



ANNUAL REPORT 2025

**ALTERN
ENERGY
LIMITED**



Altern Energy Limited

**Annual Report
2025**

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COMPANY INFORMATION

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

Mrs. Noor Shuja

COMPANY SECRETARY

Mr. Salman Ali

HEAD INTERNAL AUDIT

Mrs. Rabia Shoaib

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

VISION STATEMENT

To become a partner in the growth of economy by providing affordable electricity.

MISSION STATEMENT

The Mission of Altern Energy Limited is to assume leading role in the power industry by;

- **Ensuring long term growth of the company through competitive and creative strategy,**
- **Achieving the highest level of indigenization,**
- **Preserving environmentally friendly outlook,**
- **Creating an efficient and effective workforce,**
- **Conducting Business as a good corporate citizen,**
- **Developing strong long term relations with industry partners.**

CHAIRMAN'S MESSAGE

Dear Stakeholders,

Your Company has been facing operational and financial challenges ever since converting its operations from indigenous gas to RLNG as required by SNGPL in 2017. Altern witnessed a sharp decline in dispatch demand from NPCC, resulting in loss of capacity revenue in the past few years. The Company, having a Power Purchase Agreement (“PPA”) with the off-taker, CPPA, on take-and-pay basis, faces a challenge to honour its contractual obligations due to a significant reduction in revenue as a result of reduced demand from NPCC. Despite these challenges, Altern being a responsible corporate citizen has remained resilient and committed to its national, legal, and contractual obligations.

The main contribution in maintaining its financial viability during the last few years has been income from its subsidiary, Rousch (Pakistan) Power Limited ('RPPL'). However, during the year under review, RPPL was approached by the Government of Pakistan for Termination of its PPA, Implementation Agreement (“IA”) and the Guarantee issued by the Government of Pakistan (“Guarantee”). Subsequently, RPPL signed a Negotiated Settlement Agreement (“NSA”), for Termination of the Agreements. As a result, it handed over its power generation complex to the Government of Pakistan's designated entity National Power Parks Management Company Limited (“NPPMCL”) by December 31, 2024. Now, RPPL no longer owns the Complex to generate and sell electricity to CPPA.

In view of the foregoing, it is evident that it is no longer possible for the Company to meet its fixed costs in view of no operational revenue in future, as a result of no dispatch, and no inflow of dividend income from RPPL. Accordingly, the Company after obtaining requisite approval from the shareholders of the Company, submitted request for early termination / retirement of its PPA, IA and the Guarantee. The management of the Company is following up with the relevant Government functionaries for resolution of the matter to curtail further loss to the shareholders.

I would like to extend my heartfelt appreciation to AEL's management and employees for their continued perseverance and determination to keep this organization afloat and ready to face business challenges. Thank you for your trust, confidence, and commitment.

Lahore –September 01, 2025


Faisal Dawood
Chairman

چئیرمین کا پیغام

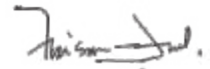
محترم سٹیک ہولڈرز:

آپ کی کمپنی کو 2017 میں SNGPL کی ضرورت کے مطابق اپنے آپریشنز کو وکائی گیس سے RLNG میں تبدیل کرنے کے بعد سے آپریشنل اور مالیاتی چیلنجز کا سامنا کر رہی ہے۔ آلٹرن نے NPCC سے ڈسپنچ ڈیمانڈ میں زبردستی کی دیکھی، جس کے نتیجے میں پچھلے کچھ سالوں میں آمدنی میں کمی واقع ہوئی ہے۔ کمپنی، آف ٹیکر، CPPA کے ساتھ پاور پراجیکٹ ایگریمنٹ (PPA) رکھتی ہے۔ ٹیک اینڈ پے کی بنیاد پر، NPCC کی کم مانگ کے نتیجے میں ریونیو میں نمایاں کمی کی وجہ سے اپنی معاہدہ کی ذمہ داریوں کو پورا کرنے کے لئے ایک چیلنج کا سامنا ہے۔ ان چیلنجز کے باوجود آلٹرن ایک ذمہ دار شہری ہونے کے ناطے اپنی قومی، قانونی اور معاہدہ کی ذمہ داریوں کے لئے پرعزم ہے۔

