore High Court.

In respect of tax year 2016, the AC(A)IR passed an amended assessment order under section 122(5A), creating income tax demand amounting to Rs 150.97 million which mainly relates to taxability of dividend income from PMCL (wholly owned subsidiary) on accrual basis. The company being aggrieved of the said order filed the appeal before CIR(A). CIR(A), through order dated April 16, 2018, has accepted all the contentions of the company except the taxation of dividend income thereby reducing the demand to Rs 147.52 million. On April 18, 2018, the company has filed an appeal before ATIR against the CIR(A)'s order. On the issue, company has obtained stay order against impugned tax demand from Honorable Lahore High Court.

Based on the advice of the company's legal counsel, management believes that there are sufficient grounds to defend the company's stance in respect of the above mentioned case. Consequently, no provision has been recognized in these condensed interim consolidated financial statements.

Rousch (Pakistan) Power Limited - the Subsidiary company

Following the period end, the irrigation department has issued a recovery notice for Rs. 85 million. The management is seeking legal recourse available to the company. The management is of the view that there are sufficient grounds available to defend the company's position in this matter, hence no provision has been made in these condensed interim consolidated financial statements in this connection.

9 PROPERTY, PLANT AND EQUIPMENT

Additions to plant and equipment include net exchange loss of Rs 62 million (Juna 30, 2018: 438 million) on related foreign currency loans during the period from July 1, 2018 to September 30, 2018. This has resulted in accumulated capitalization of exchange losses of Rs. 12,803 million (June 30, 2018: Rs 12,741 million) in the cost of plant and equipment upto September 30, 2018, with net book value of Rs 6,446 million (June 30, 2018: Rs 6,508 million). The exchange gains / losses capitalized are amortized over the remaining useful life of the plant.

	Un-audited	
	September 30, 2018	September 30, 2017
	---Rupees in thousand---	
9 REVENUE - NET		
Energy purchase price - gross	6,058,753	6,870,082
Sales tax	(880,332)	(998,217)
Energy purchase price - net	5,178,421	5,871,865
Capacity purchase price	1,787,749	1,536,911
True-up	38,269	-
Other supplemental charges	243,033	175,143
Gas efficiency passed to CPPA-G	-	(112,450)
	7,247,472	7,471,469
10 DIRECT COSTS		
Natural gas / RLNG consumed	5,066,621	5,422,524
Operation and maintenance contractor's fee	206,071	265,627
Depreciation on operating fixed assets	436,110	425,540
Stores, spares and loose tools consumed	19,781	62,290
Lube oil consumed	734	2,051
Repairs & maintenance	2,557	4,250
Insurance cost	26,208	25,157

	Un-audited September 30, 2018	September 30, 2017
	---Rupees in thousand---	
Purchase of energy from CPPA-G	17,987	5,099
Salaries, wages and other benefits	8,975	11,400
Traveling & conveyance	464	367
Generation license fee	1,721	1,747
Electricity duty	810	2,137
Colony maintenance	2,403	2,167
Communication	1,172	1,022
Vehicle maintenance	270	391
Security expenses	1,422	1,354
Liquidated damages	7	1
Miscellaneous expenses	672	511
	5,793,985	6,233,635

11 CASH GENERATED FROM OPERATIONS

Profit before taxation	1,239,698	1,068,444
Adjustment for non cash charges and other items:		
- Depreciation on operating fixed assets	438,325	428,162
- Profit on bank deposits	(759)	(1,418)
- Amortization of bank guarantee cost	-	489
- Amortization of intangible assets	65	602
- Gain on disposal of operating fixed assets	-	(384)
- Capital spares consumed	-	1,980
- Unrealised gain on derivative financial instrument	(16,051)	(34,756)
- Finance cost	197,976	178,970
- Provision for employee retirement benefits	2,127	2,310
Profit before working capital changes	1,861,381	1,644,399
Effect on cash flow due to working capital changes:		
-Decrease in stores, spares and loose tools	2,484	60,489
- (Increase) / decrease in trade debts	(505,204)	2,875,692
-Increase in advances, deposits, prepayments and other receivables	(54,566)	(25,685)
-Decrease in trade and other payables	(569,182)	(1,441,003)
	(1,126,468)	1,469,493
Cash generated from operations	734,913	3,113,892

12 CASH AND CASH EQUIVALENTS

Cash and bank balances	1,453,405	4,006,505
Short term borrowings - secured	(2,399,423)	-
	(946,018)	4,006,505

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Relationship with the Group	Nature of transactions	Un-audited September 30, 2018	September 30, 2017
		---Rupees in thousand---	
i. Holding company			
Descon Engineering Limited			
	Purchase of spares & services	1,656	1,490
	Dividend paid	-	845,728
	Common costs charged	606	556
ii. Other related parties			
On the basis of common directorship			
Descon Power Solutions (Private) Limited:			
	Operations & maintenance contractor's fee	127,591	125,388
	Service agreement of generators	-	1,320
	Spare parts purchased	439	12,259
	Major maintenance fee	-	870
	Common costs charged	58	29
Descon Corporation (Private) Limited:			
	ERP implementation fee & running cost	3,774	2,397
	Common costs charged	101	46
iii. Group companies			
Siemens AG			
	Purchase of operations & maintenance services	12,766	12,298
	Purchase of long term maintenance services	56,739	72,583
Siemens Pakistan Engineering Company Limited			
	Purchase of operations & maintenance services	393	620
	Purchase of long term maintenance services	16,116	31,652
	Purchase of spares & services	-	597
Siemens Project Ventures GmbH			
	Dividend paid	-	672,588
iv. Key Management Personnel			
	Salaries and other employment benefits	14,633	21,402
v. Post Employment benefit plans			
	Expense charged in respect of retirement benefit plans	3,824	3,809

Period end balances are as follows:	Un-audited September 30, 2018	Audited June 30, 2018
	---Rupees in thousand---	
Payable to related parties		
Descon Engineering Limited (Holding company)	20,472	30,342
Descon Corporation (Private) Limited (Associated company)	848	2,225
Descon Power Solutions (Private) Limited (Associated company)	52,396	50,837
Siemens Pakistan Engineering Company Limited	22,470	32,952
Siemens AG	416,815	417,696
Receivable from related parties		
Descon Power Solutions (Private) Limited (Associated company)	1,032	947

14 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim consolidated financial information was authorized for issue on October 24, 2018 by the Board of Directors of the Parent company.

15 CORRESPONDING FIGURES

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

Corresponding figures have been re-arranged and reclassified, wherever necessary, for the purposes of comparison. Following re-arrangements have been made:

	Un-audited September 30, 2018	Un-audited September 30, 2017
	---Rupees in thousand---	
Transaction loss classified from 'finance cost' to ' exchange loss'	50,946	33,353

16 GENERAL

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

Chief Executive   Chief Financial Officer   Director