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(UN-AUDITED) FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2023

ALTERN ENERGY LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS

(UN-AUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2023

ALTERN ENERGY LIMITED

BOARD OF DIRECTORS

Mr. Faisal Dawood	Chairman
Mrs. Mehreen Dawood	Director
Mr. Farooq Nazir	Director
Mrs. Aliya Saeeda Khan	Independent Director
Mr. Shah Muhammad Chaudhry	Director
Mr. Salih Merghani	Director
Syed Rizwan Ali Shah	Independent Director
Mr . Umer Shehzad Sheikh	Chief Executive (Deemed Director)

AUDIT COMMITTEE

Syed Rizwan Ali Shah	Chairman
Mr. Farooq Nazir	
Mr. Shah Muhammad Chaudhry	

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Farooq Nazir	Chairman
Mr. Shah Muhammad Chaudhry	
Syed Rizwan Ali Shah	

CHIEF FINANCIAL OFFICER
Mr. Muhammad Farooq

COMPANY SECRETARY
Mr. Salman Ali

HEAD INTERNAL AUDIT
Ms. Noor Shuja

EXTERNAL AUDITORS
M/s. A.F. Ferguson & Co. Chartered Accountants

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

REGISTERED OFFICE
DESCON HEADQUARTERS, 18-km Ferozpur Road, Lahore.

REGISTRAR SHARES
M/s. Corplink (Pvt.) Limited
Wings Arcade, 1-k Commercial Model Town, Lahore.
Tel: (92-42) 35839182 Fax: (92-42) 35869037

The Board of Directors of Altern Energy Limited ('the Company') presents the un-audited financial statements of the Company for the nine-month period ended March 31, 2023.

GENERAL

The principal activities of the Company continue to be ownership, operation, and maintenance of a 32 Mega Watts gas-fired thermal power plant located near Fateh Jang, District Attock, Punjab, and sale of electricity. The electricity produced is sold to its sole customer Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G') through the transmission network of National Transmission and Dispatch Company ('NTDC').

The Company's shares are listed on Pakistan Stock Exchange. The Company owns 100% shares of Power Management Company (Private) Limited ('PMCL') (a special purpose vehicle) which in turn holds 59.98% shares of Rousch (Pakistan) Power Limited ('RPPL'). RPPL is an unlisted public company and an independent power producer having a gross capacity of 450 Mega Watts. The principle activity of RPPL is sale of electricity, ownership, and the operation, and maintenance of a 450 Mega Watts gas based combined cycle thermal power plant located near Sidhnai Barrage, Abdul Hakeem, District Khanewal, Punjab.

The Company has a Power Purchase Agreement ('PPA') with its sole customer, CPPA-G for thirty years which commenced from June 6, 2001, ending on June 6, 2031.

The Company's generation license with National Electric Power Regulatory Authority ('NEPRA') expired on September 24, 2021. The Company has applied for renewal / extension of the Generation License with NEPRA, in line with term of its PPA and Implementation Agreement. As of the reporting date, the renewal of the License is in progress and the management is confident that the renewal of the generation license will be granted.

In view of the foregoing and based on the Company's income from its subsidiary Rousch, your Board believes that the Company will continue as a Going Concern in the foreseeable future.

FINANCE

During the period under review, the total revenue of the Company was Rs. 17.46 million (Rs. 1.1 million in corresponding period of 2022), resulting in a gross loss of Rs. 71 million as compared to gross loss of Rs. 75 million in corresponding period of 2022. The revenue for the current year represents delayed payment mark-up accrued on prior year's invoices whereas there was no income during the period on account of capacity or energy invoices. The Company incurred net loss of Rs. 83 million resulting in loss per share of Rs. 0.23, as compared to net profit of Rs. 6,658 million and earnings per share (EPS) of Rs. 18.32 in corresponding period of 2022. Net profit for the corresponding period included dividend income amounting to Rs. 6,697 million from the subsidiary, PMCL.

Your Company's consolidated earnings attributable to the equity holders of Altern Energy Limited for the period under review were Rs. 3,011million resulting in EPS of Rs. 8.29 per share, as compared to consolidated earnings of Rs. 1,035 million and EPS of Rs. 2.85 in the corresponding period of the last year.

DIVIDEND DISTRIBUTION

In view of the uncertainty associated with the power sector, the Board of Directors of the Company did not declare any dividend to the shareholders during the period under review.

OPERATIONS

During the period under review, the plant did not dispatch electric power to the off-taker similar to no dispatch during the corresponding period of the previous financial year. The decline in dispatch is on account of plant being low on economic dispatch merit order of CPPA-G. The new power generation plants added into the national grid during the last couple of years being more efficient rank above your plant in CPPA-G's economic dispatch merit order. During the periods when the complex received dispatch demand from the off-taker, availability of RLNG was a challenge due to issues related to quantity of RLNG allocated to power sector as a result of low purchases of RLNG resulting from higher prices in the international market.

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

SUBSIDIARY'S REVIEW

During the period under review, your Company's subsidiary Rousch (Pakistan) Power Limited ('RPPL') has posted turnover of Rs. 9,499 million (corresponding period in 2022: Rs. 8,951 million) and the cost of sales of Rs. 3,398 million (2022: Rs. 6,794 million). Net profit for the period was Rs. 5,560 million (2022: Rs. 2,020 million) delivering earnings per share ('EPS') of Rs. 6.45 per share of Rs 10 each (2022: Rs. 2.34).

Payment default from RPPL's sole customer, CPPA-G continues. At the end of the reporting period, out of the total receivable of Rs. 16,996 million (June 30, 2022: Rs. 13,002 million), Rs. 14811 million were overdue as compared to overdue receivables of Rs. 10,474 million at the end of June 2022. RPPL's management continues to follow-up CPPA-G for payment of overdue receivables.

During the period under review, net generation delivered by RPPL to the off-taker was 44 GWh against 265 GWh delivered to the off-taker during the same period last year. The plant dispatch factor during the period remained 2.02 % as compared to 20.5% during the corresponding period of the last year. Reduced generation is mainly due to curtailment of RLNG as well as reduced dispatch demand.

RPPL's issue of Other Force Majeure Event ('OFME') with CPPA-G continues. During the period under review, RPPL has raised capacity invoices to the off-taker since the complex was available 100% for dispatch, however, CPPA-G is treating the period of gas unavailability as OFME on the premise that sufficient gas was not available for the power sector. RPPL has considered its plant available since April 2022, but CPPA-G disputed the Capacity Payment invoices for the period of April 2022 to December 2022. However, CPPA-G has accepted the invoices during the Full Complex Approved Outage period of 52 days from 16 October to 6 December 2022. As on the reporting period, the total OFME days as per CPPA-G are 127 whereas as per RPPL, there are zero OFME days during the period. This is in addition to 39 disputed OFME days for the year 2021-22. There is a dispute with CPPA-G on interpretation of OFME days as the management believes that CPPA-G has unfairly treated this period as OFME and there are meritorious legal and contractual grounds available to defend RPPL's viewpoint.

Since 6th February 2023, the complex has been considered “available” by the National Power Control Centre (NPCC), meaning RPPL would be entitled to the Capacity Payment for this period.

RISK MANAGEMENT

The Company's activities expose it to a variety of risks which are subject to different levels of uncertainty against which the Company has mitigating strategies in place. The Board of Directors and the Audit Committee of the Board regularly evaluate risk matrix including all short term and long term risks in terms of impact and probability of occurrence. The management led by Chief Executive is responsible for taking measures to mitigate the risks.

MATERIAL INFORMATION

There have been no material changes since 1st July 2022 and the Company has not entered into any commitment which would affect its financial position at the reporting date, except for those mentioned in annual audited financial statements of the Company for the year ended June 30, 2022.

FUTURE OUTLOOK

Your Company and the power sector are expected to face challenges in near future. Some of these continue to be macro-economic challenges such as shortage and extremely high prices of imported fuel due to supply chain issues and Pak Rupee devaluation. Other challenges are Company specific such as low despatch demand from the off-taker, and its loss of capacity revenue due to the Company being on take and-pay arrangement under the power Purchase Agreement with CPPA-G. However, it is managing its operational costs from receipt of overdue receivables from CPPA-G. We apprehend that your plant may not get sustainable dispatch from NPCC in near future due to its lower position in the economic dispatch order. However, the Company will continue to remain a viable entity due to income from its investment in its subsidiary.

QUALITY, ENVIRONMENT, HEALTH & SAFETY (QEHS)

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

CORPORATE GOVERNANCE

Composition of the Board of Directors

The election of Directors was held on 30th December 2022, after which the total numbers of directors are 8 including Chief Executive (Deemed Director) as per the following:

Male 6
Female 2

The composition of the Board is as follows:

Sr. No.	Category	Names
1	Non-Executive Directors	Mr. Faisal Dawood (Chairman)
2		Mr. Farooq Nazir
3		Mrs. Mehreen Dawood
4		Mr. Salih Merghani
5		Mr. Shah Muhammad Chaudhary
6	Independent Directors	Mrs. Aliya Khan
7		Syed Rizwan Ali Shah
8	Chief Executive	Mr. Umer Shehzad Sheikh

Committees of the Board

The Board has established two committees which are chaired by Independent or non-executive directors. These committees are as follows:

Audit Committee

The Audit Committee comprises of three (3) members as follows:

Syed Rizwan Ali Shah (Independent Director) – Chairman
Mr. Farooq Nazir (Non-executive Director)
Mr. Shah Muhammad Chaudhary (Non-executive Director)

Human Resource & Remuneration Committee

The Committee comprises of three (3) members as follows:

Mr. Farooq Nazir	(Non-executive Director) – Chairman
Mr. Shah Muhammad Chaudhary	(Non-executive Director)
Syed Rizwan Ali Shah	(Independent Director)

Internal Audit and Control

The Board of Directors has set up an independent audit function headed by a qualified person reporting to the Audit Committee. The scope of the internal audit function within the Company is clearly defined by the Audit Committee which involves regular review of internal financial controls.