گزشتہ چند سالوں کے دوران اس کی مالیاتی علمداری کو برقرار رکھنے میں اہم کردار اس کے ذیلی ادارے روش (پاکستان) پاور لمیٹڈ (RPPL) سے حاصل ہونے والی آمدنی ہے۔ تاہم زیر نظر سال کے دوران RPPL سے حکومت پاکستان کی طرف سے، PPA، (IA) اور حکومت پاکستان کی طرف سے جاری کردہ ضمانت (گارنٹی) کے خاتمے کے لئے رابطہ کیا اسے بعد RPPL نے معاہدوں کو ختم کرنے کے لئے ایک Negotiated Settlement Agreement (NSA) پر دستخط کیے۔ نتیجے کو طور اس اپنا پاور جنریشن کمپلیکس 31 دسمبر، 2024 تک حکومت پاکستان کے نامزد ادارے ٹیشل پاور پارکس مینجمنٹ کمپنی لمیٹڈ (NPPMCL) کے حوالے کر دیا۔ اب CPPA، RPPL کو بنگلی پیدا کرنے اور فروخت کرنے کے لئے کمپلیکس کا مالک نہیں ہے۔

مذکورہ بالا کو مد نظر رکھتے ہوئے، یہ واضح ہے کہ کمپنی کے لئے مستقبل میں کوئی آپریشنل ریونیو نہ ہونے کی وجہ سے RPPL سے ڈیوڈنڈ کی آمد نہ ہونے کی وجہ سے اپنے مقررہ اخراجات کو پورا کرنا ناممکن نہیں ہے۔ اسی لیے کمپنی نے، کمپنی کے چئیر ہولڈرز سے مطلوبہ منظوری حاصل کرنے کے بعد، اپنے PPA، IA اور گارنٹی کو جلد ختم کرنے اور ریٹائرمنٹ کے لئے درخواست جمع کرائی۔ کمپنی کی انتظامیہ حصص یافتگان کے حریص نقصان کو کم کرنے کے لئے معاملے کے حل کے لئے متعلقہ حکومتی اہلکاروں کے ساتھ بیرونی کر رہی ہے۔

میں AEL کی انتظامیہ اور ملازمین کو ان کی مسلسل استقامت اور اس تنظیم کو رواں دواں رکھنے اور کاروباری چیلنجز کا سامنا کرنے کے لئے تیار رہنے کے لئے اپنی دلی تعریف کرنا چاہوں گا۔ آپ کے اعتماد اور عزم کے لئے آپ کا بہت شکریہ۔


قیصل داؤد

لاہور 01 ستمبر 2025ء

چئیرمین - آلٹرن انرجی لمیٹڈ

DIRECTORS' REPORT TO THE SHAREHOLDERS

We, the undersigned, for and on behalf of the Board of Directors, present the annual report of Altern Energy Limited ('the Company'), including the annual audited consolidated financial statements and annual audited unconsolidated financial statements together with the Auditor's Reports thereon for the financial year ended June 30, 2025.

GENERAL

Principal Activities:

The Company's principal activities are the ownership, operation, and maintenance of a 32-megawatt gas-fired thermal power plant located near Fateh Jang, District Attock, Punjab, and the sale of electricity. The electricity produced is sold to its sole customer, Central Power Purchasing Agency (Guarantee) Limited ('CPPA') through the transmission network of the National Transmission and Dispatch Company ('NTDC'). 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 also holds direct and indirect investments in other companies engaged in power generation, as detailed in note 7 to the unconsolidated financial statements annexed with this report.

Group Structure:

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').

MATERIAL INFORMATION

Given continued operational losses suffered by the Company as a result of nil dispatch demand from the off-taker during the past several years, on April 17, 2025, the Shareholders of the Company approved the proposal of the Board of Directors for early termination of: (i) the Power Purchase Agreement ("PPA") entered into with CPPA, (ii) the Implementation Agreement entered into with the President of Islamic Republic of Pakistan on behalf of the Government of Pakistan ("IA"), and (iii) the Guarantee issued by the Government of Pakistan ("Guarantee"), (the PPA, IA and the Guarantee are hereinafter collectively referred to as the "Agreements"). Subsequently, on May 09, 2025, the Company submitted a request for early termination/retirement of the Company with CPPA and Private Power and Infrastructure Board ("PPIB"). The management of the Company is following up with the relevant Government functionaries for the resolution of the matter.

GOING CONCERN ASSUMPTION

As a result of no/low generation revenue during the past few years, the major income to support the operations of the Company has been dividends from RPPL. As mentioned in the ensuing paragraphs, RPPL has handed over its power generation complex to the Government and can no longer generate and sell electricity to CPPA. These Financial Statements have been prepared on a going concern basis, as RPPL has received its outstanding receivables, which are sufficient to provide future dividends to support the Company's viability as a going concern.

