

**AEL**

**(UN-AUDITED)  
FOR THREE-MONTH  
PERIOD ENDED  
SEPTEMBER 30, 2023**



**ALTERN ENERGY LIMITED**



**CONDENSED INTERIM  
UNCONSOLIDATED  
FINANCIAL STATEMENTS**

**(UN-AUDITED)  
FOR THREE-MONTH PERIOD ENDED  
SEPTEMBER 30, 2023**

**ALTERN ENERGY LIMITED**



## **ALTERN ENERGY LIMITED COMPANY INFORMATION**

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### **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       | Independent Director - 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**

Mrs. Noor Shuja

### **EXTERNAL AUDITORS**

M/s. Grant Thornton Anjum Rahman 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

## **ALTER ENERGY LIMITED** **DIRECTORS' REVIEW**

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We, the undersigned, on behalf of the Board of Directors of Altern Energy Limited ('the Company') present the un-audited consolidated and unconsolidated condensed interim financial statements of the Company for the three-month period ended September 30, 2023.

### **GENERAL**

The principal activities of the Company continue to be sale of electricity, ownership, operation, and maintenance of a 32 Mega Watts gas-fired thermal power plant located near Fateh Jang, District Attock, Punjab. The electricity produced is sold to its sole customer Central Power Purchasing Agency (Guarantee) Limited ('CPPA') 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 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 applied for renewal / extension of the Generation License with NEPRA, in line with term of its PPA and Implementation Agreement ('IA'). On September 12, 2023, the NEPRA in its Regulatory Meeting approved the extension in the term of the Generation License for approximately ten (10) years from the expiry of the previous term till June 05, 2031, making it consistent with the term of the PPA and IA. The Company will continue to make its power plant available as per the requirements of the PPA until the expiry of PPA as stated above. Therefore, the power generation operations shall continue to be operated in the normal course of business.

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 current and corresponding period of the last year, the revenue of the Company was nil, due to no dispatch to the off-taker because of pending renewal of the Generation License. As a result, the Company incurred gross loss of Rs. 29 million as compared to gross loss of Rs. 28 million in corresponding period of 2022. The Company posted net profit of Rs. 1,699 million resulting in earnings per share ('EPS') of Rs. 4.67, as compared to loss of Rs. 34 million and loss per share of Rs. 0.09 in corresponding period of 2022. Net profit for the current period included dividend income amounting to Rs. 1,714 million (2022: Rs. Nil) 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. 533 million resulting in EPS of Rs. 1.47 per share, as compared to consolidated earnings of Rs. 940 million and EPS of Rs. 2.59 in the corresponding period of the last year.

### **DIVIDEND DISTRIBUTION**

On August 15, 2023, the Board of Directors of the Company declared and subsequently distributed interim cash dividend @47% (Rs. 4.70 per ordinary share) amounting to Rs. 1,707.886 million to the shareholders of the Company.

## **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. No dispatch during the period is on account of pending renewal of Generation License from NEPRA. Furthermore, the Company is facing declining dispatch demand from the off-taker in the past few years on account of plant being low on economic dispatch merit order of CPPA. The new power generation plants added into the national grid during the last few years being more efficient rank above your plant in CPPA's economic dispatch merit order.

During the period under review, all other scheduled and preventive maintenance activities were conducted 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. 1,733 million (corresponding period in 2022: Rs. 3,706 million) and the cost of sales of Rs. 803 million (2022: Rs. 1,195 million). Net profit for the period was Rs. 978 million (2022: Rs. 1,751 million) delivering EPS of Rs. 1.13 per share of Rs 10 each (2022: Rs. 2.03).

Delay in payments from RPPL's sole customer, CPPA continues. At the end of the reporting period, out of the total receivable of Rs. 10,856 million (June 30, 2023: Rs. 15,248 million), Rs. 9,102 million were overdue as compared to overdue receivables of Rs. 12,951 million at the end of June 30, 2023, including disputed amount of Rs 6,422 million (June 30, 2023: Rs. 6,052 million) on account of Other Force Majeure Event ('OFME') dispute with CPPA. RPPL's management continues to follow-up CPPA for payment of overdue receivables.

During the period under review, net generation delivered to the off-taker was zero GWh against 39 GWh delivered to the off-taker during the same period last year. The plant dispatch factor during the period remained nil as compared to 19% during the corresponding period of the last year. Zero generation is mainly due to curtailment of RLNG as well as reduced demand from the off taker.

RPPL's issue of OFME with CPPA continues. In a recent meeting held between the counter parties on this matter, it was agreed that RPPL Plant will only be dispatched if it is required under the Economic Merit Order (EMO) as per the terms of the PPA. However, the plant will be considered on OFME if required to be dispatched as per EMO and RLNG is not available. It is hoped that this will help in mitigating the negative impact of OFME days.

During the period under review, CPPA did not acknowledge the Capacity Purchase Price invoices from 18th July till 12th September on account of non-availability of RLNG and considered this period as OFME due to unavailability of RLNG. This stance is as per mechanism agreed in the meeting with the counter-parties on July 6, 2023. Total OFME days in the period under review were 56.

## **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 2023 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, 2023.

## **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 PPA with CPPA. However, it is managing its operational costs from receipt of overdue receivables from CPPA. We expect that the Company will generate power on demand as its power generation license has been renewed by NEPRA. Furthermore, 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.

## **CORPORATE GOVERNANCE**

### **Composition of the Board of Directors**

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 Saeeda 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 the 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. After the review and recommendation of the Audit Committee, these are 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.

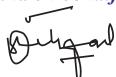
## **CORPORATE SOCIAL RESPONSIBILITY**

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  
**Date: October 24, 2023**  
**Place: Lahore.**



**Shah Muhammad Chaudhry**  
Director

## ڈاٹ یکٹرز کی جائزہ رپورٹ

بھم، یہ دھکی، آئز ان ائرجنی لمبینڈ (دی اکمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے 30 ستمبر 2023 کو ختم ہونے والی سماں کے لئے کمپنی کے غیر نظرخانی شدہ کنسولیڈیٹڈ اور غیر کنسولیڈیٹڈ کنٹینڈ بھرپوری بالائی گوشے شارے پر کرتے ہیں۔

عمومی

کمپنی کی اہم ترین سرگرمیوں میں 32 بیگا اسٹ کے گیس تھول پاور پلانت واقع نرخچہ جنگل ضلع ایک بجانب کی ملکیت، آپریشن، دیکھ بھال اور اپنے واحد صاحب نشان پاور چیزیں ایکنی (گارنی) لیڈری (CPA) کو نیشنل نیشنل ایئر بیسین کمپنی (NTDC) کے نام سے نیشنل نیشنل میٹس وک کے ذریعے مکملی پر خود تھات ملائے ہے۔

کمپنی ہے حصہ پاکستان نیک آپریشن میں درج ہیں۔ کمپنی پاکستان میں تجارتی مکالمہ (پرائیویٹ) (خوبی متفقہ کارپوریٹ) کے 100 فیصد حصہ کی مالک ہے، جو بدلے میں Roush (پاکستان) پاول لیڈن (RPL) کے 59.98 فیصد حصہ رکھتی ہے۔ RPL ایک نیئر مورڈر نیک ٹکنیک اپنے اور گیس فائز ریز کمپنیاں کے ذریعے 450 میگاوات کی جگہ صلاحیت رکھتے والی خود پختہ پار پار

پروپریتیز ہے جو کہ مدنی ایجاد، عبد الکریم، شاعر، غانیوال، بخوبی کے قریب واقع ہے۔  
کہنے والے کے نام کے ساتھ ایک ایجاد کا نام ہے۔

پیش نے اپنے واحد صارف CPPA کے ساتھ میں مالوں کے لئے بھلی خریداری کا معابدہ (PPA) کیا ہے جو 06 جون 2001 سے شروع ہوا، 6 جون 2031 کو ختم ہوگا۔

ذکورہ بالا کے پیش نظر اور کمپنی کی ذمی کمپنی Rousch سے آمدی کی بنیاد پر، آپ کے بورڈ کو یقین ہے کہ کمپنی مستقبل قریب میں ایک گونگک کنسن کے طور پر جاری رہے گی۔

فناں

اپ کی کپنی کی نسلی بیوں آدمی ایمان انجیل لینڈ کے بیکنی ہولدرز سے منوب ہے جو کہ زیارتہ دست کے لئے 533 میل روپے جس کے تجیے میں فی شیر آدمی (EPS) 1.47 روپے فی شیر بجھ کے اگر کرچت دست کی ای دست میں 940 میل روپے جس کے تجیے میں فی شیر آدمی (EPS) 2.59 روپے فی شیر بجھی۔

## منافع منقسمہ کی تقسیم

15 اگست 2023 کو، کپنی کے بود آف ڈائریکٹریز نے کپنی کے شیئر ہولڈر کو عویوی نقد منافع مقصہ بشرط 47 نصہ (4.70 روپے فی عام شیئر) کی قیمت 1,707.886 ملین روپے کا اعلان اور بعد ازاں تفصیلی کیے۔

آموزش

زیر جزو نہ مدت کے درواز، پانٹ نے آپ نگر کو زندگی مال سال کی طرح اس مدت کے درواز بھی بکھلی کوئی ترسیل نہیں کی ہے۔ پھر اس بجزیش لائنس کی بیوی اتو تکبی پیکی مجب سے اس مدت کے درواز کوئی ترسیل نہیں ہوتی ہے۔ میر براں، کپنی پانٹ کا CPPA کے آنامک ذیچیج مرٹ آڑر سے کم حیثیت میں ہونے کے بعد سے گزشتہ سداوں میں خیر ارتے ترسیل طلب کی کیا سامنا کر رہی ہے۔ گزشتہ سداوں کے درواز بھی گرڈ سیم میں نے پار بجزیش پانٹ کیا جو کہ زیادہ ستوں کی حیثیت سے CPPA کے اتحادی ذیچیج مرٹ آڑر کے لحاظ سے آپ کے پانٹ کے اور درجہ کے ہیں۔