Directors' Remuneration

The remuneration of Board members is fixed by the Board itself. A formal directors' remuneration policy approved by the Board is in place. The policy states procedure for remuneration to Directors in accordance with requirements of the Act and the Regulations. As per the Policy, the nominee directors are not entitled to receive Board / Committee meetings fee or any other remuneration. Only meeting participation fee is being paid to independent directors.

RELATED PARTY TRANSACTIONS

All transactions with related parties are conducted in ordinary course of business on an arm's length basis. Further, in accordance with the requirements of the Act and the Regulations, the Board of Directors have approved the policy for related party transactions. In accordance with the requirements of the Code, the details of transactions conducted with all related parties are periodically placed before the Boards' Audit Committee and presented to the Board for review and approval. The Company has made appropriate disclosure of the related party transactions in the financial statements annexed with this report.

CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to act responsibly towards the community and environment for mutual benefit. The Company recognizes the importance of being a good corporate citizen in conducting its business as well as delivering its obligations in social welfare of its staff and community in general. Particular attention is given to protect environment of the local community by planting trees. While local community benefits from our strategy of employing more staff at our plant site from surrounding communities.

ACKNOWLEDGEMENT

The Company remains grateful to its shareholders, employees, Government functionaries and all other stakeholders for placing their confidence and trust to steer the Company in these challenging times.

For and on behalf of the Board

Umer Shehzad Sheikh
Chief Executive

Shah Muhammad Chaudhry
Director

Date: April 26, 2023
Place: Lahore.

ڈائریکٹرز کی جائزہ رپورٹ

آلٹرن انرجی لمیٹڈ ("کمپنی") کے ڈائریکٹرز 31 مارچ 2023 کو اختتام پذیر نو ماہی کے لئے کمپنی کی غیر پڑتال شدہ مالیاتی سٹیٹمنٹس از راہ مسرت پیش کرتے ہیں۔

عمومی جائزہ

کمپنی کی بنیادی سرگرمیوں میں فتح جنگ، ضلع اٹک، پنجاب میں واقع 32 میگاواٹ گیس فائرڈ پاور پلانٹ کی ملکیت، آپریشن اور مرمت کو جاری رکھنا اور بجلی کی فروخت ہے۔ تیار بجلی اس کے واحد صارف سنٹرل پاور پرچیزنگ ایجنسی (گارنٹی) لمیٹڈ ("CPPA-G") کو نیشنل ٹرانسمیشن اینڈ ڈسپیچ کمپنی ("NTDC") کے ترسیلی نظام کے ذریعے فروخت کی جاتی ہے۔

کمپنی کے حصص پاکستان اسٹاک ایکسچینج میں رجسٹرڈ ہیں۔ کمپنی پاور مینجمنٹ کمپنی (پرائیویٹ) لمیٹڈ ("PMCL") (ایک خصوصی مقصدی کمپنی) کے 100 فی صد حصص کی مالک ہے جو Rousch (پاکستان) پاور لمیٹڈ ("RPPL") کے 59.98% حصص رکھتی ہے۔ RPPL ایک غیر رجسٹرڈ پبلک کمپنی اور خود مختار پاور پروڈیوسر ہے جس کی استعداد 450 میگاواٹ ہے۔ RPPL کی بنیادی سرگرمیوں میں بجلی کی فروخت اور گیس پر چلنے والے مشترکہ سائیکل تھرمل پاور پلانٹ واقع نزد سدھنائی بیراج، عبدالحکیم، ضلع خانیوال، پنجاب کی ملکیت، آپریشن اور مرمت شامل ہیں۔

کمپنی نے واحد صارف CPPA-G کے ساتھ مؤرخہ 6 جون 2001 تا 6 جون 2031 تک عرصہ تیس برس کے لئے پاور پرچیز معاہدہ ("PPA") کر رکھا ہے۔

نیشنل الیکٹرک پاور ریگولیٹری اتھارٹی ("NEPRA") کے ساتھ کمپنی کا جنریشن لائسنس 24 ستمبر 2021 کو ختم ہو چکا ہے۔ کمپنی نے اپنے PPA اور Implementation Agreement (IA) کی روشنی میں لائسنس کی تجدید/توسیع کے لئے درخواست دے رکھی ہے۔ تاحال لائسنس کی تجدید کا عمل جاری ہے اور انتظامیہ پر امید ہے کہ جنریشن لائسنس کی تجدید کر دی جائے گی۔

مذکورہ بالا امور اور اپنی ذیلی کمپنی Rousch کی آمدنی کی روشنی میں آپ کا بورڈ پر امید ہے کہ کمپنی مستقبل قریب میں کاروبار کو جاری رکھے گی۔

مالیات

زیر جائزہ مدت کے دوران کمپنی کا کل نقصان 17.46 ملین روپے (2022 کی متعلقہ مدت میں 1.1 ملین روپے) رہا۔ جس کے نتیجے میں کل خسارہ 2022 کی اسی مدت میں 75 ملین روپے کے مقابلے میں 71 ملین روپے رہا۔ حالیہ برس کا نقصان اور گذشتہ برسوں کی اوقات پر مدراک اپ کی ادائیگی میں تاخیر کو ظاہر کرتا ہے جب کہ مذکورہ مدت کے دوران CPP اور EPP کی مد میں کوئی آمدنی حاصل نہ ہوئی تھی۔ کمپنی کو 83 ملین روپے خسارے کا بھی سامنا رہا جس کے نتیجے میں 0.23 روپے خسارہ فی حصص سامنے آیا۔ جب کہ گذشتہ برس کی اسی مدت میں کمپنی نے 6,658 ملین روپے خالص منافع اور 18.32 روپے فی حصص آمدنی (EPS) حاصل کی تھی۔ متعلقہ مدت کے دوران خالص منافع میں اس کی ذیلی کمپنی PMCL سے 6,697 ملین روپے ڈیویڈنڈ انکم شامل ہے۔

زیر جائزہ مدت کے دوران آلٹرن انرجی لمیٹڈ کے ایکویٹی ہولڈرز کے لئے آپ کی کمپنی کی مجموعی آمدنی 3,011 ملین روپے تھی جس کے نتیجے میں فی حصص آمدنی 8.29 روپے رہی جب کہ گذشتہ برس کی اسی مدت میں 1,036 ملین روپے مجموعی آمدنی کے ساتھ فی حصص آمدنی 2.85 روپے تھی۔

منافع منقسمہ کی تقسیم

توانائی کے شعبے سے منسوب غیر یقینی صورت حال کی روشنی میں بورڈ آف ڈائریکٹرز نے زیر جائزہ مدت کے دوران شیئر ہولڈرز کے لئے منافع منقسمہ کا اعلان نہ کیا ہے۔

آپریشنز

زیر جائزہ مدت کے دوران پلانٹ نے گذشتہ مالیاتی سال کی اسی مدت کی طرح آف ٹیکر کو الیکٹرک پاور ڈسپیچ نہیں کیا ہے۔ CPPA-G کے معقول ڈسپیچ میرٹ آرڈر پر پلانٹ کی کم استعداد کے باعث ڈسپیچ میں کمی واقع ہوئی۔ گذشتہ دو برسوں کے دوران نیشنل گرڈ میں نئے پاور جنریشن پلانٹ شامل کئے گئے جو CPPA-G کے معقول ڈسپیچ میرٹ آرڈر میں آپ کے پلانٹ سے زیادہ موثر ہیں۔ مذکورہ مدت کے دوران جب آف ٹیکر سے ڈسپیچ ڈیمانڈ کمپلیکس کی وصولی ہوئی تو RLNG کی دستیابی توانائی کے شعبے کے تنوع کش

کرہ، RLNG کی مقدار سے متعلق مسائل کے باعث ایک بڑا خسارہ جو RLNG کی کم خریداری کی وجہ سے سامنے آیا اور نتیجے کے طور پر عالمی منڈی سے زیادہ قیمت پر RLNG کی خریداری کرنا پڑی۔

زیر جائزہ مدت کے دوران اصلی ایکویپمنٹ مینوفیکچررز ('OEM') کی سفارشات کے تحت تمام شیڈولڈ اور تدارک کی مینٹیننس سرگرمیاں عمل میں لائی گئیں۔ ہم اظہار مسرت رپورٹ کرتے ہیں کہ تمام انجن اور ان کے آکزیلری آلات بہتر اور قابل اعتماد آپریشن کرنے کے لئے اچھی مکینیکل حالت میں ہیں۔

ذیلی کمپنی کا جائزہ

زیر جائزہ مدت کے دوران، آپ کی کمپنی کی ذیلی کمپنی Rousch (پاکستان) پاور لمیٹڈ ('RPPL') نے 9,499 ملین روپے (سال 2022ء کی اسی مدت کے دوران 8,951 ملین روپے) کا ٹرن اوور اور سیلز پر لاگت 3,398 ملین روپے (2022: 6,794 ملین روپے) درج کی۔ مذکورہ مدت کے لئے خالص منافع 5,560 ملین روپے (2022: 2,020 ملین روپے) رہا، جس کے باعث فی حصص آمدنی ('EPS') 6.45 روپے (2022: 2.34 روپے) (قیمت فی حصص 10 روپے) رہی۔