FINANCE

During the year under review, the Company's turnover was nil (2024: nil) and operating costs were Rs. 95.29 million (2024: Rs. 93.37 million), resulting in a gross loss of Rs. 95.29 million as against a gross loss of Rs. 93.37 million in the corresponding last year. The Company posted an unconsolidated net profit of Rs. 5,791.44 million, resulting in earnings per share ('EPS') of Rs. 15.94 as compared to the corresponding year's net profit of Rs. 4,336.31 million and earnings per share ('EPS') of Rs. 11.95. The net profit for the current year includes dividend income from PMCL amounting to Rs. 5,864.25 million.

Consolidated financial statements combine the performance of the Company and its wholly owned subsidiary, PMCL, and its subsidiary, RPPL. Your Company's consolidated earnings attributable to the equity holders of Altern Energy Limited for the year under review were Rs. 4,361.48 million, resulting in EPS of Rs. 12, as compared to consolidated earnings of Rs. 3,085.24 million and EPS of Rs. 8.49 in the corresponding last year.

DIVIDEND DISTRIBUTION

During the year under review, upon recommendation of the Board, two interim cash dividends were paid to the shareholders of the Company @ 59% in October 2024, @97% in February 2025.

OPERATIONS

The net generation of your plant during the year under review was nil since the plant did not receive dispatch demand from the off-taker due to its low position in the merit order of NPCC.

During the periods when the plant was non-operative, it was put into preservation mode to protect the working condition of engines and related equipment. During the year, all other scheduled and preventive maintenance activities were successfully conducted by our technical team following the Original Equipment Manufacturers' (OEM) recommendations. We are confident that all the engines and their auxiliary equipment are in sound mechanical condition for smooth and reliable operations.

SUBSIDIARY'S REVIEW

During the year under review, your Company's subsidiary Rousch (Pakistan) Power Limited ('RPPL') has incurred net loss of Rs. 7,811 million (loss per share of Rs. 9.06) as compared to a net profit of Rs. 5,552.11 million (earning per share of Rs. 6.44) earned during the corresponding period of the last year. The loss during the current year is mainly due to the write-off of assets in the books after signing of a Negotiated Settlement Agreement ('NSA') and handing over the Complex to the Government. During the year, RPPL was approached by the Government of Pakistan for Termination of the Power Purchase Agreement ('PPA') entered into with Central Power Purchasing Agency (Guarantee) Limited (CPPA), the Implementation Agreement ('IA') entered into with the President of the Islamic republic of Pakistan, and the Guarantee issued by the Islamic Republic Of Pakistan ("the Agreements"). On November 11, 2024, upon approval from the Shareholders, RPPL signed the NSA for Termination of the Agreements. As per the terms of the NSA, CPPA paid the agreed outstanding receivables to RPPL by December 31, 2024. Accordingly, RPPL handed over the Complex to the Government of Pakistan's designated entity, National Power Parks Management Company Limited ('NPPMCL'). As a result of the execution of the NSA, RPPL no longer owns the Complex to generate and sell electricity to CPPA.

RISK MANAGEMENT

At Altern Energy, the Board has an overall responsibility for overseeing the Company's risk management process. It is the policy of the Company to view risk management as integral to the creation, protection, and enhancement of shareholder value. The Company continues to employ a robust Enterprise Risk Management (ERM) framework to ensure the proactive identification and assessment of risks. All highlighted risks are prioritised according to their impact and likelihood, and corrective actions are devised accordingly.

The Company's activities expose it to a variety of risks, such as operational risks and financial risks, which are subject to different levels of uncertainty. The financial risk management is disclosed in Note 32 of the annual audited unconsolidated financial statements of the Company.

CORPORATE & FINANCIAL REPORTING FRAMEWORK

The Board of Directors is committed to ensuring that the requirements of corporate governance as set out by the Securities and Exchange Commission of Pakistan are fully met without any exception. The Company's Directors and management are fully conversant with their responsibilities as required by provisions of the Companies Act, 2017 ('the Act'). The Company has complied with all the material requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ('the Regulations') as well as Pakistan Stock Exchange Regulations ('PSX Regulations'). The Directors confirm the following in compliance with the referred Regulations:

- a. The financial statements together with notes thereon, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows, and changes in equity.
- b. Proper books of account of the Company have been maintained.
- c. Appropriate accounting policies have been consistently applied in the preparation of financial statements, and changes in accounting policies have been disclosed in the financial statements. The accounting estimates are based on reasonable and prudent judgment.

- d. The International Financial Reporting Standards ('IFRS') as applicable in Pakistan and the requirements of the Companies Act have been followed in the preparation of financial statements, and any departure therefrom has been adequately disclosed and explained.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.
- f. There are no significant doubts about the Company's ability to continue as a going concern.
- g. There has been no material departure from the best practices of corporate governance as detailed in the Regulations and the listing regulations.
- h. Where any statutory payment on account of taxes, duties, levies, and charges is outstanding, the amount, together with a brief description and reasons for the same, is disclosed in the financial statements.
- i. Statements regarding the following are disclosed in the financial statements or annexed to the annual report:
 - i. Key operational and financial data of the last six years.
 - ii. Trading in shares of the Company by its directors, CEO, CFO, and Company Secretary.