زیر یارگاه نرم افزار کے دروان، ہتام، دیگر مقرر اور خلائق میں نیشن سرگرمیاں اصل اکیوپیٹ میونپیکر (OEM) سفارشات کے مطابق سراج نام دی گئیں۔ ہم بخوبی بیان کرتے ہیں کہ تمام ایجن اور ان کے معماں آلات ہوا اور قابل بھر و سکا کام کے لیے ملکی ملکیکاں کا ایجاد کیا گی۔

### ماتحت ادارے کا جائزہ

روپے 2.03 (تھی) 2022 کی ای مدت میں (EPS) 1.13 (تھی) 2022 کی ای مدت میں (صاف آمدنی) روپے 2.03 (تھی)۔

RPPL کے واحد صارف، CPPA سے عماد اولی چاری رہی ہے۔ پوچھ دated کے اختتام پر CPPA سے کل قابل موصی رقم 10,856.10 میلن روپے (جنون 2023 : 15,248 میلن روپے) جس میں سے 102.9 میلن روپے زائد الیجادا، جبکہ جون 2023 کے اختتام پر قابل موصی 12,951 میلن روپے زائد الیجادا تھے، جس میں دیگر فومن میکرو ایپس (OFME) تباہ عکس میں 6,422 میلن روپے (جنون 2023: 6,052 میلن روپے) کی تباہ عکس میں شامل ہے۔ RPPL کی اختتامی زائد الیجادا میں قابل موصی گل کی ادائیگی کے لئے CPPA کے ساتھ مسلسل اگفت و شیئنگ کریں۔

نیز جائزہ دہت کے دوران خریدار کو GWh کیلئے تریل کی جگہ گزنس سال کی ای مدت کے دوران 39 میکی کی تریل کی جگہ تریل کی جگہ لگائی جائے۔ اس مدت کے دوران پلانٹ کی تریل کا غصہ aLRH را جگہ لگائی جائے۔ سال کی ای مدت میں 19.0 نیمیا۔ صرف ہر چند نیمیا طور پر RLNG کی کمی اور خریدار سے طلب کی کمی وجہ سے ہوئی۔

OFME کا ساتھی RPPL کا مسئلہ کارباری ہے۔ اس معاہد پر OFME یعنی کو دریان جاہی میٹنگ میں، اس بات پر اتفاق گیا کہ اگر PPA کی شرائک کے مطابق اقتصادی میرت آزاد (EMO) کے تحت ضرورت ہوئی تو RPPL اپنے اس صورت مذاہدہ کو جاتا ہم، پلانٹ کو OFME کے مطابق تریل کی ضرورت ہو اور RLNG دستیاب نہ ہو۔

امید ہے کہ اس سے OFME دوں کے کمی ایجاد کرنے میں مدد ملے گی۔

مشیخ

کہتی ہے کہ سرگرمیاں سے مختلف تم کے خطرات سے دچا کر کیتی ہیں جو مختلف طقوں کی نیزی تینی صورتیں سے مشروط ہیں جن کے خلاف کمپنی کے پاس مناسب تخفیف کی محکمت عملیاں موجود ہیں۔ بورڈ آف کمپنی کی سرگرمیاں سے مختلف تم کے خطرات سے دچا کر کیتی ہیں جو مختلف طقوں کی نیزی تینی صورتیں سے مشروط ہیں جن کے خلاف کمپنی کے پاس مناسب تخفیف کی محکمت عملیاں موجود ہیں۔ بورڈ آف کمپنی کی آٹھ کمپنیاں اور ورکوون کے امکانات کے لحاظ سے منحصر مدتی اور طویل مدتی خطرات سیستہ رک سیمیر میکس کی باقاعدگی سے تخفیف کرتی ہے۔ چیف ایگریگوٹر سربراہی میں اختیاری خطرات کو کم کرنے کے مناسب اقدامات اٹھا کر نئے نئے زندگانی میں بدل دیں۔

### اہم کی معلومات

سال کے لئے کمپنی کے سالانہ انتظامی نہاد مالیاتی حیثات میں کمی کیا۔

## مستقبل اکانقطاظم

اپ کی کمپنی اور پرستکن کو سبقت قریب میں مکالات میں ہے کہ پالائی چین کے سائل اور پاکستانی روپی کی قدر میں کمی کی وجہ سے رہا میں کی قات اور اپنی زادہ قیمتیں۔ مگر مکالات کمپنی کی مخصوص ہیں جیسے کہ تیل طلب، اور کمپنی کے پی نے اسے مطابق CPPA کے تخت بیک اپنے کے انتظامات پر ہوئے کی وجہ سے یہ میں کی صلاحیت سے ہوئے والی آمدی کا نقصان۔ تاہم، یہ CPPA سے واجد الادا مولوں کی محوالی سے اپنے اپنے خواجات کا انتظام کر رہی ہے۔ ہم تو قریب میں کمپنی طلب پر بھلیکی پیدا کرے گی کیونکہ جانے اس کے اور جیشان اکٹس کی تجویز کر دیتے ہیں۔ میر باراں، اپنی کمپنی کی اپنی سرمایہ کاری سے حاصل ہوئے والی آمدی کی وجہ سے اپنے اپنے اور اپنے اس کی تجویز کر دیتے ہیں۔

### معیار، ماحول، صحت اور حفاظت (QEHS)

کمکی اپنے ملازمین کی لئے صحت اور حفاظت کے بہرین معیارات حاصل کرنے کے لیے لاگو کیے گے QEHS اصولوں پر عمل ہے۔ مجموعی طور پر ذریعہ جائزہ مدت کے دران پانٹ کی صحبت، حفاظت اور اس اصولوں کی کارکردگی کی تائیدیں۔

## کار لوریٹ گورنمنٹ

پورڈ آف ڈائریکٹرز کی ترتیب

چیف ایگر پیشوائو جوڑا ائر کیمپ تصور کئے جاتے ہیں سمیت یورڈ آئٹھے (8) ارکانِ مشتمل جس کی ترتیب درج ذہل کے مطابق ہے:

## بورڈ کی ترتیب حب ذیل کے مطابق ہے:

| نمبر شمار | کیلبری             | نام اور کیمپرٹر    | فصل داود (جیمز مین)  |
|-----------|--------------------|--------------------|----------------------|
| 1         | نام انگریز کیمپرٹر | نام انگریز کیمپرٹر | ذات فاروق نذر یہ     |
| 2         | نام انگریز کیمپرٹر | نام انگریز کیمپرٹر | حکم مہرین داؤد       |
| 3         | نام انگریز کیمپرٹر | نام انگریز کیمپرٹر | ذات صالح مرغیان      |
| 4         | نام انگریز کیمپرٹر | نام انگریز کیمپرٹر | ذات شاہ محمد چودھری  |
| 5         | نام انگریز کیمپرٹر | نام انگریز کیمپرٹر | حیر جانہارہ سیدہ غان |
| 6         | نام انگریز کیمپرٹر | نام انگریز کیمپرٹر | سید رحوان علی شاہ    |
| 7         | نام انگریز کیمپرٹر | نام انگریز کیمپرٹر | عمر شہزادہ           |
| 8         | نام انگریز کیمپرٹر | نام انگریز کیمپرٹر | چین ایگری کیمپرٹر    |

### بورڈ کی کمیٹیاں

بورڈ نے دو کمیٹیاں قائم کی ہیں جن کی صدارت غیر جانبداری نام انگریز کیمپرٹر اور کیمپرٹر کرتے ہیں۔ یہ کمیٹیاں درج ذیل ہیں۔

### آٹھ کمیٹی

آٹھ کمیٹی مدد و مدد تھن (3) ارکان پر مشتمل ہے:

سید رحوان علی شاہ (غیر جانبدارہ اور کیمپرٹر) جیمز مین

ذات فاروق نذر یہ (نام انگریز کیمپرٹر) رکن

ذات شاہ محمد چودھری (نام انگریز کیمپرٹر) رکن

### ہیومن ریسورس ایڈیٹریٹریشن کمیٹی

ہیومن ریسورس ایڈیٹریٹریشن کمیٹی درج ذیل تھن (3) ارکان پر مشتمل ہے:

فاروق نذر یہ (نام انگریز کیمپرٹر) جیمز مین

شاہ محمد چودھری (نام انگریز کیمپرٹر) رکن

سید رحوان علی شاہ (غیر جانبدارہ اور کیمپرٹر) رکن

### اندرونی آٹھ اور کنکروں

بورڈ آٹھ اور کیمپرٹر نے آٹھ کمیٹی کی کوپرٹ کرنے والے ایک اہل فہرست کی سربراہی میں ایک آزاد آٹھ فنکشن قائم کیا ہے۔ کمپنی کے اندر اندر وہ آٹھ فنکشن کے دائرہ کارکرو آٹھ کمپنی و اخ خود پر ہیاں کرتی ہے جس میں اندر وہی مالیاتی کنکروں کا باعثہ جائزہ شامل ہوتا ہے۔

### ڈائریکٹر کامشاہی

بورڈ ارکان کا مشاہدہ خود بورڈ کے دائرہ اختیار میں ہے۔ آٹھ کمپرٹر کے مشاہدہ کی رکی پا لیسی بورڈ نے منظوری کی ہے۔ پالیسی ایکٹ اور گلوبل فریت کے تقاضوں کے مطابق آٹھ کمپرٹر کے مشاہدہ کا طریقہ کارکروں کی مدد و مدد تھن کی مدد و مدد تھن کے مطابق، نامزد اور کیمپرٹر بورڈ اور کمپنی کے اعلیٰ اہل فہرست کی سربراہی میں ایک آزاد آٹھ فنکشن کے دائرہ کارکرو اور جائزہ اور منظوری کی جائی گے۔