RPPL کے واحد صارف CPPA-G کی جانب سے رقوم کی تاخیر سے ادائیگی جاری ہے۔ رپورٹنگ تاریخ کے اختتام پر 16,996 ملین روپے (30 جون 2022: 13,002 ملین روپے) کے واجبات میں سے 14,811 ملین روپے واجبات کی مقررہ تاریخ گزر چکی ہے جب کہ جون 2022ء کے اختتام پر واجبات کی رقم 10,474 ملین روپے تھی۔ RPPL کی انتظامیہ واجبات کی وصولی کے لئے CPPA-G سے مسلسل رابطہ میں ہے۔

زیر جائزہ مدت کے دوران RPPL کی جانب سے آف ٹیکر کو کل جنریشن کی فراہمی 44GWh رہی جب کہ گزشتہ برس کی اسی مدت کے دوران یہ ترسیل 265 GWh تھی۔ گزشتہ برس کی اسی مدت کے دوران 20.6% کی نسبت مذکورہ مدت کے لئے پلانٹ ڈسپیچ کا فیکٹر 2.02 فی صد رہا۔ کم پیداوار RLNG کی بندش اور کم ڈسپیچ ذیلی اثر سے منسوب کی جاتی ہے۔

RPPL کا CPPA-G کے ساتھ دیگر قدرتی رکاوٹوں ('OFME') کا مسئلہ جاری ہے۔ زیر جائزہ مدت کے دوران RPPL نے آف ٹیکر کے لئے کپیسٹی انوائسز بدستور جاری کیں کیونکہ 100 فی صد کمپلیکس ڈسپیچ کے لئے دستیاب تھا تاہم CPPA-G گیس کی عدم دستیابی کی مدت کو اس وجہ سے OFME قرار دیا کہ توانائی کے شعبہ کے لئے گیس کی معقول مقدار دستیاب نہیں تھی۔ RPPL نے اپریل 2022ء سے اپنے پلانٹ کو فعال بنایا ہے لیکن CPPA-G نے اپریل 2022ء سے دسمبر 2022ء تک کپیسٹی ادائیگی انوائسز پر اعتراض کیا ہے۔ البتہ CPPA-G نے 16 اکتوبر سے 6 دسمبر 2022ء تک کے کل کمپلیکس منظور شدہ بندش کے دوران انوائسز کو تسلیم کیا ہے۔ رپورٹنگ تاریخ تک CPPA-G کے کل OFME ایام 127 ہیں جب کہ RPPL کے مطابق مذکورہ مدت کے دوران OFME ایام صفر ہیں۔ یہ ایام سال 22-2021 کے 39 متنازعہ OFME ایام کے علاوہ ہیں۔ CPPA-G کے ساتھ OFME ایام کی تصدیق کی بابت ایک تنازعہ چل رہا ہے کیونکہ انتظامیہ یقین رکھتی ہے کہ CPPA-G نے اس مدت کو نامعقول انداز میں OFME سے منسوب کیا ہے۔ مزید برآں RPPL کے نقطہ نظر کے دفاع کے لئے میرٹ پر قانونی و معاہداتی جواز موجود ہیں۔

6 فروری 2023ء سے کمپلیکس کو نیشنل پاور کنٹرول سنٹر (NPCC) کے لئے دستیاب شمار کیا گیا جس کا مطلب ہے کہ RPPL اس مدت کے لئے کپیسٹی ادائیگی کی اہل ہوگی۔

رسک مینجمنٹ

کمپنی کی سرگرمیوں کو کئی خطرات کا سامنا ہے جس کے باعث غیر یقینی صورتحال پیدا ہوتی ہے لہٰذا کمپنی نے اس کے تدارک کے لئے حکمت عملی وضع کی ہے۔ بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی باقاعدگی سے خطرات کا تعین کرتے ہیں جس میں واقعات رونما ہونے کے امکانات اور اثرات کی بابت قلیل و طویل مدتی خطرات شامل ہیں۔ چیف ایگزیکٹو کے زیر سرپرستی انتظامیہ خطرات سے نبرد آزما ہونے کے لئے اقدامات اٹھانے کی ذمہ دار ہے۔

اہم معلومات

یکم جولائی 2022ء سے کوئی واضح تبدیلی نہیں آئی ہے اور کمپنی کسی ایسے معاہدے میں شامل نہیں ہوئی ہے جو رپورٹنگ کی تاریخ تک اس کی مالیاتی حالت پر اثر انداز ہو سوائے ان معاملات کے جنہیں 30 جون 2022ء کو اختتام پذیر سال کے لئے کمپنی کی پڑتال شدہ سالانہ مالیاتی اسٹیٹمنٹس میں بیان کیا گیا ہے۔

خطرہ

اندیشہ ہے کہ آپ کی کمپنی اور توانائی کا شعبہ مزید مشکلات کا شکار رہے گا۔ ان میں سے سپلائی چین مسائل کے باعث درآمدی ایندھن کی انتہائی بلند قیمتوں اور اس کی قلت اور پاکستانی روپے کی بے قدری جیسے چند کلی اقتصادی چیلنجز جاری رہیں گے۔ دیگر مسائل کمپنی سے منسوب ہیں جس میں آف ٹیکر سے کم ڈسپیچ طلب اور CPPA-G کے ساتھ پاور پرچیز ایگریمنٹ (PPA) کے تحت "لو اور ادا کرو" انتظامات کے باعث کیپسٹی ریونیو میں نقصان جیسے چیلنجز شامل ہیں۔ البتہ CPPA-G سے وصول واجبات سے کمپنی اپنے آپریشنل اخراجات پورے کر رہی ہے۔ ہم تسلیم کرتے ہیں کہ آپ کا پلانٹ اکنامک ڈسپیچ آرڈر میں کمزور حالت کے باعث مستقبل قریب میں NPCC سے معقول ڈسپیچ حاصل نہیں کر سکے گا۔ البتہ، اپنی ذیلی کمپنی میں سرمایہ کاری سے حاصل آمدنی کے باعث کمپنی ایک قابل اعتماد ادارہ رہے گی۔

معیار، ماحولیات، صحت اور حفاظت (QEHS)

کمپنی نافذ العمل QEHS اصولوں کی پیروی کرتی ہے تا کہ اپنے ملازمین کی صحت اور حفاظت کے اعلیٰ معیار کو حاصل کیا جا سکے۔ مجموعی طور پر صحت، حفاظت اور ماحولیات کی بابت پلانٹ کی کارکردگی زیر جائزہ مدت کے دوران قابل تحسین رہی۔ کرونا وائرس وبا سے متعلق SOPs پر حکومتی ہدایات کے مطابق عمل کیا جا رہا ہے۔

کارپوریٹ گورننس

بورڈ آف ڈائریکٹرز کی ترکیب

30 دسمبر 2022 کو ڈائریکٹرز کا انتخاب ہوا، جس کے بعد بشمول چیف ایگزیکٹو (متوقع ڈائریکٹر) ڈائریکٹرز کی کل تعداد 8 ہے جس کی تفصیل حسب ذیل ہے:

مرد	6
خاتون	2

بورڈ کی ترکیب حسب ذیل ہے:

نمبر شمار	کیٹگری	نام
1	نان-ایگزیکٹو ڈائریکٹر	مسٹر فیصل داؤد (چیئرمین)
2		مسٹر فاروق نذیر
3		مسٹر حسین داؤد
4		مسٹر صالح مرتضیٰ
5		مسٹر شاہ محمد چوہدری
6	خودمختار ڈائریکٹرز	مسز عالیہ خان
7		سید رضوان علی شاہ
8	چیف ایگزیکٹو	مسٹر عمر شہزاد شیخ

بورڈ کمیٹیاں

بورڈ نے دو کمیٹیاں تشکیل دی ہیں جن کی صدارت خودمختار اور نان-ایگزیکٹو ڈائریکٹرز کرتے ہیں۔ یہ کمیٹیاں حسب ذیل ہیں:

آڈٹ کمیٹی

آڈٹ کمیٹی تین (3) اراکین پر مشتمل ہے:

سید رضوان علی شاہ	(خودمختار ڈائریکٹرز) - چیئرمین
مسٹر فاروق نذیر	(نان-ایگزیکٹو ڈائریکٹر)
مسٹر شاہ محمد چوہدری	(نان-ایگزیکٹو ڈائریکٹر)

ہیومن ریسورس اینڈ ریمیونریشن کمیٹی

کمیٹی تین (3) اراکین پر مشتمل ہے:

مسٹر فاروق نذیر	(نان- ایگزیکٹیو ڈائریکٹر) - چیئرمین
مسٹر شاہ محمد چوہدری	(نان- ایگزیکٹیو ڈائریکٹر)
سید رضوان علی شاہ	(خودمختار ڈائریکٹر)

انٹرنل آڈٹ اور نظم و ضبط

بورڈ آف ڈائریکٹرز نے قابل عملے کی زیر سرپرستی ایک خودمختار آڈٹ فنکشن تشکیل دیا ہے جو آڈٹ کمیٹی کو رپورٹ کرتا ہے۔ کمپنی کے اندر انٹرنل آڈٹ فنکشن کا دائرہ کار آڈٹ کمیٹی نے واضح کیا ہے جس میں انٹرنل مالیاتی کنٹرولز کا باقاعدہ جائزہ شامل ہے۔

ڈائریکٹرز کا معاوضہ

بورڈ از خود بورڈ اراکین کا معاوضہ طے کرتا ہے۔ بورڈ سے منظور شدہ ڈائریکٹرز کے معاوضہ کی رسمی پالیسی قائم ہے۔ پالیسی ایکٹ اور ضوابط کے اصولوں کے تحت ڈائریکٹر کے معاوضہ کا طریقہ کار واضح کرتی ہے۔ پالیسی کے مطابقت، نامزد ڈائریکٹر بورڈ/کمیٹی اجلاس میں شرکت کی فیس یا دیگر معاوضہ وصول کرنے کے اہل نہیں ہیں۔ صرف خودمختار ڈائریکٹرز کو اجلاس میں شرکت کی فیس ادا کی جاتی ہے۔