Board of Directors

The Board of Directors reviews all significant matters of the Company. These include the Company's strategic direction, its policies and procedural framework, annual business plans and targets, and decisions on borrowings and investments. The total number of elected directors is seven (7) as per the following composition:

Male	5
Female	2

The Board is categorized as follows:

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

Meetings of the Board

Under the applicable regulatory framework, the Board is legally required to meet at least once every quarter to ensure transparency, accountability, and monitoring of the Company's performance. Special meetings are also held whenever required to consider important matters. During the year under review, eight (08) meetings of the Board of Directors were held. The notices/agendas of the board meetings were circulated in advance, promptly, and in compliance with applicable laws. All meetings of the Board held during the year surpassed the minimum quorum requirements of attendance, as prescribed by the applicable regulations. The Company Secretary acts as the Secretary to the Board. All decisions made by the Board during the meetings were documented in the minutes of the meetings maintained by the Company Secretary and were duly circulated to all the Directors for endorsement and were approved in the subsequent Board meetings.

Committees of the Board

The Board has established two committees to conduct smooth operations of the Board and assist it in carrying out fiduciary responsibilities. These Committees are chaired by Independent or non-executive directors. These committees are as follows:

Boards' Audit Committee ("BAC")

The Audit Committee assists the Board in fulfilling its oversight responsibilities, primarily in reviewing and reporting financial and non-financial information to the shareholders in compliance with the Regulatory and legislative Standards. The BAC oversees the Company's internal control framework, ensuring that identified risks are mitigated to safeguard the Company's interests. It reviews the consolidated and unconsolidated financial statements before recommending them to the Board of Directors for approval. Further, the BAC reviews the effectiveness of the internal control environment along with the reporting structure and accounting system. The BAC comprises 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)

The Terms of Reference of the BAC have been defined in light of the guidelines of the Regulations. The Company Secretary serves as Secretary to the Audit Committee and convenes all its meetings. The Chief Financial Officer attends the Audit Committee Meetings by invitation, and the external auditors attend the meetings as per Regulatory requirements. The Committee met four (4) times during the year, and the notices/agendas of the meetings were circulated in advance, on time, and in compliance with applicable laws.

Human Resource & Remuneration Committee ("HRRC")

The HRRC reviews and recommends key human resource and remuneration policies, including major terms of employment and compensation plans for employees. The Committee comprises three (3) members, the composition of which is as follows:

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

The head of Human Resources acts as the Secretary of the HRRC and convenes the HRRC met. The HRRC meets once during the year under review.

Attendance by Directors at the Board and Committee Meetings

<u>Sr. No</u>	<u>Name</u>	<u>Board of Directors Meetings</u>	<u>Audit Committee Meetings</u>	<u>HR&R Committee Meetings</u>
1	Mr. Faisal Dawood	8 out of 8	N/A	N/A
2	Mrs. Aliya Saeeda Khan	7 out of 8	N/A	N/A
3	Mr. Farooq Nazir	8 out of 8	4 out of 4	1 out of 1
4	Mrs. Mehreen Dawood	8 out of 8	N/A	N/A
5	Mr. Salih Merghani	5 out of 8	N/A	N/A
6	Mr. Shah Muhammad Chaudhry	8 out of 8	4 out of 4	1 out of 1
7	Syed Rizwan Ali Shah	5 out of 8	2 out of 4	0
8	Mr. Umer Shehzad Sheikh	8 out of 8	4 out of 4	1 out of 1

* The leave of absence was granted to members who could not attend a Meeting.

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.

Adequacy of Internal Financial Controls

The Board of Directors has established an efficient system of internal financial controls to ensure the effective conduct of operations, safeguarding the Company's assets, compliance with applicable laws and regulations, and reliable financial reporting. The Company's system of internal controls comprises of robust Governance structure, well-defined authority limits, a detailed budgeting process, and well-understood policies and procedures. Compliance with applicable laws and regulatory requirements also depends upon internal controls, and the Company has effective internal Regulatory controls in place to ensure Regulatory requirements are complied with.

Directors' Training

The majority of the directors on the Board have obtained certificates of Directors' training programs from SECP-approved institutes by the requirements of the Regulations. All directors are fully conversant with their duties and responsibilities as Directors.