### متحالقہ پارٹی لیس دین

متحالقہ فریقوں کے ساتھ میں دین قابل رسائی بیان پا کو دربار کے عام معمول میں کیے جاتے ہیں۔ مزید ایکٹ اور کمپرٹر کے تقاضوں کے مطابق، بورڈ آٹھ اور کمپرٹر میں متحالقہ فریقوں کے ساتھ کیے گئے میں دین کی تفصیلات وغیرہ بورڈ آٹھ کمپنی کے سامنے رکی اور جائزہ اور منظوری کے لیے بورڈ کو پیش کی جائیں۔ کمپنی نے سالانہ پورٹ کے ساتھ منسلک اسی حسابات میں متحالقہ فریقوں کے لیے دین کا تفصیلی اکشاف کیا ہے۔

کار پوریت سماجی ذمہ داری

کہنی ہائی مفاد کے لئے کہوتا اور ماحلیات کی طرف ذمہ داری کا مظاہر کرنے کے لئے پُر عزم ہے۔ کہنی اپنی کاروباری سرگرمیوں میں ایک اچھا شہری ہونے اور اپنے عمل اور معاشرہ کی سماجی بہبود میں اپنی ذمہ داریوں کو پر اکرنے کی اہمیت کو تسلیم کرتی ہے۔ شہر کاری کے ذریعہ میں کہنی کے ماحول کو حفظ ہاتھ کو خاص اہمیت دی گئی ہے۔ جگہ مقامی یونیورسٹی ہمارے پانچ پاروگر کیمپنیز سے زیادہ ملک کو روزگار دینے کی ہماری حکمت گلی سے مستند ہوتی ہے۔

امہار تکر

کہنی اپنے شہر ہولڈرز، مالز میں، حکومتی ایکاروں اور دیگر تمام اسٹیک ہولڈرز کی شرگزار ہے جنہوں نے ان مشکل اوقات میں کہنی پر اپنا اعتماد اور تحریر و سفارہ کیا۔

مکرم پورڈ

الحمد لله  
عمر شہزادی  
چیف ایگزیکٹو

Shahzad

شاہ محمد چوہدری

ڈائریکٹر

24 اکتوبر 2023ء

لا جبورہ

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

| <b>EQUITY AND LIABILITIES</b>  | <b>Note</b> | <b>Un-audited</b>             | <b>Audited</b>           |
|--|-------------|-------------------------------|--------------------------|
|  |             | <b>September 30,<br/>2023</b> | <b>June 30,<br/>2023</b> |
| <b>SHARE CAPITAL AND RESERVES</b>  |             |                               |                          |
| Authorized share capital   |             |                               |                          |
| 400,000,000 (June 30, 2023: 400,000,000) ordinary shares<br>of Rs. 10 each |             | <u>4,000,000</u>              | <u>4,000,000</u>         |
| Issued, subscribed and paid up share capital                               |             |                               |                          |
| 363,380,000 (June 30, 2023: 363,380,000) ordinary shares<br>of Rs. 10 each |             | 3,633,800                     | 3,633,800                |
| Capital reserve: Share premium   |             | 41,660                        | 41,660                   |
| Revenue reserve: Un-appropriated profits                                   |             | <u>252,306</u>                | <u>261,597</u>           |
| Total equity   |             | 3,927,766                     | 3,937,057                |
| <b>NON-CURRENT LIABILITIES</b>   |             |                               |                          |
| Employee benefit obligations   |             | 8,105                         | 7,813                    |
| <b>CURRENT LIABILITIES</b>   |             |                               |                          |
| Trade and other payables   |             |                               |                          |
| Short term borrowing from banking company - secured                        | 6           | 19,168                        | 19,510                   |
| Dividend payable   | 7           | -                             | 1,165                    |
| Unclaimed dividend   |             | 276,691                       | -                        |
| Accrued markup on short term borrowings                                    |             | 5,547                         | 5,414                    |
| Provision for taxation   |             | -                             | 10                       |
|  |             | 9,101                         | 9,324                    |
|  |             | <u>310,507</u>                | <u>35,423</u>            |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                       |             |                               |                          |
|  | 8           | <u>4,246,378</u>              | <u>3,980,293</u>         |

The annexed notes 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.

  
**Chief Executive**

  
**Chief Financial Officer**

  
**Director**

| ASSETS  | Note | Un-audited            | Audited          |
|---|------|-----------------------|------------------|
|   |      | September 30,<br>2023 | June 30,<br>2023 |
| <b>NON-CURRENT ASSETS</b>                             |      |                       |                  |
| Property, plant and equipment                         | 9    | 356,963               | 368,058          |
| Intangible assets                                     | 10   | 661                   | 783              |
| Long term investment                                  | 11   | 3,204,510             | 3,204,510        |
| Long term security deposits                           |      | 175                   | 175              |
|   |      | 3,562,309             | 3,573,526        |
| <b>CURRENT ASSETS</b>                                 |      |                       |                  |
| Stores and spares                                     |      | 38,153                | 38,928           |
| Trade debts - secured                                 |      | 62,003                | 77,003           |
| Loans, advances, prepayments and<br>other receivables |      | 78,904                | 72,228           |
| Short term investments                                | 12   | 218,375               | 207,886          |
| Bank balances   |      | 286,634               | 10,722           |
|   |      | 684,069               | 406,767          |
|   |      | <b>4,246,378</b>      | <b>3,980,293</b> |

  
Chief Executive

  
Chief Financial Officer

  
Director

**ALTERN ENERGY LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2023**

|  |             | <b>September 30,<br/>2023</b> | <b>September 30,<br/>2022</b> |
|--|-------------|-------------------------------|-------------------------------|
|  | <b>Note</b> | <b>(Rupees in thousand)</b>   |                               |
| Revenue  | 13          | -                             | -                             |
| Direct costs   | 14          | (29,071)                      | (27,931)                      |
| <b>Gross Loss</b>  |             | <b>(29,071)</b>               | <b>(27,931)</b>               |
| Administrative expenses                                  | 15          | (8,595)                       | (10,560)                      |
| Other income   | 16          | 1,741,256                     | 5,839                         |
| Finance cost   |             | (967)                         | (937)                         |
| <b>Profit / (loss) before taxation</b>                   |             | <b>1,702,623</b>              | <b>(33,589)</b>               |
| Taxation   |             | (4,027)                       | (883)                         |
| <b>Profit / (loss) after taxation</b>                    |             | <b>1,698,595</b>              | <b>(34,472)</b>               |
| Earnings / (loss) per share - basic and diluted - Rupees |             | <b>4.67</b>                   | <b>(0.09)</b>                 |

The annexed notes 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.

  
**Chief Executive**

  
**Chief Financial Officer**

  
**Director**

**ALTERN ENERGY LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2023**

|   | <b>September 30,<br/>2023</b> | <b>September 30,<br/>2022</b> |
|---|-------------------------------|-------------------------------|
|   | <b>(Rupees in thousand)</b>   |                               |
| Profit / (loss) for the period  | 1,698,595                     | (34,472)                      |
| <b>Other comprehensive income</b>   |                               |                               |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | -                             | -                             |
| <i>Items that may be reclassified subsequently to profit or loss</i>      | -                             | -                             |
|   | -                             | -                             |
| <b>Total comprehensive income / (loss) for the period</b>                 | <b><u>1,698,595</u></b>       | <b><u>(34,472)</u></b>        |

The annexed notes 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.

  
**Chief Executive**

  
**Chief Financial Officer**

  
**Director**

**ALTERN ENERGY LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2023**

|   | Capital reserve      |               | Revenue reserve        |                  |
|---|----------------------|---------------|------------------------|------------------|
|   | Share capital        | Share premium | Un-appropriated profit | Total            |
|   | (Rupees in thousand) |               |                        |                  |
|   |                      |               |                        |                  |
| <b>Balance as on July 01, 2022 (Audited)</b>  | <b>3,633,800</b>     | <b>41,660</b> | <b>334,455</b>         | <b>4,009,915</b> |
| Loss for the period   | -                    | -             | (34,472)               | (34,472)         |
| Other comprehensive income for the period   | -                    | -             | -                      | -                |
| Total comprehensive loss for the period   | -                    | -             | (34,472)               | (34,472)         |
| <b>Total contributions by and distributions to owners of the Company recognized directly in equity:</b> | <b>-</b>             | <b>-</b>      | <b>-</b>               | <b>-</b>         |
| <b>Balance as on September 30, 2022 (Un-audited)</b>  | <b>3,633,800</b>     | <b>41,660</b> | <b>299,983</b>         | <b>3,975,443</b> |
| <b>Balance as on July 01, 2023 (Audited)</b>  | <b>3,633,800</b>     | <b>41,660</b> | <b>261,597</b>         | <b>3,937,057</b> |
| Profit for the period   | -                    | -             | 1,698,595              | 1,698,595        |
| Other comprehensive income for the period   | -                    | -             | -                      | -                |
| Total comprehensive income for the period   | -                    | -             | 1,698,595              | 1,698,595        |
| <b>Total contributions by and distributions to owners of the Company recognized directly in equity:</b> | <b>-</b>             | <b>-</b>      | <b>-</b>               | <b>-</b>         |
| Interim cash dividend for the year ending June 30, 2024<br>@ Rs. 4.70 per ordinary share                | -                    | -             | (1,707,886)            | (1,707,886)      |
| <b>Balance as on September 30, 2023 (Un-audited)</b>  | <b>3,633,800</b>     | <b>41,660</b> | <b>252,306</b>         | <b>3,927,766</b> |

The annexed notes 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.