متعلقہ فریقین سے لین دین

متعلقہ فریقین سے تمام ترلین دین arm's length بنیاد پر عمومی کاروباری طریق عمل کے تحت کیا جاتا ہے۔ مزید برآں، ایکٹ اور ضوابط کی شقوں کے تحت، بورڈ آف ڈائریکٹرز نے متعلقہ فریقین سے لین دین کی پالیسی منظور کی ہے۔ ضابطہ کے قواعد کی روشنی میں تمام متعلقہ فریقین سے لین دین کی تفصیلات بورڈ کی آڈٹ کمیٹی کے سامنے وقتاً فوقتاً پیش کی جاتی ہیں اور جائزہ اور منظوری کے لئے بورڈ کے سامنے رکھی جاتی ہیں۔ کمپنی نے اس رپورٹ کے ساتھ منسلک مالیاتی اسٹیٹمنٹس میں متعلقہ فریقین سے لین دین کو معقول انداز میں ظاہر کیا ہے۔

کاروباری و سماجی ذمہ داری

کمپنی باہمی مفاد کے لئے کمیونٹی اور ماحول کی جانب ذمہ داری سے عمل کرنے کے لئے پرعزم ہے۔ کمپنی اپنی کاروباری سرگرمیوں کے دوران ایک ذمہ دار کاروباری شہری بنتے اور اپنے عملے اور ملحقہ آبادیوں کی سماجی فلاح و بہبود میں اپنے فرائض کی انجام دہی کی اہمیت کو تسلیم کرتی ہے۔ شجر کاری کے ذریعے مقامی آبادی کے ماحول کو محفوظ بنانے کے لئے خصوصی توجہ دی جاتی ہے۔ اپنی پلانٹ سائٹ پر مزید عملے کی بھرتی پر ہماری حکمت عملی سے ملحقہ آبادیاں مستفید ہوتی ہیں۔

اظہار تشکر

ان مشکل حالات میں کمپنی کو ترقی کی راہ پر گامزن کرنے اور کمپنی پر اپنے اعتماد اور بھروسے کا اظہار کرتے کے لئے ہم اپنے شیئر ہولڈرز، ملازمین، حکومتی عہدے داروں اور تمام دیگر اسٹیک ہولڈرز کے تہہ دل سے شکر گزار ہیں۔

منجانب/برائے بورڈ

عمر شہزاد شیخ
چیف ایگزیکٹو

شاہ محمد چوہدری
ڈائریکٹر

مورخہ: 26 اپریل 2023ء

مقام: لاہور

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

EQUITY AND LIABILITIES	Note	Un-audited March 31, 2023	Audited June 30, 2022
		(Rupees in thousand)	
SHARE CAPITAL AND RESERVES			
Authorized share capital			
400,000,000 (June 30, 2022: 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, 2022: 363,380,000) ordinary shares of Rs. 10 each		3,633,800	3,633,800
Capital reserve: Share premium		41,660	41,660
Revenue reserve: Un-appropriated profits		251,723	334,455
Total equity		3,927,183	4,009,915
NON-CURRENT LIABILITIES			
Employee benefit obligations		8,256	7,434
CURRENT LIABILITIES			
Trade and other payables		181,389	184,060
Short term borrowing from banking company - secured		-	-
Unclaimed dividend		5,414	5,414
Provision for taxation		9,476	9,312
		196,279	198,786
CONTINGENCIES AND COMMITMENTS	7		
		4,131,718	4,216,135

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

Chief Executive | Chief Financial Officer | Director

AS AT MARCH 31, 2023

ASSETS	Note	Un-audited March 31, 2023	Audited June 30, 2022
		(Rupees in thousand)	
NON-CURRENT ASSETS			
Property, plant and equipment	*8*	349,716	390,039
Intangible assets	*9*	750	571
Long term investment	*10*	3,204,510	3,204,510
Long term security deposits		175	175
		3,555,151	3,595,295
CURRENT ASSETS			
Stores and spares		38,209	37,929
Trade debts - secured		77,003	180,189
Loans, advances, prepayments and other receivables		229,957	226,907
Bank balances		11,988	21,864
Short tern investment	*11*	219,410	153,951
		576,567	620,840
		4,131,718	4,216,135

Chief Executive　　Chief Financial Officer　　Director

ALTERN ENERGY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2023

		Three-month period ended		Nine-month period ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Note	(Rupees in thousand)		(Rupees in thousand)	
Revenue	12	-	-	17,457	1,058
Direct costs	13	(29,143)	(25,110)	(88,601)	(75,565)
Gross Loss		(29,143)	(25,110)	(71,144)	(74,507)
Administrative expenses	14	(9,345)	(8,515)	(27,626)	(21,900)
Other income		8,952	37,927	22,309	6,771,419
Finance cost		(940)	(1,014)	(2,841)	(2,891)
(Loss) / profit before taxation		(30,476)	3,288	(79,302)	6,672,121
Taxation		(1,493)	(4,346)	(3,429)	(14,465)
(Loss) / profit after taxation		(31,970)	(1,058)	(82,732)	6,657,656
(Loss) / earnings per share - basic and diluted - Rupees		(0.09)	(0.003)	(0.23)	18.32

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

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

ALTERN ENERGY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2023

	Three-month period ended		Nine-month period ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rupees in thousand)			
(Loss) / profit for the period	(31,970)	(1,058)	(82,732)	6,657,656
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 (loss) / profit for the period	(31,970)	(1,058)	(82,732)	6,657,656

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

Chief Executive | Chief Financial Officer | Director

ALTERN ENERGY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2023

	Capital reserve		Revenue reserve	
	Share capital	Share premium	Un-appropriated profit	Total
	(Rupees in thousand)			
Balance as on July 01, 2021 (Audited)	**3,633,800**	**41,660**	**441,020**	**4,116,480**
Profit for the period	-	-	6,657,656	6,657,656
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	6,657,656	6,657,656
Total contributions by and distributions to owners of the Company recognized directly in equity:				
Interim dividend @ Rs. 18.5 per ordinary share	-	-	(6,722,530)	(6,722,530)
Balance as on March 31, 2022 (Un-audited)	3,633,800	41,660	376,146	4,051,606
Balance as on July 01, 2022	3,633,800	41,660	334,455	4,009,915
Loss for the period	-	-	(82,732)	(82,732)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(82,732)	(82,732)
Total contributions by and distributions to owners of the Company recognized directly in equity:	-	-	-	-
Balance as on March 31, 2023 (Un-audited)	**3,633,800**	**41,660**	**251,723**	**3,927,183**

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

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

ALTERN ENERGY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2023

	Notes	March 31, 2023	March 31, 2022
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	40,721	59,186
Finance costs paid		(2,841)	(2,891)
Income tax paid		(3,265)	(11,101)
Retirement and other benefits paid		(845)	-
		(6,951)	(13,992)
Net cash inflow from operating activities		33,770	45,194
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of short term investments		(65,460)	(149,337)
Profit on short term investments received		21,716	24,160
Payment for property, plant & equipment and intangible assets		(496)	(50)
Proceeds from disposal of fixed assets		543	-
Dividend received from PMCL (wholly owned subsidiary)		-	6,697,173
Profit on bank deposits received		50	49,881
Net cash (outflow)/ inflow from investing activities		(43,647)	6,621,827
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		-	(6,719,258)
Net cash outflow from financing activities		-	(6,719,258)
Net decrease in cash and cash equivalents		(9,877)	(52,237)
Cash and cash equivalents at beginning of the period		21,865	70,249
Cash and cash equivalents at the end of the period	16	11,988	18,012

The annexed notes 1 to 20 form an integral part of these condensed interim unconsolidated 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 public company limited by shares under the Companies Ordinance, 1984 (now, the Companies Act, 2017) on January 17, 1995. It is a subsidiary of DEL Power (Private) Limited ('the Holding Company'). The Ultimate Parent of the Company is DEL Processing (Private) Limited. The Company's ordinary shares are listed on the Pakistan Stock Exchange Limited. The registered office of the Company is situated at Descon Headquarters, 18 km, Ferozepur Road, Lahore and the Company's thermal power plant is located near Fateh Jang, District Attock, Punjab.

1.2 The principal activity of the Company is to build, own, operate and maintain a gas fired power plant having gross capacity of 32 Mega Watts. The Company achieved Commercial Operations Date ('COD') on June 6, 2001. The Company has a Power Purchase Agreement ('PPA') with its sole customer, Central Power Purchasing Agency (Guarantee) Limited ('CPPA-G') for thirty years which commenced from the COD. The Company also holds direct and indirect investments in other companies engaged in power sector as detailed in note 7 to these unconsolidated condensed interim financial statements.

1.3 The Company's Gas Supply Agreement ('GSA') with Sui Northern Gas Pipelines Limited ('SNGPL') expired on June 30, 2013. Thereafter, the Company signed a Supplemental Deed dated March 17, 2014 with SNGPL, whereby SNGPL agreed to supply gas to the Company on as-and-when available basis till the expiry of PPA on June 5, 2031. The Ministry of Petroleum and Natural Resources (now Ministry of Energy, Petroleum Division), empowered for Re-liquefied Natural Gas ('RLNG') allocation by the Economic Coordination Committee ('ECC') of the Federal Cabinet, issued an allocation of 6 MMSCF of RLNG to the Company on April 28, 2017 and advised the Company and SNGPL to negotiate a new GSA. While the long term GSA is yet to be negotiated, in July 2019, the ECC of the Cabinet approved the summary of interim tri-partite GSA. Currently, the Company, SNGPL and CPPA-G are in the process of executing an interim GSA for supply of RLNG. Under the interim GSA, RLNG is being supplied on as-and-when available basis till the execution of a long term GSA between the parties.