During the year a Directors' Orientation program was conducted in collaboration with Lahore University of Management Sciences ('LUMS') wherein senior faculty members of LUMS delivered training sessions attended by all Directors, the leadership team, and senior management executives. The program was aimed at further strengthening corporate governance and reaffirming the Company's commitment to compliance and transparency.

Directors' Remuneration

As required by the Regulations, the Company has approved a formal policy for the remuneration of Directors. As per the Policy, independent directors are eligible for meeting participation fees approved by the Board from time to time, whereas the nominee directors are not entitled to receive board/committee meeting fees or any other remuneration. Appropriate disclosure of remuneration paid to Directors and the Chief Executive has been provided in Note 30 of the annual audited unconsolidated financial statements.

Evaluation of Performance of the Board of Directors

As required by the Regulations, the Board has put in place an in-house mechanism with the support of the Company Secretary to carry out an annual evaluation of the Board's performance, members of the Board, and its committees. During the year under review, the Board opted for an external annual evaluation of the Board and its committees which was carried out by the Pakistan Institute of Corporate Governance (PICG). The evaluation assessed the performance of the Board as a whole and as individual directors, covering areas such as the Board's composition, strategic planning, procedures, and controls environment.

RELATED PARTY TRANSACTIONS

All transactions with related parties are conducted in the ordinary course of business on an arm's length basis. Further, by the requirements of the Act and the Regulations, the Company has implemented a policy for related party transactions. The policy provides the guidelines for evaluating the nature, terms, and conditions of each related party transaction, the disclosure requirements, and the responsibility of the Board for its consideration and approval.

By the requirements of the Regulations, every quarter, a comprehensive list of the related parties' transactions is placed before the Board's Audit Committee and presented to the Board for review and approval. The Company has made detailed disclosure of the related party transactions in the financial statements annexed to this annual report. This disclosure is in line with the requirements of the 4th Schedule of the Act and applicable IFRS.

QUALITY, ENVIRONMENT, HEALTH & SAFETY (QEHS)

Safety lies at the core of the Company's operations with zero tolerance for any compromises on safety. Protecting the surrounding community and environment, fostering the health and performance of our employees, as well as safeguarding their working conditions, are core to our business philosophy. The Company is committed to protecting the health, safety, and well-being of its employees as well as the community it operates. To maintain and enhance a culture of zero-tolerance towards EHS, a comprehensive communication structure has been established, such as daily, weekly, and monthly safety reviews and safety talks. Additionally, the Company has implemented an Integrated Management System based on ISO 9001 (Quality Management), ISO 14001 (Environmental Management), and ISO 45001 (Occupational Health and Safety Management), along with other international guidelines (such as OSHA and NFPA). Their proactive approach aims to achieve zero Lost Time Incidents (LTIs) by monitoring both leading and lagging indicators.

CORPORATE SOCIAL RESPONSIBILITY

AEL is committed to acting responsibly towards the community and environment for mutual benefit. The Company continues to focus on Corporate Social Responsibility. The Company recognizes the importance of being a good corporate citizen in conducting its business as well as delivering its obligations for the social welfare of its staff and the community in general. Particular attention is given to protecting the environment of the local community through tree plantation. Furthermore, the local community benefits from our strategy of employing more staff from surrounding communities at our plant site.

PATTERN OF SHAREHOLDING

The Company's shares are listed on the Pakistan Stock Exchange.

As required by section 227(2)(f) of the Companies Act, 2017, a statement showing the pattern of shareholding as of June 30, 2025, along with disclosures as required under the Regulations, is annexed to the Annual Report. The Directors, CEO, and executives do not hold any interest in the shares of the Company other than those disclosed in the attached Pattern of Shareholding.

GENDER DIVERSITY

Altern is committed to ensure a work environment that ensures equity and diversity. Our Equal Opportunity Hiring Strategy is designed to promote a merit-based, inclusive approach that ensures equal access, fair evaluation, and equal pay for all candidates and employees, regardless of their gender. It includes structured, gender-neutral job descriptions and hiring processes, diverse interview panels, and skills-based assessments to ensure all decisions are based on qualifications and potential. This strategy fosters a culture of fairness, opportunity, and accountability at every level.

ENVIRONMENT, SOCIAL AND GOVERNANCE

AEL is committed to ensuring environmental, social, and governance (ESG) compliance through responsible business practices. Throughout the fiscal year, the Company has prioritized environmental stewardship by implementing initiatives to reduce our carbon footprint and protect the environment through tree plantation and energy conservation. Socially, we have invested in community development programs, aiming to enhance the welfare of local populations and promote inclusivity among the employees. Our governance framework ensures transparency, accountability, and ethical conduct across all operations, fostering trust among stakeholders. By adhering to rigorous ESG standards, we not only mitigate risks but also create long-term value for our shareholders and contribute positively to Pakistan's socio-economic landscape.