  
**Chief Executive**

  
**Chief Financial Officer**

  
**Director**

**ALTER ENERGY LIMITED**  
**CONDENSED INTERIM UNCONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2023**

|   | Notes | September 30,<br>2023<br>(Rupees in thousand) | September 30,<br>2022 |
|---|-------|---|-----------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                   |       |   |                       |
| <b>Cash (used in) / generated from operations</b>             | 17    | (17,398)                                      | 17,179                |
| Finance costs paid  |       | (977)   | (936)                 |
| Income tax paid   |       | (4,251)                                       | (875)                 |
|   |       | (5,228)                                       | (1,811)               |
| <b>Net cash (outflow) / inflow from operating activities</b>  |       | (22,626)                                      | 15,368                |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                   |       |   |                       |
| Profit on short term investments received                     |       | 26,836  | 5,786                 |
| Payment for property, plant & equipment and intangible assets |       | -   | (320)                 |
| Proceeds from disposal of fixed assets                        |       | -   | 8                     |
| Dividend received from PMCL (wholly owned subsidiary)         |       | 1,714,413                                     | -                     |
| Profit on bank deposits received                              |       | 7   | 45                    |
| <b>Net cash (outflow)/ inflow from investing activities</b>   |       | 1,741,256                                     | 5,519                 |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                   |       |   |                       |
| Dividends paid  |       | (1,431,062)                                   | -                     |
| <b>Net cash outflow from financing activities</b>             |       | (1,431,062)                                   | -                     |
| Net increase in cash and cash equivalents                     |       | 287,568                                       | 20,887                |
| Cash and cash equivalents at beginning of the period          |       | 217,442                                       | 175,815               |
| <b>Cash and cash equivalents at the end of the period</b>     | 18    | <b>505,010</b>                                | <b>196,702</b>        |

The annexed notes 1 to 22 form an integral part of these condensed interim unconsolidated financial statements.

  
**Chief Executive**

  
**Chief Financial Officer**

  
**Director**

**ALTERN ENERGY LIMITED**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM UNCONSOLIDATED**  
**FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2023**

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**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 and hereinafter referred to as the 'Act') on January 17, 1995. It is a subsidiary of DEL Power (Private) Limited ('the Holding Company'). The Ultimate Parent of the 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 (June 30, 2023: 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') for thirty years which commenced from the COD. The Company also holds direct and indirect investments in other companies engaged in power generation as detailed in note 11 to these condensed interim unconsolidated 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 MMSCFD 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 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 Generation License expired on September 21, 2021 and it had 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') on August 31, 2021. On September 12, 2023, the NEPRA in its Regulatory Meeting approved the extension in the term of the Generation License for approximately ten (10) years from the expiry of the previous term till June 05, 2031, making it consistent with the term of the PPA and IA. The Company will continue to make its power plant available as per the requirements of the PPA until the expiry of PPA as stated above. Therefore, the power generation operations shall continue to be operated in the normal course of business.

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 11 of these condensed interim unconsolidated financial statements..

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

- i)** International Accounting Standard ('IAS') 34, Interim Financial Reporting, issued by the International Accounting Standards Board ('IASB') as notified under the Companies Act, 2017; 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 condensed interim unconsolidated financial statements are un-audited and are being submitted to the members as required by section 237 of the Act.

- 2.2** These condensed interim unconsolidated 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, 2023. 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 condensed interim unconsolidated 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, 2023, 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, 2023, but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these condensed interim unconsolidated 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 condensed interim unconsolidated financial statements.

### **3.3.1 Exemption from applicability of certain standards**

In respect of companies holding financial assets due from the Government of Pakistan ('GoP') in respect of circular debt, SECP through SRO 67(I)/2023 dated January 20, 2023 partially modified its previous SRO 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 on such financial assets 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 ECL in respect of trade debts and other receivables due from CPPA. The Company is yet to assess the impact of ECL in respect of such financial assets on its financial statements for the year beginning on July 1, 2024.

## **4. ACCOUNTING ESTIMATES**

The preparation of these condensed interim unconsolidated 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 condensed interim unconsolidated 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, 2023.

## **5. FINANCIAL RISK MANAGEMENT**

### **5.1 Financial risk factors**

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

Risk management is carried out by the Company's finance department under policies approved by the Board of Directors ('BOD'). The Company's finance department evaluates and hedges financial risks based on principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity, provided by the BOD. All treasury related transactions are carried out within the parameters of these policies.

These condensed interim unconsolidated 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, 2023.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2023.

### **5.2 Fair value estimation**

#### **a) Fair value hierarchy**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

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 derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

- The fair value of financial instruments that are not traded in an active market (e.g. over-the counter derivatives) is determined using valuation techniques that maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value 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 securities.

The following table presents the financial assets and liabilities that are measured at fair value :

|  | <b>Level 1</b>              | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |  |  |  |
|--|-----------------------------|----------------|----------------|--------------|--|--|--|
|  | <b>(Rupees in thousand)</b> |                |                |              |  |  |  |
| <b>As at September 30, 2023</b>          |                             |                |                |              |  |  |  |
| <i>Recurring fair value measurements</i> |                             |                |                |              |  |  |  |
| <b>Assets</b>                            |                             |                |                |              |  |  |  |
| Short term investments                   | 218,375                     | -              | -              | 218,375      |  |  |  |
| <b>Liabilities</b>                       | -                           | -              | -              | -            |  |  |  |
| <b>As at June 30, 2023</b>               |                             |                |                |              |  |  |  |
| <i>Recurring fair value measurements</i> |                             |                |                |              |  |  |  |
| <b>Assets</b>                            |                             |                |                |              |  |  |  |
| Short term investments                   | 207,886                     | -              | -              | 207,886      |  |  |  |
| <b>Liabilities</b>                       | -                           | -              | -              | -            |  |  |  |

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

The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.

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

## **6. SHORT TERM BORROWING FROM BANKING COMPANY - SECURED**

The running finance facility under mark-up arrangement amounts to Rs 100 million (June 30, 2023: Rs 100 million). The amount utilised at September 30, 2023 of the said facility was Nil (June 30, 2023: 1.165 million). The facility carries mark-up at three months Karachi Inter Bank Offered Rate ('KIBOR') plus 50 basis points per annum (June 30, 2023: three months Karachi Inter Bank Offered Rate ('KIBOR') plus 50 basis points), payable quarterly, on the balance outstanding. The mark-up rate charged during the current period on the outstanding balance was 0% (June 30, 2023: 18.09% to 23.03% per annum). The facility is secured against first hypothecation charge of Rs 1,340 million over present and future current assets of the Company and cross corporate guarantee issued by DEL Power (Private) Limited, holding company.

## **7. DIVIDEND PAYABLE**

This represents interim cash dividend payable to Saudi Arabian Construction & Repair Company Limited, a related party on the basis of common directorship, pending approval of the State Bank of Pakistan.

## 8 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, 2023.

|                      | Un-Audited<br>September 30,<br>2023 | Audited<br>June 30,<br>2023 |
|----------------------|-------------------------------------|-----------------------------|
| (Rupees in thousand) |                                     |                             |

## 9 PROPERTY, PLANT AND EQUIPMENT

|  |                |                |
|--|----------------|----------------|
| Operating fixed assets                   | 354,271        | 365,366        |
| Major spare parts and stand-by equipment | 2,692          | 2,692          |
|  | <u>356,963</u> | <u>368,058</u> |

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

## 11 LONG TERM INVESTMENT

| Subsidiary - Unquoted:  | Note |                                   |
|---|------|-----------------------------------|
| <b>Power Management Company (Private) Limited ('PMCL'):</b>   |      |                                   |
| 320,451,000 (June 30, 2023: 320,451,000) fully paid ordinary shares of Rs 10 each [Equity held 100% (June 30, 2023: 100%)] - Cost | 11.1 | <u>3,204,510</u> <u>3,204,510</u> |

11.1 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. The investment in PMCL is accounted for using cost method in the condensed interim unconsolidated financial statements of the Company. PMCL, in turn, directly holds 59.98% (June 30, 2023: 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 from its combined cycle thermal power plant having a gross (ISO) capacity of 450 Mega Watts, located near Sidhnai Barrage, Abdul Hakim, District Khanewal, Punjab.

## 12 SHORT TERM INVESTMENTS

This represents investment in units of mutual funds of NBP Fund Management Limited that is classified as fair value through profit or loss.

## 13 REVENUE

The revenue for the period was Nil (2022: Nil) due to pending renewal of the Generation License of the Company.

| <b>Un-Audited</b>    |  |                      |
|----------------------|--|----------------------|
| <b>September 30,</b> |  | <b>September 30,</b> |
| <b>2023</b>          |  | <b>2022</b>          |
| (Rupees in thousand) |  |                      |

#### **14 DIRECT COSTS**

|   |               |               |
|---|---------------|---------------|
| RLNG cost                               | 106           | 106           |
| Depreciation on operating fixed assets  | 11,023        | 13,700        |
| Stores and spares consumed              | 84            | 261           |
| Repairs and maintenance                 | 1,822         | 679           |
| Purchase of energy from CPPA            | 1,961         | 1,400         |
| Lube oil consumed                       | 423           | 194           |
| Operation and maintenance cost          | 9,351         | 8,131         |
| Security expenses                       | 2,416         | 2,155         |
| Salaries, benefits and other allowances | 354           | 307           |
| Insurance                               | 680           | 680           |
| Travelling & conveyance                 | 176           | 93            |
| Licensing fee                           | 642           | 202           |
| Miscellaneous expenses                  | 33            | 23            |
|   | <b>29,071</b> | <b>27,931</b> |
|   | <b>=====</b>  | <b>=====</b>  |

#### **15 ADMINISTRATIVE EXPENSES**

|  |              |               |
|--|--------------|---------------|
| Salaries, benefits and other allowances      | 3,008        | 3,934         |
| Directors' meeting fee                       | 250          | 250           |
| Information technology and ERP related costs | 425          | 252           |
| Traveling and conveyance                     | 774          | 609           |
| Utilities                                    | 455          | 305           |
| Postage and telephone                        | 165          | 231           |
| Printing, stationery and advertisement       | 256          | 946           |
| Auditors' remuneration                       | 273          | 55            |
| Legal and professional expenses              | 1,967        | 2,087         |
| Fee and subscription                         | 588          | 1,245         |
| Entertainment                                | 80           | 32            |
| Amortization on intangible assets            | 121          | 73            |
| Depreciation on operating fixed assets       | 72           | 192           |
| Repairs and maintenance                      | -            | 124           |
| Rent, rates and taxes                        | 162          | 215           |
| Miscellaneous expenses                       | -            | 10            |
|  | <b>8,596</b> | <b>10,560</b> |
|  | <b>=====</b> | <b>=====</b>  |