1.4 The Company's power generation license expired on September 24, 2021 and it applied for its renewal/extension from the National Electric Power Regulatory Authority ('NEPRA'), in line with the term of its PPA and Implementation Agreement ('IA'). As of the reporting date, the renewal of the license is in progress and the management is in the process of exchanging legal and technical information with NEPRA in connection with the renewal application. Recent correspondence with NEPRA shows a strong likelihood that the renewal of the generation license will be granted. Other factors which support the management's stance that the renewal of the generation license will be granted by NEPRA include:

- CPPA-G and Private Power and Infrastructure Board ('PPIB'), with whom the Company has valid PPA and IA respectively, have endorsed the renewal of the generation license till the term of the PPA.

- Altern Energy Limited is the only Independent Power Producer in Pakistan which has a 'take-and-pay' arrangement under the PPA, meaning that there is no obligation for the Government to pay fixed capacity revenue to the Company.

- The Company's PPA and IA are scheduled to expire in June 2031, therefore, it is prudent to align its generation license with the terms of the PPA and IA to ensure mutual benefits to all the stakeholders.

- The Government of Pakistan plans to create a competitive power market. The Company is fully committed and will actively support and participate when the new arrangement is implemented by the Government.

Furthermore, although the power generation operations are in losses for many years, the Company's viability is unaffected as the main source of income is the dividend income that it earns on its long term investment in subsidiary stated in note 10.

1.5 The Company received a recommendation from Islamabad Electric Supply Company ('IESCO') with respect to the upgradation of 66 KV switchyard of the Company in order to synchronize the existing network with the IESCO system. This will allow the Company to fully excavate the generated power once it gets the license as stated in note 1.4. National Transmission and Despatch Company Limited ('NTDC') has upgraded one transmission line of Jand-Bassaal network from 66 KV to 132 KV. Resultantly, the Company can only evacuate electricity generated by its complex through transmission network of Fateh Jang 66 KV grid station of IESCO. Whenever NTDC upgrades the Fateh Jang grid station in future, the Company will be required to upgrade its own 66 KV switchyard to 132 KV.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

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

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

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

2.2 These unconsolidated condensed interim financial statements do not include all of the information required for annual financial statements and should be read in conjunction with the annual financial statements as at and for the year ended June 30, 2022. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company’s financial position and performance since the last annual financial statements.

The Company is required to issue condensed interim consolidated financial statements along with its condensed interim separate financial statements in accordance with the requirements of accounting and reporting standards as applicable in Pakistan. Condensed interim consolidated financial statements are prepared separately.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these unconsolidated condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Company for the year ended June 30, 2022, except for the adoption of new and amended standards as set out below.

3.2 Standards, amendments to published standards and interpretations that are effective in the current period

Certain standards, amendments and interpretations to International Financial Reporting Standards ('IFRS') are effective for accounting period beginning on July 1, 2022, but are considered not to be relevant or to have any significant effect on the Company’s operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after July 01, 2023 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

3.3.1 Exemption from applicability of certain standards

In respect of companies holding financial assets due or ultimately due from the Government of Pakistan (‘GoP’) in respect of circular debt, Securities and Exchange Commission of Pakistan ('SECP') through S.R.O.67(I)/2023 dated January 20, 2023 has partially modified its previous S.R.O 1177(I)/2021 dated September 13, 2021 and notified that the requirements contained in IFRS 9 with respect to application of Expected Credit Losses ('ECL') method shall not be applicable for the financial years ending on or before December 31, 2024 and that such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period. Accordingly, the Company has not followed the requirements of IFRS 9 with respect to application of Expected Credit Losses in respect of trade debts and other receivables due from CPPA-G.

4. ACCOUNTING ESTIMATES

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

In preparing these unconsolidated condensed interim financial statements, the significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements of the Company for the year ended June 30, 2022, with the exception of change in estimate that is required in determining the provision for income taxes as referred to in note 5.

5. TAXATION

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

6. FINANCIAL RISK MANAGEMENT

6.1 Financial risk factors

The Company’s activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, and other price risk), credit risk and liquidity risk.

These unconsolidated condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements as at June 30, 2022.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2022.

6.2 Fair value estimation

a) Fair value hierarchy

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

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

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

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

To provide an indication about the reliability of the inputs used in determining fair value, the Company classifies its financial instruments into the three levels prescribed above. The following table presents the Company's financial assets measured and recognised at fair value at March 31, 2023 and June 30, 2022 on a recurring basis:

	Level 1	Level 2	Level 3	Total
		(Rupees in thousand)		
As at March 31, 2023				
Recurring fair value measurements				
Assets				
Short term investments	219,410	-	-	219,410
As at June 30, 2022				
Recurring fair value measurements				
Assets				
Short term investments	153,951	-	-	153,951

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

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

- The Company did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at March 31, 2023.

7. CONTINGENCIES AND COMMITMENTS

There is no significant change in the status of contingencies and commitments from the preceding annual financial statements of the Company for the year ended June 30, 2022.

		Note	Un-Audited March 31, 2023	Audited June 30, 2022
			(Rupees in thousand)	
8	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets	*8.1*	347,026	387,347
	Major spare parts and stand-by equipment		2,690	2,692
			349,716	390,039

	Note	Un-Audited March 31, 2023	Audited June 30, 2022
		(Rupees in thousand)	

8.1 Operating fixed assets

Opening net book value		387,347	442,847
Additions during the period / year		-	185
Depreciation charged during the period / year		(40,321)	(55,685)
Closing net book value		347,026	387,347

9 This include upgradation of ERP system that has been implemented by Descon Corporation (Private) Limited, a related party, under a Service Level Agreement with the Company.

10 LONG TERM INVESTMENT

Subsidiary - Unquoted:

Power Management Company (Private) Limited ('PMCL'):

320,451,000 (June 30, 2022: 320,451,000) fully paid ordinary shares of Rs 10 each [Equity held 100% (June 30, 2022: 100%)] - Cost	*10.1*	3,204,510	3,204,510

10.1 The Company directly holds 100% shares in its wholly owned subsidiary, Power Management Company (Private) Limited ('PMCL'). PMCL is a private company limited by shares incorporated in Pakistan to invest, manage, operate, run, own and build power projects. The investment in PMCL is accounted for using cost method in the unconsolidated financial statements of the Company. PMCL, in turn, directly holds 59.98% (June 30, 2022: 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, located near Sidhnai Barrage, Abdul Hakim town, District Khanewal, Punjab.

11. SHORT TERM INVESTMENTS

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

12. REVENUE

This represents revenue in respect of delayed payment mark-up.

	Un-Audited		Un-Audited	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rupees in thousand)		(Rupees in thousand)	
13 DIRECT COSTS				
RLNG cost	112	144	333	313
Depreciation on operating fixed assets	12,779	13,701	39,891	41,227
Stores and spares consumed	2,939	400	4,363	1,382
Purchase of energy	1,027	805	3,385	2,596
Lube oil consumed	196	-	525	83
Operation and maintenance cost	8,132	7,260	24,043	21,780
Security expenses	2,039	1,746	6,116	4,817
Salaries, benefits and other allowances	191	215	741	737
Insurance	679	680	2,039	2,125
Travelling & conveyance	48	75	194	211
Generation license fee	936	64	6,856	195
Miscellaneous expenses	65	20	115	99
	29,143	25,110	88,601	75,565
14 ADMINISTRATIVE EXPENSES				
Salaries, benefits and other allowances	2824	2,395	9,257	7,339
Directors' meeting fee	313	125	813	500
ERP and IT related related costs	247	187	897	543
Traveling and conveyance	715	422	1,944	1,019
Utilities	305	252	916	658
Postage and telephone	168	135	494	481
Printing, stationery and advertisement	340	222	1,797	950
Auditors' remuneration	128	60	752	482
Legal and professional expenses	2,706	3,368	6,113	6,073
Training Expenses	-	31	-	31
Fee and subscription	779	709	2,210	2,134
Entertainment	155	64	224	150
Amortization on intangible assets	109	61	315	181
Depreciation on operating fixed assets	175	219	431	552
Repairs and maintenance	167	-	167	38
Rent, rates and taxes	215	241	646	721
Bad debts written off	-	-	642	-
Miscellaneous expenses	-	24	8	48
	9,345	8,515	27,626	21,900

	Un-Audited March 31, 2023	March 31, 2022
	(Rupees in thousand)	

15 CASH GENERATED FROM OPERATIONS

	March 31, 2023	March 31, 2022
Loss before taxation	(79,302)	6,672,121
Adjustment for non cash charges and other items:		
-Depreciation on operating fixed assets	40,321	41,778
-Dividend income from PMCL (wholly owned subsidiary)	-	(6,697,173)
-Amortization of intangible assets	315	181
-Provision for employee benefit obligations	1,674	921
-Profit on short term investments	(21,716)	(24,160)
-Profit on bank deposits	(50)	(49,881)
-Gain on disposal of fixed assets	(543)	-
-Finance cost	2,841	2,891
	22,842	(6,725,443)
Loss before working capital changes	(56,460)	(53,322)
Effect on cashflow due to working capital changes:		
Decrease / (Increase) in current assets		
Stores and spares	(280)	(432)
Loans, advances, prepayments, and other receivables	(3,049)	(141,306)
Trade debts - secured	103,185	118,942
	99,856	(22,796)
Increase/(Decrease) in current liabilities		
Trade & other payables	(2,675)	135,304
Cash generated from operations	40,721	59,186