AUDITORS

The Statutory auditors of the Company, M/s Grant Thornton Anjum Rahman, Chartered Accountants, have completed their audit of the consolidated financial statements, unconsolidated financial statements, and the Statement of Compliance with the Code of Corporate Governance for the financial year ended June 30, 2025, and shall retire at the end of the upcoming Annual General Meeting of the Company.

The audit firm has been given a satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountants of Pakistan. The present auditors, being eligible, have offered themselves for reappointment. Upon recommendation of the Audit Committee, the Board of Directors has approved the proposal of the appointment of M/s Grant Thornton Anjum Rahman, Chartered Accountants, as external auditors of the Company for the ensuing year ending June 30, 2026, subject to the approval of shareholders in the Annual General Meeting.

FUTURE OUTLOOK

The financial year 2025 was of immense change in the power sector in Pakistan. The Government of Pakistan's drive to reduce the burden of high electricity tariffs on consumers led to negotiations with public and private sector power projects, resulting in the closure of a few power plants as well as changes in the electricity tariffs of other power projects. Your company's subsidiary, RPPL, was one of the IPPs whose Agreements were terminated as a result of negotiations with the Task Force, and its complex was handed over to National Power Parks Management Company (Pvt) Ltd. Resultantly, RPPL will no longer be able to generate revenue in the future.

Your Company's PPA with CPPA, based on a take-and-pay arrangement, has been subjected to a serious challenge of meeting its fixed costs due to nil dispatch from the off-taker during the last few years. The Company has submitted a request for early termination/retirement of its Agreements with the Government. Subsequent to the termination of the Agreements, the Company will evaluate the future course of action. In the meantime, the Company remains a going concern entity due to future dividend income from RPPL.


ACKNOWLEDGEMENT

The Board remains grateful to its employees and management for their continued perseverance and hard work and for placing their confidence and trust in steering the Company in these challenging times.

On Behalf of the Board



Umer Shehzad Sheikh
Chief Executive



Shah Muhammad Chaudhry
Director

Date: September 01, 2025

Place: Lahore.

شیئر ہولڈرز کے لئے ڈائریکٹرز کی رپورٹ

ہم زیرِ ملاحظہ بورڈ آف ڈائریکٹرز کے لئے اور اس کی جانب سے، آلٹرن ایئر جی لمیٹڈ (کمپنی) کی سالانہ رپورٹ پیش کرتے ہیں، جس میں 30 جون، 2025 کو ختم ہونے والے مالی سال کے لئے آڈیٹرز کی رپورٹ کے ساتھ، سالانہ آڈٹ شدہ کنسولیڈٹڈ مالیاتی بیانات اور سالانہ آڈٹ شدہ غیر متعلقہ مالیاتی بیانات شامل ہیں۔

جزل:

پرنسپل سرگرمیاں:

کمپنی کی بنیادی سرگرمیاں، فتح جنگ، ڈسٹرکٹ انک، پنجاب کے قریب واقع 32 میگا واٹ کے گیس سے چلنے والے تھرمل پاور پلانٹ کی ملکیت، آپریشن اور دیکھ بھال اور بجلی کی فروخت ہیں۔ پیدا ہونے والی اپنے واحد صارف سینٹرل پاور پراجیکٹ ایجنسی (کارنی) لمیٹڈ (CPPA) کو نیشنل ٹرانسمیشن اینڈ ڈسٹریبوشن کمپنی (NTDC) کے ٹرانسمیشن میٹ ورک کے ذریعے فروخت کی جاتی ہے۔ کمپنی کے پاس اپنے واحد صارف CPPA کے ساتھ تیس سال کے لئے پاور پراجیکٹ ایگریمنٹ (PPA) ہے جو کہ 6 جون، 2001 سے شروع ہوا اور 06 جون، 2031 کو ختم ہوا۔ کمپنی بجلی کی پیداوار میں مصروف دیگر کمپنیوں میں بھی براہِ راست اور بالواسطہ سرمایہ کاری کرتی ہے۔ جیسا کہ اس رپورٹ کے ساتھ ضمیمہ مالیاتی بیانات کے نوٹ 7 میں تفصیل دی گئی ہے۔

گروپ کی ساخت:

کمپنی پاور میجمنٹ پرائیویٹ لمیٹڈ (PMCA) (ایک خاص مقصد کی گاڑی ہے) کے 100% حصص کی مالک ہے، جس کے نتیجے میں Rousch پاکستان پاور لمیٹڈ (RPPL) کے 59.98% حصص ہیں۔