#### **16 OTHER INCOME**

|   |                  |              |
|---|------------------|--------------|
| Profit on bank deposits                             | 7                | 45           |
| Profit on short term investment                     | 26,836           | 5,786        |
| Gain on sale of operating fixed assets              | -                | 8            |
| Dividend income from PMCL (wholly owned subsidiary) | 1,714,413        | -            |
|   | <b>1,741,256</b> | <b>5,839</b> |
|   | <b>=====</b>     | <b>=====</b> |

| Un-Audited           | September 30, 2023 | September 30, 2022 |
|----------------------|--------------------|--------------------|
| (Rupees in thousand) |                    |                    |

## 17 CASH (USED IN ) / GENERATED FROM OPERATIONS

|  |                    |               |
|--|--------------------|---------------|
| Profit / (loss) before taxation                      | 1,702,623          | (33,589)      |
| Adjustment for non cash charges and other items:     |                    |               |
| -Depreciation on operating fixed assets              | 11,095             | 13,893        |
| -Dividend income from PMCL (wholly owned subsidiary) | (1,714,413)        | -             |
| -Amortization of intangible assets                   | 121                | 73            |
| -Provision for employee benefit obligations          | 293                | 759           |
| -Profit on short term investments                    | (26,836)           | (5,786)       |
| -Profit on bank deposits                             | (7)                | (45)          |
| -Gain on disposal of fixed assets                    | -                  | (8)           |
| -Finance cost  | 967                | 937           |
|  | <u>(1,728,780)</u> | <u>9,823</u>  |
| Loss before working capital changes                  | (26,157)           | (23,766)      |
| Effect on cashflow due to working capital changes:   |                    |               |
| <b>Decrease / (Increase) in current assets</b>       |                    |               |
| Stores and spares                                    | 775                | (525)         |
| Loans, advances, prepayments, and other receivables  | (6,674)            | (393)         |
| Trade debts - secured                                | 15,000             | 35,000        |
|  | <u>9,101</u>       | <u>34,082</u> |
| <b>Increase/(Decrease) in current liabilities</b>    |                    |               |
| Trade & other payables                               | (342)              | 6,863         |
| <b>Cash (used in) / generated from operations</b>    | <u>(17,398)</u>    | <u>17,179</u> |

## 18 CASH AND CASH EQUIVALENTS

|                        |                |                |
|------------------------|----------------|----------------|
| Bank balances          | 286,634        | 25,832         |
| Short term investments | 218,375        | 170,870        |
|                        | <u>505,009</u> | <u>196,702</u> |

## 19 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:

| <b>Relationship with the Company</b>                     | <b>Nature of transaction</b>             | <b>Un-Audited</b>           |                           |
|--|--|-----------------------------|---------------------------|
|  |  | <b>September 30, 2023</b>   | <b>September 30, 2022</b> |
|  |  | <b>(Rupees in thousand)</b> |                           |
| <b>i) Holding company</b>                                |  |                             |                           |
| DEL Power (Private) Limited                              | Dividend paid                            | 993,566                     | -                         |
| <b>ii) Subsidiary companies</b>                          |  |                             |                           |
| Rousch (Pakistan) Power Limited                          | Common cost charged to the Company       | 226                         | 202                       |
| <b>iii) Entities on the basis of common directorship</b> |  |                             |                           |
| Descon Engineering Limited                               | Common cost charged to the Company       | 1,394                       | 981                       |
| Descon Power Solutions (Private) Limited                 | Operation & maintenance contractor's fee | 9,351                       | 8,131                     |
|  | Common cost charged to the Company       | 297                         | 153                       |
| Descon Corporation (Private) Limited                     | ERP implementation fee and running cost  | 425                         | 252                       |
|  | Common cost charged to the Company       | 161                         | 215                       |
| <b>Group company</b>                                     |  |                             |                           |
| Descon Holdings (Private) Limited                        | Dividend paid                            | 141                         | -                         |
| <b>iv) Other related party</b>                           |  |                             |                           |
| Crescent Steel and Allied Products Limited               | Dividend paid                            | 285,120                     | -                         |
| <b>v) Key management personnel</b>                       |  |                             |                           |
|  | Short term employee benefits             | 1,729                       | 1,543                     |
|  | Post employment benefits                 | 292                         | 604                       |
|  | Director's meeting fee                   | 250                         | 250                       |
|  | Dividend paid                            | 118                         | -                         |

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<br>September 30,<br>2023 | Audited<br>June 30,<br>2023 |
|--|-------------------------------------|-----------------------------|
| (Rupees in thousand)                       |                                     |                             |
| <b>Period end balances are as follows:</b> |                                     |                             |
| <b>Payable to related parties</b>          |                                     |                             |
| <i>Subsidiaries:</i>                       |                                     |                             |
| Rousch (Pakistan) Power Limited            | 402                                 | 176                         |
| <i>Other related parties:</i>              |                                     |                             |
| Descon Engineering Limited                 | 2,808                               | 1,414                       |
| Descon Corporation (Private) Limited       | 383                                 | 359                         |
| Inspectest (Private) Limited               | 88                                  | 173                         |
| Descon Power Solutions (Private) Limited   | <u>4,517</u>                        | <u>6,407</u>                |
|  | <u>8,198</u>                        | <u>8,529</u>                |

## 20 CORRESPONDING FIGURES

In order to comply with the requirements of IAS 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.

## 21 Date of authorisation for issue

These condensed interim unconsolidated financial statements were authorized for issue on October 24, 2023 by the Board of Directors of the Company.

## 22 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

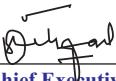
  
Director

**CONDENSED INTERIM  
CONSOLIDATED  
FINANCIAL STATEMENTS**

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

| <b>EQUITY AND LIABILITIES</b>  | <b>Note</b> | <b>Un-audited<br/>September 30,<br/>2023</b> | <b>Audited<br/>June 30,<br/>2023</b> |
|--|-------------|--|--------------------------------------|
| <b>SHARE CAPITAL AND RESERVES</b>                                      |             |  |                                      |
| Authorized share capital   |             |  |                                      |
| 400,000,000 (June 30, 2023: 400,000,000) ordinary shares of Rs 10 each |             | <u>4,000,000</u>                             | <u>4,000,000</u>                     |
| Issued, subscribed and paid up share capital                           |             |  |                                      |
| 363,380,000 (June 30, 2023: 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                               |             | 12,973,565                                   | 14,355,636                           |
| Attributable to owners of the Parent Company                           |             | 16,649,025                                   | 18,031,096                           |
| Non-controlling interests  |             | 11,438,116                                   | 12,426,921                           |
| <b>Total equity</b>  |             | <b>28,087,141</b>                            | <b>30,458,017</b>                    |
| <b>NON-CURRENT LIABILITIES</b>   |             |  |                                      |
| Employees' benefit obligations   |             | 16,518                                       | 16,171                               |
| Deferred taxation  |             | 1,051,199                                    | 1,162,357                            |
|  |             | 1,067,717                                    | 1,178,528                            |
| <b>CURRENT LIABILITIES</b>   |             |  |                                      |
| Trade and other payables   |             | 921,494                                      | 1,838,069                            |
| Short term borrowings from banking companies- secured                  | 6           | -  | 1,165                                |
| Accrued markup on short term borrowings - secured                      |             | 2  | 34,998                               |
| Unclaimed dividends  |             | 5,547  | 5,414                                |
| Dividend Payable   | 7           | 1,340,028                                    | -                                    |
| Provision for taxation   |             | 464,595                                      | 108,822                              |
|  |             | 2,731,666                                    | 1,988,468                            |
| <b>CONTINGENCIES AND COMMITMENTS</b>                                   |             |  |                                      |
|  | 8           |  |                                      |
|  |             | <u>31,886,524</u>                            | <u>33,625,013</u>                    |

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

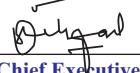
  
**Chief Executive**

  
**Chief Financial Officer**

  
**Director**

**AS AT SEPTEMBER 30, 2023**

| <b>ASSETS</b>                                      | <b>Note</b> | <b>Un-audited<br/>September 30,<br/>2023</b> | <b>Audited<br/>June 30,<br/>2023</b> |
|--|-------------|--|--------------------------------------|
| <b>(Rupees in thousand)</b>                        |             |  |                                      |
| <b>NON-CURRENT ASSETS</b>                          |             |  |                                      |
| Property, plant and equipment                      | 9           | 11,585,866                                   | 11,967,896                           |
| Intangible assets                                  |             | 12,470                                       | 13,248                               |
| Long term deposits                                 |             | 707  | 707                                  |
| Long term loan to employees                        |             | 966  | 1,134                                |
|  |             | 11,600,009                                   | 11,982,985                           |
| <b>CURRENT ASSETS</b>                              |             |  |                                      |
| Store, spares & loose tools                        |             | 696,194                                      | 690,335                              |
| Inventory of fuel oil                              |             | 443,937                                      | 444,916                              |
| Trade debts - secured                              | 10          | 10,918,126                                   | 15,324,789                           |
| Loans, advances, prepayments and other receivables |             | 2,209,993                                    | 1,983,825                            |
| Short term investments                             | 11          | 507,531                                      | 291,811                              |
| Bank balances                                      |             | 5,510,734                                    | 2,906,352                            |
|  |             | 20,286,515                                   | 21,642,028                           |
|  |             | 31,886,524                                   | 33,625,013                           |