16 CASH AND CASH EQUIVALENTS

	March 31, 2023	March 31, 2022
Bank balances	11,988	18,012
Short term borrowing from banking company - secured	-	-
	11,988	18,012

17 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties include the Holding Company and subsidiaries of the Holding Company, group companies, related parties on the basis of common directorship and key management personnel of the Company and its Holding Company. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company. The Company in the normal course of business carries out transactions with various related parties. Significant transactions and balances with related parties are as follows:

Relationship with the Company	Nature of transaction	Un-Audited March 31, 2023	Un-Audited March 31, 2022
		(Rupees in thousand)	
i) Holding company			
DEL Power (Private) Limited	Dividends paid	-	3,617,532
ii) Subsidiary companies			
Power Management Company (Private) Limited (wholly owned)	Dividends received	-	6,697,173
Rousch (Pakistan) Power Limited	Common cost charged to the Company	473	367
iii) Entities on the basis of common directorship			
Descon Engineering Limited	Common cost charged to the Company	2,942	2,546
Descon Power Solutions (Private) Limited	Operation & maintenance contractor's fee	24,390	21,780
	Common cost charged to the Company	628	272
Inspectest (Private) Limited	Inspection testing services	798	119
Descon Corporation (Private) Limited	ERP implementation fee and running cost	1,306	543
	Common cost charged to the Company	718	721
Group company			
Descon Holdings (Private) Limited	Dividend paid	-	513
iv) Other related party			
Crescent Steel and Allied Products Limited	Dividend paid	-	1,038,109
v) Key management personnel			
	Short term employee benefits	4,868	5,107
	Director's meeting fee	813	500

All transactions with related parties have been carried out on mutually agreed terms and conditions and in compliance with applicable laws and regulations.

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

	Un-Audited March 31, 2023	Audited June 30, 2022
	(Rupees in thousand)	
Period end balances are as follows:		
Payable to related parties		
Subsidiaries:		
Rousch (Pakistan) Power Limited	41	567
Other related parties:		
Descon Engineering Limited	375	897
Descon Corporation (Private) Limited	882	108
Inspectest (Private) Limited	-	886
Descon Power Solutions (Private) Limited	3,436	3,323
	4,734	5,781

18. 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 wherever necessary to reflect more appropriate presentation of events and transactions for the purpose of comparison. However, no significant re-arrangements have been made.

19. DATE OF AUTHORIZATION FOR ISSUE

These unconsolidated condensed interim financial statements were authorized for issue on April 26, 2023 by the Board of Directors of the Company.

20. ROUNDING OF AMOUNTS

All amounts disclosed in the unconsolidated condensed interim financial statements and notes have been rounded off to the nearest thousand Rupees unless otherwise stated.

Chief Executive	Chief Financial Officer	Director

CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

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

	Note	March 31, 2023 Un-audited	June 30, 2022 Audited
EQUITY AND LIABILITIES		(Rupees in thousand)	
SHARE CAPITAL AND RESERVES			
Authorized share capital 400,000,000 (June 30, 2022: 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, 2022: 363,380,000) ordinary shares of Rs 10 each		3,633,800	3,633,800
Capital reserve: Share premium		41,660	41,660
Revenue reserve: Un-appropriated profits		13,085,432	10,074,768
Attributable to owners of the Parent Company		16,760,892	13,750,228
Non-controlling interests		11,688,490	9,463,773
Total equity		28,449,382	23,214,001
NON-CURRENT LIABILITIES			
Employees benefit obligations		18,404	17,411
Deferred taxation		1,313,912	1,063,813
		1,332,316	1,081,224
CURRENT LIABILITIES			
Trade and other payables		1,844,642	2,399,203
Short term borrowings from banking companies- secured		290,732	2,819,700
Islamic commercial papers issued by banking companies - unsecured	7	981,649	-
Accrued markup on short term borrowings from banking companies- secured		69,010	111,618
Unclaimed dividends		5,414	5,414
Provision for taxation		108,260	151,527
		3,299,707	5,487,462
CONTINGENCIES AND COMMITMENTS	8		
		33,081,405	29,782,687

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

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

As at March 31, 2023

ASSETS	Note	March 31, 2023 Un-audited	June 30, 2022 Audited
		(Rupees in thousand)	
NON-CURRENT ASSETS			
Property, plant and equipment	9	12,554,486	12,979,201
Intangible assets		12,525	9,504
Long term deposits		707	506
Long term loan to employees		1,306	1,816
		12,569,024	12,991,027
CURRENT ASSETS			
Store, spares & loose tools		708,669	676,680
Inventory of fuel oil		445,612	454,284
Trade debts - secured	10	17,023,402	13,182,525
Loans, advances, prepayments and other receivables		1,960,719	1,582,976
Short term investments	11	299,886	265,586
Bank balances		74,093	629,609
		20,512,381	16,791,660
		33,081,405	29,782,687

Chief Executive | Chief Financial Officer | Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2023

		Three-month period ended		Nine-month period ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	Note	(Rupees in thousand)			
Revenue	12	3,136,989	224,790	9,516,701	8,951,998
Direct costs	13	(857,376)	(648,556)	(3,486,875)	(6,869,273)
Gross profit/ (loss)		2,279,613	(423,766)	6,029,826	2,082,725
Administrative expenses		(59,097)	(43,472)	(171,593)	(119,026)
Other expenses	14	(88,179)	(1,868)	(143,538)	(19,094)
Other income		17,867	72,753	49,194	171,972
Finance cost		(69,584)	(21,040)	(270,789)	(90,638)
Profit/ (loss) before taxation		2,080,620	(417,393)	5,493,100	2,025,939
Taxation		(98,157)	(45,639)	(257,719)	(183,184)
Profit/ (loss) for the period		1,982,463	(463,032)	5,235,381	1,842,755
Attributable to:					
Equity holders of the Parent Company		1,138,944	(290,326)	3,010,664	1,034,568
Non-controlling interest		843,519	(172,706)	2,224,717	808,187
		1,982,463	(463,032)	5,235,381	1,842,755
Earnings/ (loss) per share attributable to equity holders of the Parent Company during the period - basic and diluted	**Rupees**	3.13	(0.80)	8.29	2.85

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

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

ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE-MONTH AND NINE-MONTH PERIOD ENDED MARCH 31, 2023

	Three-month period ended		Nine-month period ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
	(Rupees in thousand)			
Profit/ (loss) for the period	1,982,463	(463,032)	5,235,381	1,842,755
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
	-	-	-	-
Total comprehensive income/ (loss) for the period	1,982,463	(463,032)	5,235,381	1,842,755
Attributable to:				
Equity holders of the Parent Company	1,138,944	(290,326)	3,010,664	1,034,568
Non-controlling interest	843,519	(172,706)	2,224,717	808,187
	1,982,463	(463,032)	5,235,381	1,842,755

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

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

ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2023

	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, 2021 (Audited)	3,633,800	41,660	15,446,166	13,057,299	32,178,925
Profit for the period	-	-	1,034,568	808,187	1,842,755
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	1,034,568	808,187	1,842,755
Transactions with owners in their capacity as owners:					
Interim cash dividend @Rs. 18.50 per ordinary share by Parent Company	-	-	(6,722,530)	-	(6,722,530)
Interim cash dividend paid to non-controlling interest by Roush	-	-	-	(4,830,015)	(4,830,015)
Balance as on March 31, 2022 (Un-audited)	3,633,800	41,660	9,758,204	9,035,471	22,469,135
Balance as on July 01, 2022 (Audited)	3,633,800	41,660	10,074,768	9,463,773	23,214,001
Profit for the period	-	-	3,010,664	2,224,717	5,235,381
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	3,010,664	2,224,717	5,235,381
Balance as on March 31, 2023 (Un-audited)	**3,633,800**	**41,660**	**13,085,432**	**11,688,490**	**28,449,382**

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

Chief Executive | Chief Financial Officer | Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE-MONTH PERIOD ENDED MARCH 31, 2023

	Note	March 31, 2023	March 31, 2022
		(Rupees in thousand)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	15	2,211,756	8,459,806
Long term advances		309	895
Finance cost paid		(451,084)	(114,218)
Income tax paid		(50,891)	(570,380)
Retirement benefits paid		(5,228)	(3,260)
		(506,894)	(686,963)
Net cash inflow from operating activities		1,704,862	7,772,843
CASH FLOWS FROM INVESTING ACTIVITIES			
Property, plant and equipment and intangible assets - net		(721,352)	(5,682)
Purchase of short term investments		(34,301)	(198,557)
Profit on short term investment received		33,768	-
Profit on bank deposits received		8,274	166,338
Proceeds from disposal of operating fixed assets		552	3,590
Net cash outflow from investing activities		(713,059)	(34,311)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		-	(11,549,273)
Net cash outflow from financing activities		-	(11,549,273)
Net increase / (decrease) in cash and cash equivalents		991,803	(3,810,741)
Cash and cash equivalents at the beginning of the period		(2,190,091)	1,369,158
Cash and cash equivalents at the end of the period	16	(1,198,288)	(2,441,583)

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

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

1. THE GROUP AND ITS OPERATIONS

1.1 The Group is structured as follows:

	Un-audited	Audited
	(Effective holding percentage)	
	March 31, 2023	June 30, 2022
Parent company:		
- Altern Energy Limited, the Parent Company (hereinafter referred to as AEL)		
Subsidiary companies:		
- Power Management Company (Private) Limited (hereinafter referred to as PMCL)	100.00%	100.00%
- Rousch (Pakistan) Power Limited (hereinafter referred to as RPPL)	59.98%	59.98%

The Group is mainly engaged in power generation activities. The registered office of AEL and PMCL is situated at Descon Headquarters, 18 km Ferozepur Road, Lahore. The registered office of RPPL is situated at 403-C, 4th Floor, Evacuee Trust Complex, Sector F-5/1, Islamabad.