اہم معلومات:

پچھلے مالی سالوں کے دوران آف ٹیکرز کی جانب سے ڈسٹریبیوٹڈ ڈیویڈنڈ کے نتیجے میں کمپنی کو ہونے والے مسلسل آپریشنل نقصانات کو دیکھتے ہوئے، 17 اپریل، 2025 کمپنی کے شیئر ہولڈرز نے بورڈ آف ڈائریکٹرز کی تجویز پر کمپنی کے ایگریمنٹ جلد ختم کرنے کی منظوری دی:

(i) پاور پراجیکٹ ایگریمنٹ (PPA) صدر جمہوریہ کے (ii) CPPA کے ساتھ طے پایا۔ (iii) حکومت پاکستان کی جانب سے IA اور حکومت پاکستان کی طرف سے جاری کردہ گارنٹی PPA اور IA اور گارنٹی کے بعد میں اجتماعی طور پر "معادے" کہا جاتا ہے۔ اس کے بعد 09 مئی 2025 کو کمپنی نے CPPA اور پرائیویٹ پاور اینڈ انفراسٹرکچر بورڈ (PPIB) کے پاس کمپنی کی جلد ختم اور ریٹائرمنٹ کی درخواست جمع کرائی۔ کمپنی کی انتظامیہ اس معاملے کے حل کے لئے متعلقہ حکومتی اداروں کے ساتھ جیو وی کر رہی ہے۔

گوٹنگ کنسرن:

پچھلے کچھ سالوں کے دوران کم آمدنی کے نتیجے میں، کمپنی کے آپریشنز کو پیورٹ کرنے کے لئے سب سے بڑی آمدنی RPPL سے منافع ہے، جیسا کہ آنے والے پیراگراف میں ذکر کیا گیا ہے۔ RPPL نے اپنا پاور جنریشن کیلیکس حکومت کے حوالے کر دیا ہے اور اب وہ CPPA کو بجلی پیدا اور فروخت نہیں کر سکتا۔ یہ شرائط کمپنی کی جاری انشورنس کے طور پر جاری رکھنے کی صلاحیت پر مادی غیر یقینی صورتحال کی نشاندہی کرتی ہیں اور اس وجہ سے، یہ اپنے اثاثے کا اور اک کرنے اور کاروبار کے معمول کے دوران اپنی ذمہ داریوں کو ادا کرنے کا صبر ہو سکتی ہیں۔ تاہم یہ مالیاتی بیانات گوٹنگ کنسرن کی بنیاد پر تیار کئے گئے ہیں۔ کیونکہ RPPL نے حکومت سے موصول ہونے والے فنڈز کو میوچل فنڈز میں لگایا ہے۔ جس سے کمپنی کے کیش فلو تخمینوں کی بنیاد پر، اس کے اخراجات کو پورا کرنے میں کمپنی کی مدد کرنے کے لئے مستقبل میں کافی منافع کی آمدنی ہونے کی امید ہے۔

لاگت:

زیرِ نظر سال کے دوران کمپنی کی آمدنی (حضر) تھی اور آپریٹنگ اخراجات 96.39 ملین روپے (93.37 ملین روپے) تھے، جس کے نتیجے میں 96.36 ملین روپے کا مجموعی نقصان ہوا جو کہ گزشتہ سال اسی مدت کے دوران 93.37 ملین روپے تھا۔ کمپنی نے 5786.90 ملین روپے کا غیر متعلقہ خالص منافع پوسٹ کیا، جس کے نتیجے میں شیئر آمدنی 4336.31 ملین

روپے اور EPS 15.93 روپے ہوئی جو کہ پچھلے سال اسی مدت کو دوران 11.93 روپے تھی۔ خالص منافع میں PMCL کی جانب سے 5864.25 ملین روپے (4390 ملین روپے: 2024) کی ڈیویڈنڈ آمدنی شامل ہے۔

کیپا مالی بیانات کمپنی اور اس کی مکمل ملکیتی ذیلی کمپنی PMCL اور اس کے ذیلی ادارے RPPL کی کارکردگی کو یکجا کرتے ہیں۔ آلٹرن اینرجی لمیٹڈ کے ایکٹیو بی ہولڈرز کے لئے آپ کی کمپنی کا مجموعی نقصان زیر جائزہ سال کے لئے 4557.35 ملین روپے فی حصص 12.54 نقصان کے نتیجے میں، 3085.24 ملین روپے کی مجموعی آمدنی اور گزشتہ سال کے اسی عرصے میں EPS 8.49 روپے تھا۔ باقی ادا کردہ، RPPL، بنیادی طور پر 12024.91 ملین روپے کے اچانکوں کے مجموعی نقصان کو رائلٹ آف کرنے سے منسوب ہے، جنہوں نے اپنا کمپلیکس حکومت کے حوالے کر دیا۔ تفصیلات اگلے پیرا گراف میں فراہم کی گئی ہیں۔