  
**Chief Executive**

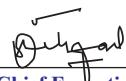
  
**Chief Financial Officer**

  
**Director**

**ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2023**

|  | Note   | September 30,<br>2023<br>(Rupees in thousand) | September 30,<br>2022 |
|--|--------|---|-----------------------|
| Revenue  | 12     | 1,733,338                                     | 3,705,693             |
| Direct costs   | 13     | (832,029)                                     | (1,822,916)           |
| <b>Gross profit</b>  |        | <b>901,309</b>                                | <b>1,882,777</b>      |
| Administrative expenses  | 14     | (70,882)                                      | (51,606)              |
| Other expenses   |        | (21,823)                                      | (2,816)               |
| Other income   |        | 231,127                                       | 18,982                |
| Finance cost   |        | (12,476)                                      | (125,070)             |
| <b>Profit before taxation</b>  |        | <b>1,027,255</b>                              | <b>1,722,267</b>      |
| Taxation   |        | (310,241)                                     | (81,775)              |
| <b>Profit for the period</b>   |        | <b>717,014</b>                                | <b>1,640,492</b>      |
| <b>Attributable to:</b>  |        |   |                       |
| Equity holders of the Parent Company   |        | 325,815                                       | 939,970               |
| Non-controlling interest   |        | 391,199                                       | 700,522               |
|  |        | <b>717,014</b>                                | <b>1,640,492</b>      |
| Earnings per share attributable to equity holders of<br>the Parent Company during the period - basic and | Rupees | 0.90  | 2.59                  |

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

  
**Chief Executive**

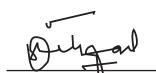
  
**Chief Financial Officer**

  
**Director**

**ALTER ENERGY LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**(UN-AUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2023**

|   | <b>September 30,<br/>2023</b><br>(Rupees in thousand) | <b>September 30,<br/>2022</b> |
|---|---|-------------------------------|
| Profit for the period   | 717,014   | 1,640,492                     |
| <b>Other comprehensive income:</b>  |   |                               |
| <i>Items that may be reclassified subsequently to profit or loss</i>      | -   | -                             |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | -   | -                             |
| <b>Total comprehensive income for the period</b>                          | <b>717,014</b>  | <b>1,640,492</b>              |
| <b>Attributable to:</b>   |   |                               |
| Equity holders of the Parent Company                                      | 325,815   | 939,970                       |
| Non-controlling interest  | 391,199   | 700,522                       |
| <b>Total</b>  | <b>717,014</b>  | <b>1,640,492</b>              |

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

  
**Chief Executive**

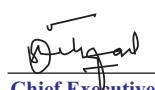
  
**Chief Financial Officer**

  
**Director**

**ALTER ENERGY LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2023**

|   | Attributable to equity holders of Parent Company |               |                        |                           |                   |
|---|--|---------------|------------------------|---------------------------|-------------------|
|   | Share capital                                    | Share premium | Un-appropriated profit | Non-controlling Interests | Total             |
| (Rupees in thousand)  |  |               |                        |                           |                   |
| <b>Balance as on July 1, 2022 (Audited)</b>                             | 3,633,800  | 41,660        | 10,074,768             | 9,463,773                 | 23,214,001        |
| Profit for the period   | -  | -             | 939,970                | 700,522                   | 1,640,492         |
| Other comprehensive income for the period                               | -  | -             |                        |                           | -                 |
| Total comprehensive income for the period                               | -  | -             | 939,970                | 700,522                   | 1,640,492         |
| <b>Transactions with owners in their capacity as owners:</b>            |  |               |                        |                           |                   |
| <b>Balance as on September 30, 2022 (Un-audited)</b>                    | 3,633,800  | 41,660        | 11,014,738             | 10,164,295                | 24,854,493        |
| <b>Balance as on July 01, 2023 (Audited)</b>                            | 3,633,800  | 41,660        | 14,355,636             | 12,426,921                | 30,458,017        |
| Profit for the period   | -  | -             | 325,815                | 391,199                   | 717,014           |
| Other comprehensive income for the period                               | -  | -             |                        |                           | -                 |
| Total comprehensive income for the period                               | -  | -             | 325,815                | 391,199                   | 717,014           |
| <b>Transactions with owners in their capacity as owners:</b>            |  |               |                        |                           |                   |
| Interim cash dividend @ Rs 4.70 per ordinary share<br>by Parent Company | -  | -             | (1,707,886)            | -                         | (1,707,886)       |
| Interim cash dividend paid to non-controlling interest by Rousch        | -  | -             | -                      | (1,380,004)               | (1,380,004)       |
| <b>Balance as on September 30, 2023 (Un-audited)</b>                    | <b>3,633,800</b>                                 | <b>41,660</b> | <b>12,973,565</b>      | <b>11,438,116</b>         | <b>28,087,141</b> |

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 THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2023**

|   |           | September 30,<br>2023 | September 30,<br>2022 |
|---|-----------|-----------------------|-----------------------|
|   | Note      | (Rupees in thousand)  |                       |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                     |           |                       |                       |
| <b>Cash generated from operations</b>                           | 15        | 4,599,160             | 698,039               |
| Long term deposits - net  |           | 168                   | 169                   |
| Finance cost paid   |           | (48,472)              | (126,906)             |
| Income tax paid   |           | (204,997)             | (2,960)               |
| Profit on bank deposits received                                |           | 183,338               | 13,683                |
| Employee benefit obligations paid                               |           | (1,629)               | (1,347)               |
|   |           | <b>(71,592)</b>       | <b>(117,361)</b>      |
| <b>Net cash inflow from operating activities</b>                |           | <b>4,527,568</b>      | <b>580,678</b>        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                     |           |                       |                       |
| Payment for property, plant and equipment and intangible assets |           | (2,406)               | (4,950)               |
| Purchase of short term investments                              |           | -                     | (20,537)              |
| Profit on short term investment received                        |           | 36,385                | -                     |
| Proceeds from disposal of operating fixed assets                |           | 7,449                 | 8                     |
| <b>Net cash inflow / (outflow) from investing activities</b>    |           | <b>41,428</b>         | <b>(25,479)</b>       |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                     |           |                       |                       |
| Dividends paid  |           | (1,747,729)           | -                     |
| <b>Net cash outflow from financing activities</b>               |           | <b>(1,747,729)</b>    | <b>-</b>              |
| <b>Net increase in cash and cash equivalents</b>                |           | <b>2,821,267</b>      | <b>555,199</b>        |
| <b>Cash and cash equivalents at the beginning of the period</b> |           | <b>3,196,998</b>      | <b>(2,190,091)</b>    |
| <b>Cash and cash equivalents at the end of the period</b>       | <b>16</b> | <b>6,018,265</b>      | <b>(1,634,892)</b>    |

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**  
**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL**  
**STATEMENTS (UN-AUDITED)**  
**FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2023**

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**1. THE GROUP AND ITS OPERATIONS**

The Group is structured as follows:

|  | <i>Note</i> | <b>(Effective holding percentage)</b>        |                                      |
|--|-------------|--|--------------------------------------|
|  |             | <b>Un-audited<br/>September 30,<br/>2023</b> | <b>Audited<br/>June 30,<br/>2023</b> |

**Parent company:**

- Altern Energy Limited, the Parent Company (hereinafter referred to as AEL)

**Subsidiary companies:**

|        |         |         |
|--------|---------|---------|
| - PMCL | 100.00% | 100.00% |
| - 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:

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

**1.2 AEL - the Parent Company**

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 generate and supply electricity to its sole customer, Central Power Purchasing Agency (Guarantee) Limited ('CPPA') from its 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 CPPA for thirty years which commenced from the COD.

**1.2.2** AEL's Generation License expired on September 21, 2021 and it had 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') on August 31, 2021. On September 12, 2023, the NEPRA in its Regulatory Meeting approved the extension in the term of the Generation License for approximately ten (10) years from the expiry of the previous term till June 05, 2031, making it consistent with the term of the PPA and IA. AEL will continue to make its power plant available as per the requirements of the PPA until the expiry of PPA as stated above. Therefore, the power generation operations shall continue to be operated in the normal course of business.

**1.2.3** 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 transmit the generated power. 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 transmit 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 AEL. The principal objective of PMCL is to invest, manage, operate, run, own and build power projects. PMCL directly holds 59.98% shares in RPPL, a company engaged in power generation as detailed in note 1.4 to these condensed interim consolidated financial statements.

### 1.4 RPPL

**1.4.1** RPPL is a public company limited by shares, 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 from its combined cycle thermal power plant (the 'Complex') having a gross (ISO) capacity of 450 Mega Watts. RPPL achieved Commercial Operations Date ('COD') on December 11, 1999.

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 IA, the GoP provided an assurance that RPPL will be provided gas post August 2015, in preference to the new power projects commissioned after RPPL.

The Ministry of Petroleum and Natural Resources (now Ministry of Energy, Petroleum Division), empowered for Regasified Liquefied Natural Gas ('RLNG') allocation by the Economic Co-ordination Committee ('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 and SNGPL which was effective from June 1, 2017. Under the interim GSA, RLNG was supplied on 'as and when 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 21, 2020, RPPL, CPPA 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 on August 21, 2003, RPPL agreed to transfer ownership of the Complex (including land) to CPPA at a token value of US\$ 1 at the expiry of the PPA, if CPPA does not opt for a renewal of the PPA for the additional term pursuant to section 4.1 (c) of the PPA. The PPA has been extended by a period of 379 days as of September 30, 2023, owing to non-supply of RLNG under interim GSA. Moreover, the PPA term has also been extended by 112 days as per the terms of the Settlement Agreement referred to in ensuing paragraphs. As a result, the term of PPA will now end in May 2031 and the remaining life of the Complex is approximately 7.54 years.

**1.4.3** CPPA raised invoices for Liquidated Damages ('Lds') amounting to Rs 1,588.730 million to RPPL for the operating year starting from December 11, 2012 to December 10, 2013 (after taking into account forced outage allowance stipulated under the terms of PPA) on account of short Despatch by RPPL. RPPL disputed the claim on account of LDs on the premise that its failure to dispatch electricity was due to CPPA's non-payment of dues on timely basis consequential inability of RPPL to make timely payments to its gas supplier that resulted in curtailment/suspension of gas supply. In this regard, RPPL initiated the Expert recommendation under the dispute resolution procedures specified in the PPA. The case was recommended by the Expert in RPPL's favour in August 2014. Recommendation of the Expert is, however, not legally binding on any party.