'The geographical locations of the production facilities of the Group are mentioned below:

Production facility of	Location
- AEL	Fateh Jang, District Attock, Punjab, Pakistan
- RPPL	Sidhnai Barrage, Abdul Hakim town, District Khanewal, Punjab, Pakistan

1.2 AEL - the Parent Company

1.2.1 AEL was incorporated in Pakistan as a public company limited by shares under the Companies Ordinance, 1984 (now, the Companies Act, 2017) on January 17, 1995. It is a subsidiary of DEL Power (Private) Limited ('the Holding Company'). The Ultimate Parent of AEL is DEL Processing (Private) Limited. AEL's ordinary shares are listed on the Pakistan Stock Exchange 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. AEL achieved Commercial Operations Date ('COD') on June 6, 2001. AEL 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.

1.2.2 AEL's Gas Supply Agreement ('GSA') with Sui Northern Gas Pipelines Limited ('SNGPL') expired on June 30, 2013. Thereafter, AEL signed a Supplemental Deed dated March 17, 2014 with SNGPL, whereby SNGPL agreed to supply gas to AEL on as-and-when available basis till the expiry of PPA on June 5, 2031. The Ministry of Petroleum and Natural Resources (now Ministry of Energy, Petroleum Division), empowered for Re-liquefied Natural Gas ('RLNG') allocation by the Economic Coordination Committee ('ECC') of the Federal Cabinet, issued an allocation of 6 MMSCF of RLNG to AEL on April 28, 2017 and advised AEL and SNGPL to negotiate a new GSA. While the long term GSA is yet to be negotiated, in July 2019, the ECC of the Cabinet approved the summary of interim tri-partite GSA. Currently, AEL, SNGPL and CPPA-G are in the process of executing an interim GSA for supply of RLNG. Under the interim GSA, RLNG is being supplied on as-and-when available basis till the execution of a long term GSA between the parties.

1.2.3 AEL's power generation license expired on September 24, 2021 and it applied for its renewal/extension from the National Electric Power Regulatory Authority (‘NEPRA’), in line with the term of its PPA and Implementation Agreement (IA). As of the reporting date, the renewal of the license is in progress and the management is in the process of exchanging legal and technical information with NEPRA in connection with the renewal application. Recent correspondence with NEPRA shows a strong likelihood that the renewal of the generation license will be granted. Other factors which support the management’s stance that the renewal of the generation license will be granted by NEPRA include:

- CPPA-G and Private Power and Infrastructure Board ('PPIB'), with whom AEL has valid PPA and IA respectively, have endorsed the renewal of the generation license till the term of the PPA.

- AEL is the only Independent Power Producer in Pakistan which has a ‘take-and-pay’ arrangement under the PPA, meaning that there is no obligation for the Government to pay fixed capacity revenue to AEL.

- Its PPA and IA are scheduled to expire in June 2031, therefore, it is prudent to align its generation license with the terms of PPA and IA to ensure mutual benefits to all the stakeholders.

- The Government of Pakistan plans to create a competitive power market. AEL is fully committed and will actively support and participate when the new arrangement is implemented by the Government.

Although the power generation operations are in losses for many years, AEL's viability is unaffected as the main source of income is the dividend income that it earns on its long term investment in subsidiary.

1.2.4 AEL received a recommendation from Islamabad Electric Supply Company ('IESCO') with respect to the upgradation of 66 KV switchyard of AEL in order to synchronize the existing network with the IESCO system. This will allow AEL to fully excavate the generated power once it gets the generation license as stated in note 1.2.3. National Transmission and Despatch Company Limited ('NTDC') has upgraded one transmission line of Jand-Bassaal network from 66 KV to 132 KV. Resultantly, AEL can only evacuate electricity generated by its complex through transmission network of Fateh Jang 66 KV grid station of IESCO. Whenever NTDC upgrades the Fateh Jang grid station in future, AEL will be required to upgrade its own 66 KV switchyard to 132 KV.

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 1.1 to these consolidated condensed interim financial statements.

1.4 RPPL

1.4.1 RPPL is an unlisted public company, incorporated in Pakistan on August 4, 1994 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017 and hereinafter referred to as the 'Act'). The principal activities of RPPL are to generate and supply electricity to CPPA-G) from its combined cycle thermal power plant (the 'Complex') having a gross (ISO) capacity of 450 Mega Watts, located near Sidhnai Barrage, Abdul Hakim town, District Khanewal, Punjab province, Pakistan. RPPL achieved COD on December 11, 1999. 'The registered office of RPPL is situated at 4th Floor, Evacuee Trust Complex, on Plot No. 4, Sector F-5/1, Islamabad.

RPPL has a PPA with its sole customer, CPPA for thirty years which commenced from the COD. The plant was initially designed to operate with residual furnace oil and was converted to gas fired facility in 2003 after allocation of gas of 85 MMSCFD by the Government of Pakistan (‘GoP’) for the period of twelve years under a GSA with SNGPL till August 18, 2015. At that time, under the amended and restated Implementation Agreement ('IA'), the GoP provided an assurance that RPPL will be provided gas post August 2015, in preference to the new power projects commissioned after the company.

The Ministry of Petroleum and Natural Resources (now Ministry of Energy, Petroleum Division), empowered to allocate RLNG by the ECC of the Federal Cabinet, issued an allocation of 85 MMSCFD of RLNG to RPPL on firm basis on September 23, 2015 and advised RPPL and SNGPL to negotiate a long term GSA on firm basis. While negotiations for the long-term GSA are in process, the ECC of Federal Cabinet approved interim GSA for supply of RLNG to RPPL up to June 30, 2018 or signing of a long-term GSA, whichever is earlier. The interim GSA was executed with CPPA-G and SNGPL which was effective from June 1, 2017. Under the interim GSA, RLNG was supplied on 'as-available' basis, however, the non-supply of RLNG was treated as Other Force Majeure Event (‘OFME) under the PPA. The interim GSA expired in June 2018. On July 31, 2019, the ECC of the Federal Cabinet approved the extension of the interim GSA of RPPL with SNGPL and CPPA-G.

On July 21, 2020, RPPL, CPPA-G and SNGPL signed first Addendum to the Interim RLNG Supply Agreement and Payment Procedure. The terms of this agreement will be effective up to the date of signing of a long-term Gas Supply and Purchase Agreement ('GSPA').

1.4.2 In accordance with the terms of Amendment No. 3 to the PPA executed between RPPL and CPPA-G on August 21, 2003, RPPL agreed to transfer ownership of the Complex (including land) to CPPA-G at a token value of US$ 1 at the expiry of the PPA, if CPPA-G does not opt for a renewal of the PPA for the additional term pursuant to section 4.1(c) of the PPA.

1.4.3 During the previous year, RPPL and CPPA-G signed the Settlement Agreement as part of the PPA Amendment Agreement on February 11, 2021. Pursuant to the terms of these Agreements, RPPL and CPPA-G agreed to the following matters:

(1) Mechanism of settlement of outstanding receivables;
(2) Discount in Tariff components;
(3) Resolution of dispute of Liquidated Damages pertaining to 2013 and 2017; and
(4) Option to RPPL to participate in GoP's scheme to create competitive power market.

Pursuant to the LNG Supply Agreement and Payment Procedure as mentioned above and PPA Settlement Agreement as mentioned above, the term of PPA will now end in February 2031 and the remaining life of the Complex is approximately 7.89 years.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

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

ii) Provisions of and directives issued under the Act.

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

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

These consolidated condensed interim financial statements do not include all of the information required for the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements as at and for the year ended June 30, 2022. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Group's financial position and performance since the last audited financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and the methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of preceding annual published financial statements of the Group for the year ended June 30, 2022, except for the adoption of new and amended standards as set out below.

3.2 Standards, amendments to published standards and interpretations that are effective in the current period

Certain standards, amendments and interpretations to International Financial Reporting Standards ('IFRS') are effective for accounting period beginning on July 1, 2022, but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim consolidated financial statements.

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

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after July 01, 2023 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.

3.3.1 Exemption from applicability of certain standards

In respect of companies holding financial assets due or ultimately due from the Government of Pakistan ('GoP') in respect of circular debt, Securities and Exchange Commission of Pakistan ('SECP') through S.R.O.67(I)/2023 dated January 20, 2023 has partially modified its previous S.R.O 1177(I)/2021 dated September 13, 2021 and notified that the requirements contained in IFRS 9 with respect to application of Expected Credit Losses ('ECL') method shall not be applicable for the financial years ending on or before December 31, 2024 and that such companies shall follow relevant requirements of IAS 39 in respect of above referred financial assets during the exemption period. Accordingly, the Group has not followed the requirements of IFRS 9 with respect to application of the ECL in respect of trade debts and other receivables due from CPPA-G.

4. ACCOUNTING ESTIMATES

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

In preparing these consolidated condensed interim financial statements, the significant judgements made by management in applying group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual financial statements of Group for the year ended June 30, 2022.

5. TAXATION

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

6. FINANCIAL RISK MANAGEMENT

6.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, and other price risk), credit risk and liquidity risk.

These consolidated condensed interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at June 30, 2022.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2022.