In January 2017, SNGPL suspended the gas supply for a period of 26 days and as a result, CPPA levied LDs amounting to Rs 857.78 million. RPPL disputed this amount on the premise that it has already issued an OFME notice to CPPA in January 2017 for a period of 26 days and hence this period should also be treated as OFME.

On February 11, 2021, RPPL and CPPA signed the Settlement Agreement as part of the PPA Amendment Agreement. Pursuant to the terms of these Agreements, RPPL and CPPA 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.

Under the Settlement Agreement, the period of non-performance due to unavailability of gas was treated as OFME by CPPA under the PPA. As a result, RPPL was not entitled to any Capacity Payment for this period from CPPA and CPPA did not levy any LDs on RPPL. By declaration of OFME, the PPA of RPPL was extended by an OFME period of 112 days (approximately 3.5 months).

As per terms of the Settlement Agreement, RPPL refunded the Capacity Payments already received from CPPA, which pertained to 2013 LDs period along with 50% of late payment interest accrued on these Capacity Payments, the impact of which was a charge of Rs 1,659.822 million in the consolidated statement of profit or loss in the year 2021. The event was treated as an OFME and PPA was extended by a total of 112 days on account of 2013 and 2017 LDs period. As a result of the PPA Amendment Agreement, LDs amount raised by CPPA stood withdrawn irrevocably. After this settlement, no party has any claim against the other party with regards to LDs levied by CPPA in 2013 and 2017.

## **2 BASIS OF PREPARATION**

### **2.1 Statement of Compliance**

These 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 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, 2023. 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 condensed interim consolidated 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, 2023, 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, 2023, 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.

#### **3.2.1 Exemption from applicability of certain standards**

- a)** The Securities and Exchange Commission of Pakistan ('SECP') through SRO 986(I)/2019 dated September 2, 2019 has granted exemption from the requirements of IFRS 16 'Leases' to all companies that have executed their power purchase agreements before January 1, 2019. AEL's and RPPL's PPAs were executed before January 1, 2019. Therefore, the standard will not have any impact on the condensed interim consolidated financial statements to the extent of its PPAs. For the remaining leases, the Group has assessed that the application of this standard does not have any material impact on these condensed interim consolidated financial statements.
- b)** In respect of companies holding financial assets due from the Government of Pakistan ('GoP') in respect of circular debt, SECP through SRO 67(I)/2023 dated January 20, 2023 partially modified its previous SRO 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 on such financial assets 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 ECL in respect of trade debts and other receivables due from CPPA. The Group is yet to assess the impact of ECL in respect of such financial assets on its financial statements for the year beginning on July 1, 2024.

### **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 IFRS and interpretations that are mandatory for companies having accounting periods beginning on or after July 1, 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, except for the effects of the requirements contained in IFRS 9 with respect to the application of ECL method on financial assets due from the GoP in respect of circular debt that are not applicable till June 30, 2024 as explained in note 3.2.1 (b) above.

## **4. ACCOUNTING ESTIMATES**

The preparation of these condensed interim consolidated 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 condensed interim consolidated 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, 2023.

## **5. FINANCIAL RISK MANAGEMENT**

### **5.1 Financial risk factors**

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

Risk management is carried out by the Group's finance department under policies approved by the Board of Directors ('BOD'). The Group's finance department evaluates and hedges financial risks based on principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity, provided by the BOD. All treasury related transactions are carried out within the parameters of these policies.

These condensed interim consolidated 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, 2023.

There have been no changes in the risk management department or in any risk management policies since the year ended June 30, 2023.

## 5.2 Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Fair value is determined on the basis of objective evidence at each reporting date.

The table below analyses the financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.
- The fair value of financial instruments that are not traded in an active market (e.g. over-the counter derivatives) is determined using valuation techniques that maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value 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 securities.

| Level 1              | Level 2 | Level 3 | Total |
|----------------------|---------|---------|-------|
| (Rupee in thousands) |         |         |       |

As at September 30, 2023

## *Recurring fair value measurements*

## Assets

Short term investments 507,531 - - 507,531

## Liabilities

— — — —

As at June 30, 2023

## *Recurring fair value measurements*

## Assets

Short term investments 291,811 291,811

## Liabilities

There were no transfers between Levels 1 and 2 & Levels 2 and 3 during the year and there were no changes in valuation techniques during the period. 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. Changes in level 2 and 3 fair values are analyzed at the end of each reporting period during the annual valuation discussion between the Chief Financial Officer and the investment advisor.

The fair values of investments in units of mutual funds are determined based on their net asset values as published at the close of each business day.

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

## **6. SHORT TERM BORROWINGS FROM BANKING COMPANIES - SECURED**

### **6.1 Running finance**

Short term running finances available from a consortium of commercial banks under mark-up arrangements aggregate Rs 5,600 million (June 30, 2023: Rs 5,600 million). Such facilities have been obtained at mark-up rates based on Karachi inter bank offered rate ('KIBOR') plus spread and ranges from 0% (June 30, 2022: 15.05% to 24.07%) per annum, payable quarterly, on the balance outstanding. In the event the Group fails to pay the balances on the due date for payment, or within any period stipulated herein or within any period stipulated in the demand, any outstanding amounts shall be payable immediately and the finance facility shall be terminated forthwith. The aggregate facilities are secured against hypothecated charge on all operating fixed assets of the Group excluding land and building, first hypothecated charge over present and future current assets of the Group, assignment of present and future Energy Purchase Price ('EPP') receivables to the lenders, and cross corporate guarantee issued by DEL Power (Private) Limited, a related party. The amount of unavailed facilities at the consolidated statement of financial position date is Rs 5,500 million (June 30, 2022: Rs 5,500 million).

### **6.2 Letters of credit and bank guarantee**

The main facilities for opening letters of credit aggregate to Rs 100 million (June 30, 2023: Rs 100 million) and letter of guarantee aggregate to Rs 1,050 million (June 30, 2023: Rs 1,000.05 million). The amount utilised as at June 30, 2023, for letters of credit was Nil (June 30, 2023: Nil) and for letters of guarantee was Rs 532.68 million (June 30, 2023: Rs 532.68 million). The aggregate facilities for opening letters of credit and guarantee are secured against first hypothecation charge over present and future current assets of the Group, cross corporate guarantee issued by Descon Engineering Limited, a related party and assignment of present and future Energy Purchase Price receivables to the lenders.

## **7 DIVIDEND PAYABLE**

This includes interim cash dividend payable to the following related parties pending approval of the State Bank of Pakistan.

|  | <b>Un-audited<br/>September 30,<br/>2023</b> | <b>Audited<br/>June 30,<br/>2023</b> |
|--|--|--------------------------------------|
|  | <b>(Rupees in thousand)</b>                  |                                      |
| Siemens Project Ventures GmbH                          | 829,526                                      | -                                    |
| Saudi Arabian Construction and Repairs Company Limited | 276,691                                      | -                                    |
|  | <b>1,106,217</b>                             | <b>-</b>                             |

## 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, 2023, except for the following:

### 8.1 Contingencies

National Bank of Pakistan has issued standby letter of credit ('SBLC') for Rs. 4,981 million (June 30, 2023 : 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, 2024, which is renewable.

### 8.2 Commitments - Nil

| Un-audited<br>September 30,<br>2023<br>(Rupees in thousand) | Audited<br>June 30,<br>2023 |
|---|-----------------------------|
|---|-----------------------------|

### 9 PROPERTY, PLANT AND EQUIPMENT

|  |                   |                   |
|--|-------------------|-------------------|
| Operating fixed assets                   | 11,583,174        | 11,965,204        |
| Major spare parts and stand-by equipment | 2,692             | 2,692             |
|  | <b>11,585,866</b> | <b>11,967,896</b> |

### 10 TRADE DEBTS - SECURED

| Note                        | 10.1 | 10.2              | 10.3              |
|-----------------------------|------|-------------------|-------------------|
| Considered good             | 10.1 | 10,918,126        | 15,324,789        |
| Considered doubtful         |      | 193,255           | 201,686           |
|                             |      | <b>11,111,381</b> | <b>15,526,475</b> |
| Provision of doubtful debts |      | (193,255)         | (201,686)         |
|                             |      | <b>10,918,126</b> | <b>15,324,789</b> |

**10.1** Included in trade debts is an aggregate amount of Rs 5,549.279 million (June 30, 2023: Rs 5,549.279 million) and Rs 1,120.505 million (June 30, 2023: Rs 750.871 million) relating to capacity revenue and delayed payment markup accrued thereon respectively not acknowledged by CPPA.

Of this disputed capacity revenue, the amount of Rs 247.695 million (June 30, 2023: Rs 247.695 million) has not been acknowledged by CPPA on the pretext that no gas was available during the period from December 19, 2019 to January 31, 2020 and hence, this period should be treated as OFME by the Group. The management is of the view that CPPA'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 5,301.584 million (June 30, 2023: Rs 5,301.584 million) and Rs 1,120.505 million (June 30, 2023: Rs 750.871 million) relating to capacity invoices and delayed interest computed thereon respectively is disputed by CPPA for certain days in the months from April 2022 to June 2023 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's claim is not justified as the plant was technically available and RLNG was not allocated to it by SNGPL due to intervention of National Power Control Centre ('NPCC') which is not a party to the Interim RLNG Supply Agreement and Payment Procedure. The GoP is under an obligation to ensure that its entities act in good faith and prevent a situation where a party to the Agreement is treated unfairly. Whereas, in this case, the Governmental Entities issued Despatch instructions but then did not allocate RLNG to the Group and deprived it of its rightful entitlement to Capacity Payments under the PPA which is against the spirit of the Agreements as well as a non-compliance with the GoP's obligation to act in good faith. Furthermore, as stated in note 1.4, under the amended IA, the Group has been provided an assurance by the GoP that the Group will be provided gas post August 2015, in preference to the new power projects commissioned after the Group. This obligation has also not been fulfilled by the GoP.

Based on the legal opinions obtained by the Group including an opinion from English Law Counsels, the management believes that the Group has meritorious grounds to succeed if it were to invoke the Arbitration proceedings under the IGSA and/or under the PPA as well as the IA. Consequently, no provision for the disputed amounts has been recognised in these financial statements as the management believes that these matters will eventually be resolved in the Group's favour and these amounts will be recovered by the Group.

There has been no movement in the provision for impairment in the current period.

## 11 SHORT TERM INVESTMENT

This represents investment in units of mutual funds of NBP Fund Management Limited that is classified as fair value through profit or loss ('FVPL').

|   |  | <b>Un-audited</b>           |                           |
|---|--|-----------------------------|---------------------------|
|   |  | <b>September 30, 2023</b>   | <b>September 30, 2022</b> |
|   |  | <b>(Rupees in thousand)</b> |                           |
|   |  |                             |                           |
| <b>12 REVENUE</b>                       |  |                             |                           |
| Energy purchase price - gross           |  | -                           | 1,325,127                 |
| Sales tax                               |  | -                           | (192,540)                 |
| Energy purchase price - net             |  | -                           | 1,132,587                 |
| Capacity purchase price                 |  | 1,094,186                   | 2,123,330                 |
| Delayed payment markup                  |  | 639,152                     | 449,776                   |
|   |  | <b>1,733,338</b>            | <b>3,705,693</b>          |
|   |  |                             |                           |
| <b>13 DIRECT COSTS</b>                  |  |                             |                           |
| RLNG cost                               |  | 1,170                       | 1,091,329                 |
| Operation and maintenance costs         |  | 211,601                     | 194,745                   |
| Depreciation on operating fixed assets  |  | 381,910                     | 376,221                   |
| Stores, spares and loose tools consumed |  | 16,818                      | 17,713                    |
| Lube oil consumed                       |  | 423                         | 194                       |
| Repairs & maintenance                   |  | 14,337                      | 833                       |
| Insurance cost                          |  | 51,213                      | 33,015                    |
| Purchase of energy from CPPA            |  | 124,547                     | 82,738                    |
| Salaries, benefits and other allowances |  | 8,223                       | 5,949                     |
| Traveling & conveyance                  |  | 397                         | 252                       |
| Licensing fee                           |  | 11,473                      | 11,639                    |
| Colony maintenance                      |  | 3,990                       | 2,992                     |
| Communication                           |  | 2,087                       | 1,721                     |
| Vehicle maintenance                     |  | 473                         | 431                       |
| Security expenses                       |  | 2,416                       | 2,155                     |
| Liquidated damages                      |  | -                           | 102                       |
| Miscellaneous expenses                  |  | 951                         | 887                       |
|   |  | <b>832,029</b>              | <b>1,822,916</b>          |

|  | Un-audited            |                       |
|--|-----------------------|-----------------------|
|  | September 30,<br>2023 | September 30,<br>2022 |
|  | (Rupees in thousand)  |                       |
| <b>14 ADMINISTRATIVE EXPENSES</b>            |                       |                       |
| Salaries, benefits and other allowances      | 25,084                | 23,725                |
| Directors' meeting fee                       | 250                   | 250                   |
| Information technology and ERP related costs | 6,592                 | 3,594                 |
| Traveling & conveyance                       | 9,087                 | 1,108                 |
| Utilities                                    | 455                   | 305                   |
| Postage and telephone                        | 314                   | 446                   |
| Printing, stationery and advertisement       | 335                   | 966                   |
| Auditors' remuneration                       | 468                   | 61                    |
| Rent, rates and taxes                        | 3,899                 | 2,866                 |
| Repairs and maintenance                      | 54                    | 155                   |
| Legal and professional expenses              | 17,254                | 12,351                |
| Fees and subscription                        | 587                   | 713                   |
| Entertainment                                | 495                   | 226                   |
| Amortization on intangible assets            | 954                   | 739                   |
| Depreciation on operating fixed assets       | 2,348                 | 1,994                 |
| Vehicle maintenance                          | 349                   | 327                   |
| Insurance                                    | 1,674                 | 1,326                 |
| Professional tax                             | -                     | 100                   |
| Miscellaneous expenses                       | 683                   | 354                   |
|  | <b>70,882</b>         | <b>51,606</b>         |

## 15 CASH GENERATED FROM OPERATIONS

|  |                  |                  |
|--|------------------|------------------|
| Profit before taxation                           | 1,027,255        | 1,722,267        |
| Adjustment for non cash charges and other items: |                  |                  |
| -Depreciation on operating fixed assets          | 384,258          | 378,880          |
| -Profit on short term investments                | (36,386)         | (10,020)         |
| -Gain on disposal of operating fixed assets      | (7,449)          | (8)              |
| -Provision for employee benefit obligations      | 1,977            | 2,277            |
| -Amortization on intangible assets               | 954              | 73               |
| -Exchange loss                                   | 21,823           | -                |
| -Finance cost                                    | 12,476           | 127,886          |
| -Profit on bank deposits                         | (183,338)        | (3,662)          |
| Profit before working capital changes            | <b>1,221,570</b> | <b>2,217,693</b> |

|   | <b>Un-audited</b>             |                               |
|---|-------------------------------|-------------------------------|
|   | <b>September 30,<br/>2023</b> | <b>September 30,<br/>2022</b> |
|   | <b>(Rupees in thousand)</b>   |                               |
| Effect on cash flow due to working capital changes: |                               |                               |
| <b>Decrease / (Increase) in current assets</b>      |                               |                               |
| -Stores, spares and loose tools                     | (4,880)                       | (8,943)                       |
| -Trade debts  | 4,406,663                     | 336,768                       |
| -Advances, prepayments and other receivables        | (86,797)                      | (348,814)                     |
|   | 4,314,986                     | (20,989)                      |
| <b>Decrease in current liabilities</b>              |                               |                               |
| -Trade and other payables                           | (937,396)                     | (1,498,665)                   |
|   | 3,377,590                     | (1,519,654)                   |
| <b>Cash generated from operations</b>               | <b>4,599,160</b>              | <b>698,039</b>                |

## 16 CASH AND CASH EQUIVALENTS

|                        |                  |                    |
|------------------------|------------------|--------------------|
| Bank balances          | 5,510,734        | 62,338             |
| Short term investments | 507,531          | (1,697,230)        |
|                        | <b>6,018,265</b> | <b>(1,634,892)</b> |

## 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 condensed interim consolidated financial statements are as follows:

|  | <b>Un-audited</b>                          |                               |
|--|--|-------------------------------|
|  | <b>September 30,<br/>2023</b>              | <b>September 30,<br/>2022</b> |
|  | <b>(Rupees in thousand)</b>                |                               |
| <b>Relationship with the Group</b>           | <b>Nature of transactions</b>              |                               |
| <b>i) Holding company</b>                    |  |                               |
| DEL Power (Private) Limited                  | Dividends paid                             | 993,566                       |
|  |  | -                             |
| <b>ii) Group companies</b>                   |  |                               |
| Descon Holdings (Private) Limited:           | Dividends paid                             | 141                           |
|  |  | -                             |
| Siemens Pakistan Engineering Company Limited | Purchase of long term maintenance services | 1,970                         |
|  |  | 4,429                         |

|   | <b>Un-audited</b>             |                               |
|---|-------------------------------|-------------------------------|
|   | <b>September 30,<br/>2023</b> | <b>September 30,<br/>2022</b> |
|   | <b>(Rupees in thousand)</b>   |                               |
| <b>iii) Other related parties</b>   |                               |                               |
| <i>On the basis of common directorship</i>  |                               |                               |
| Descon Engineering Limited: Common costs charged to the Group                       | 6,437                         | 4,444                         |
| Descon Power Solutions (Private) Limited: Operations & maintenance contractor's fee | 161,317                       | 165,524                       |
| Common costs charged to the Group   | 631                           | 806                           |
| Descon Corporation (Private) Limited: ERP implementation fee & running costs        | 21,215                        | 13,174                        |
| Services Rendered   | 161                           | 215                           |
| <b>iv) Other related parties</b>  |                               |                               |
| Crescent Steel and Allied Products Limited: Dividend Paid                           | 285,120                       | -                             |
| <b>v) Key Management Personnel</b>  |                               |                               |
| Short-term employment benefits  | 24,821                        | 17,042                        |
| Post employment benefits  | 3,456                         | 3,475                         |
| Director's meeting fee  | 250                           | 250                           |

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.

|  | <b>Un-audited</b>             | <b>Audited</b>           |
|--|-------------------------------|--------------------------|
|  | <b>September 30,<br/>2023</b> | <b>June 30,<br/>2023</b> |
|  | <b>(Rupees in thousand)</b>   |                          |
| <b>Period end balances are as follows:</b>                     |                               |                          |
| <b>Payable to related parties</b>                              |                               |                          |
| Descon Engineering Limited (Associated company)                | 4,420                         | 2,540                    |
| Descon Corporation (Private) Limited (Associated company)      | 6,340                         | 3,783                    |
| Descon Power Solutions (Private) Limited (Associated company)  | 63,298                        | 59,109                   |
| Siemens Pakistan Engineering Company Limited ( Group company ) | 1,970                         | 20,685                   |
| Inspectest (Private) Limited (Associated company)              | 88                            | 173                      |
|  | <b>76,116</b>                 | <b>86,290</b>            |

## **18 DATE OF AUTHORIZATION FOR ISSUE**

These consolidated condensed interim financial statements were authorized for issue on October 24, 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 condensed interim consolidated statement of financial position has been compared with the balances of annual audited consolidated financial statements of preceding financial year, whereas, the condensed interim consolidated statement of profit or loss, condensed interim consolidated statement of comprehensive income, condensed interim consolidated statement of changes in equity and condensed interim 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. However, no significant reclassifications have been.

## **20 GENERAL**

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



Chief Executive



Chief Financial Officer



Director

## NOTE

## NOTE