6.2 Fair value estimation

a) Fair value hierarchy

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

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

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

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

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed above. The following table presents the Group's financial assets measured and recognised at fair value at March 31, 2023 and June 30, 2022 on a recurring basis:

	Level 1	Level 2	Level 3	Total
	------------------------(Rupee in thousands)------------------------			
As at March 31, 2023				
Recurring fair value measurements				
Assets				
Short term investments	299,886	-	-	299,886
As at June 30, 2022				
Recurring fair value measurements				
Assets				
Short term investments	265,586	-	-	265,586

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

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

- The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at March 31, 2023.

7. ISLAMIC COMMERCIAL PAPERS - UNSECURED

This represents rated, unsecured, privately placed and shariah compliant Islamic Commercial Papers ('ICP'). Bankislami, as mandated lead advisor and arranger, has facilitated the Group in raising up to Rs. 1,070 million from Islamic Capital Market. This instrument carries mark up at 6 month KIBOR plus margin of 1.10% per annum.

8. CONTINGENCIES & COMMITMENTS

There is no significant change in the status of contingencies and commitments from the preceding annual financial statements of the Group for the year ended June 30, 2022, except for the following:

8.1 Contingencies

a) National Bank of Pakistan has issued standby letter of credit (SBLC) for Rs. 4,981 million (June 30, 2022 : Rs 4,981 million) in favor of SNGPL as a security to cover gas supply for which payments are made in arrears. The SBLC will expire on July 13, 2023, which is renewable.

8.2 Commitments - Nil

		Note	Un-audited March 31, 2023	Audited June 30, 2022
			(Rupees in thousand)	
9	**PROPERTY, PLANT AND EQUIPMENT**			
	Operating fixed assets		12,357,519	12,976,509
	Capital work in progress		194,277	-
	Major spare parts and stand-by equipment		2,690	2,692
			12,554,486	12,979,201
10	**TRADE DEBTS - SECURED**			
	Considered good	*10.1*	17,023,402	13,182,525
	Considered doubtful		193,255	193,255
			17,216,657	13,375,780
	Provision of doubtful debts		(193,255)	(193,255)
			17,023,402	13,182,525

10.1 Included in trade debts is an aggregate amount of Rs. 4,456 million (June 30, 2022: Rs 1,019 million) relating to capacity revenue not acknowledged by CPPA-G.

Of this, the amount of Rs 248 million (June 30, 2022: Rs 248 million) has not been acknowledged by CPPA-G on the pretext that no gas was available during the period from December 19, 2019 to January 01, 2020 and hence, this period should be treated as an OFME by the Group. The management is of the view that CPPA-G's contention is not justified as the plant could not be operated during this period due to technical start-up limits under the PPA being exceeded and as such this has no relevance with gas availability.

While the remaining amount of Rs. 4,208 million (June 30, 2022: Rs. 772 million) that is included in the revenue recognized is disputed by CPPA-G for 166 days (June 30, 2022: 39 days) in the months from April 2022 to Dec 2022 on a similar pretext that gas was not available and hence, this period should also be treated as an OFME by the Group. However, the management is of the view that CPPA-G's claim is not justified since there are meritorious grounds to contest this dispute as the plant was technically available during these times but gas was not provided by SNGPL due to intervention by the National Power Control Centre ('NPCC') which is not even a party to the interim GSA that is contrary to the terms of Agreement. Furthermore, gas was provided to other power plants in violation of the preferred right of RPPL on gas as given in its IA with the GoP.

Based on the above grounds and on the advice of the Group's legal counsel on these matters, no provision for the disputed amounts has been recognised in these consolidated condensed interim financial statements as the management expects that these matters will eventually be resolved in the Group's favour and these amounts will be recovered by the Group.

11. SHORT TERM INVESTMENT

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

	Un-audited Three-month period ended March 31, 2023	March 31, 2022	Un-audited Nine-month period ended March 31, 2023	March 31, 2022
	(Rupees in thousand)		(Rupees in thousand)	

12 REVENUE

Energy purchase price - gross	141,535	-	1,496,788	5,548,606
Sales tax	(20,565)	-	(217,482)	(806,208)
Energy purchase price - net	120,970	-	1,279,306	4,742,398
Capacity purchase price	2,423,801	-	6,670,462	3,250,086
Delayed payment markup	592,218	224,790	1,566,933	959,513
	3,136,989	224,790	9,516,701	8,951,997

13 DIRECT COSTS

RLNG cost	164,665	469	1,306,387	4,708,795
Operation and maintenance costs	193,396	157,651	585,854	559,086
Depreciation on operating fixed assets	382,567	355,674	1,134,702	1,135,395
Stores and spares consumed	4,523	48,447	79,687	191,515
Insurance cost	48,550	31,181	114,945	88,987
Purchase of energy	38,002	22,752	180,549	105,605
Salaries, benefits and other allowances	7,573	5,956	21,703	20,579
Generation license fee and electricity duty	3,402	16,882	28,858	32,748
Colony maintenance	7,491	4,486	15,228	11,882
Communication	1,939	1,483	5,422	4,287
Vehicle maintenance	209	386	1,286	912
Security expenses	2,039	1,746	6,116	4,817
Liquidated damages	-	104	-	104
Miscellaneous expenses	3,020	1,339	6,138	4,561
	857,376	648,556	3,486,875	6,869,273

14 OTHER EXPENSES

14.1 This includes the following donations exceeding Rs. 500,000:

- National Outreach program of Lahore University of Management Sciences for one scholarship for an undergraduate course amounting to Rs. 1.5 million.

- Donation to BARD Foundation, Descon Headquarters, 18-Km, Ferozepur Road, Lahore amounting to Rs. 0.75 million, , where Mr. Faisal Dawood, Chairman, and Mr. Farooq Nazir, Director, are members of the Board of Directors.

	Un-audited	
	Nine-month period ended	
	March 31, 2023	March 31, 2022
	(Rupees in thousand)	

15 CASH GENERATED FROM OPERATIONS

Profit before taxation	5,493,100	2,025,939
Adjustment for non cash charges and other items:		
-Depreciation on operating fixed assets	1,142,718	1,140,533
-Profit on short term investments	(33,768)	(30,794)
-Trade debts written off	-	-
-Gain on disposal of fixed assets	(543)	(3,492)
-Provision for employee benefit obligations	6,229	3,936
-Other receivables written off	-	41
-Amortization on intangible assets	315	181
-Exchange loss	137,687	9
-Finance cost	270,789	65,790
-Profit on bank deposits	(8,274)	(91,994)
Profit before working capital changes	7,008,253	3,110,149
Effect on cash flow due to working capital changes:		
(Increase) / decrease in current assets		
-Stores, spares and loose tools	(23,317)	(1,771)
-Trade debts	(3,840,878)	5,915,584
-Advances, prepayments and other receivables	(377,175)	(273,946)
	(4,241,370)	5,639,867
Decrease in current liabilities		
-Trade and other payables	(555,127)	(290,210)
	(4,796,497)	5,349,657
Cash generated from operations	2,211,756	8,459,806

16 CASH AND CASH EQUIVALENTS

Bank balances	74,093	21,381
Short term borrowings from banking companies - secured	(290,732)	(2,462,964)
Islamic commercial papers - unsecured	(981,649)	-
	(1,198,288)	(2,441,583)

17. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The related parties comprise the holding company, ultimate parent, subsidiaries and associates of holding company and ultimate parent, group companies, related parties on the basis of common directorship, key management personnel of the Group and its holding company and post-employment benefit plans (Gratuity Fund and Provident Fund). Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of AEL, directly or indirectly, including any director (whether executive or otherwise) of AEL. The Group in the normal course of business carries out transactions with various related parties. Significant related party transactions not disclosed elsewhere in these consolidated condensed interim financial statements are as follows:

		Un-audited Nine-month period ended	
		March 31, 2023	March 31, 2022
		(Rupees in thousand)	
Relationship with the Group	**Nature of transactions**		
i) Holding company			
DEL Power (Private) Limited	Dividends paid	-	3,617,532
ii) Group companies			
Descon Holdings (Private) Limited:	Dividends paid	-	513
Siemens Pakistan Engineering Company Limited	Purchase of long term maintenance services	12,829	21,883
iii) Other related parties			
On the basis of common directorship			
Descon Engineering Limited:	Common costs charged to the Group	13,584	12,524
	Recovery of cost incurred	573	-
Descon Power Solutions (Private) Limited:	Operations & maintenance contractor's fee	500,477	443,369
	Purchase of spare parts	-	2,149
	Common costs charged to the Group	3,252	1,529
Descon Corporation (Private) Limited:	ERP implementation fee & running costs	34,542	27,050
	Common costs charged to the Group	718	721
Inspectest (Private) Limited	Inspection Testing services	798	119
iv) Other related parties			
Crescent Steel and Allied Products Limited	Dividend paid	-	1,038,109
Siemens Project ventures GmbH	Dividend paid	-	3,138,744
v) Key Management Personnel			
	Short-term employment benefits	51,745	36,542
	Director's meeting fee	813	500

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

Period end balances are as follows:	Un-audited March 31, 2023	Audited June 30, 2022
	(Rupees in thousand)	
Payable to related parties		
Descon Engineering Limited (Associated company)	1,905	6,971
Descon Corporation (Private) Limited (Associated company)	3,845	3,584
Descon Power Solutions (Private) Limited (Associated company)	58,082	52,093
Siemens Pakistan Engineering Company Limited (Group company)	899	32,399
Inspectest (Private) Limited (Associated company)	88	886
	64,819	95,933

18. DATE OF AUTHORIZATION FOR ISSUE

These consolidated condensed interim financial statements were authorized for issue on April 26, 2023 by the Board of Directors of the Parent company.

19. CORRESPONDING FIGURES

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

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

20. GENERAL

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

Chief Executive	Chief Financial Officer	Director

NOTE

NOTE