ڈیویڈنڈ کی تقسیم:

زیر نظر سال کے دوران، بورڈ کی سفارش پر، کمپنی کے شیئرز ہولڈرز کو اکتوبر 2024 میں 59% اور فروری 2025 میں 97% پر ڈیویڈنڈ منافع ادا کیا گیا۔

کارکردگی:

زیر جائزہ سال کے دوران آپ کے پلانٹ کی بجلی کی تفصیل مندرجہ کیونکہ پلانٹ کو NPCC کے میرٹ آرڈر میں اس کی کم پوزیشن کی وجہ سے آف ٹیکر سے پہنچا ڈیمانڈ موصول نہیں ہوئی۔ سال کے دوران جب پلانٹ غیر فعال تھا، اسے انجنوں اور متعلقہ آلات کی ورکنگ کنڈیشن کی حفاظت کے لئے پوزیشن موڈ میں رکھا گیا تھا۔ سال کے دوران اور بجلی ایکٹیو منٹ مینوفیکچر (OEM) کی سفارشات کے بعد تھری ٹیکنیکی ٹیم کے ذریعے دیگر تمام طے شدہ اور احتیاطی دیکھ بھال کی سرگرمیاں کامیابی کے ساتھ انجام دی گئیں۔ ہمیں یقین ہے کہ تمام انجن اور ان کے معاون آلات ہموار اور قابل بھروسہ کاموں کے لئے میکانیکی حالت میں ہیں۔

ذیلی ادارے کا جائزہ:

زیر نظر سال کے دوران آپ کی کمپنی نے، ذیلی کمپنی RPPL نے 7811 ملین روپے (9.06 روپے کافی شیئرز نقصان) (گزشتہ سال کے مقابلے 5512.11 ملین روپے) فی حصص کی کمائی (6.44 روپے) کا خالص نقصان اٹھایا۔ رواں سال کے دوران ہونے والا نقصان بنیادی طور پر گفٹ و شنید کے معاہدے (NSA) پر دستخط کرنے اور کمپلیکس کو حکومت کے حوالے کرنے کے بعد کمائیوں میں اضافہ جات کے لگھے جانے کی وجہ سے ہے۔

سال کے دوران RPPL سے حکومت پاکستان کی طرف سے پاور پراجیکٹ ایگریمنٹ (PPA) کے خاتمے کے لئے رابطہ کیا گیا جو سینٹرل پاور پراجیکٹ ایجنسی (گورنری) (CPPA) کے ساتھ کیا گیا تھا، نفاذ کا معاہدہ (IA) صدر اسلامی جمہوریہ پاکستان کے ساتھ کیا گیا تھا، اور گورنری اسلامی جمہوریہ پاکستان کی طرف سے جاری کی گئی۔ 11 نومبر، 2024 کو شیئرز ہولڈرز کی منظوری پر RPPL نے معاہدوں کو ختم کرنے کے لئے NSA پر دستخط کئے۔ NSA پر دستخط کئے NSA کی شرائط کے مطابق، CPPA نے RPPL کو 31 دسمبر، 2024 تک منظور شدہ ہتھیار و وصولیاں ادا کر دیں۔ اس کے مطابق RPPL نے کمپلیکس کو حکومت پاکستان کے نامزد ادارے، نیشنل پاور پارکس مینجمنٹ کمپنی لمیٹڈ (NPPMCL) کے حوالے کر دیا۔ NSA کے نفاذ کے نتیجے میں RPPL اب CPPA کو بجلی پیدا کرنے اور فروخت کرنے کے لئے کمپلیکس کا مالک نہیں ہے۔

رہسہ مینجمنٹ:

آلٹرن اینرجی میں، بورڈ کی کمپنی کے ریسک مینجمنٹ کے عمل کی نگرانی کی مجموعی ذمہ داری ہے۔ کمپنی کی یہ پالیسی ہے کہ وہ ریسک مینجمنٹ کو شیئرز ہولڈرز کی قدر کی تخلیق، جھٹکا اور بڑھانے کے لئے لازمی طور پر دیکھے۔ کمپنی خطرات کی فعال شناخت اور تفہیم کو یقینی بنانے کے لئے ایک مربوط انٹریگز ریسک مینجمنٹ (ERM) فریم ورک کا استعمال جاری رکھے ہوئے ہے۔ تمام نمایاں خطرات کو ان کے اثرات اور امکانات کے مطابق ترجیح دی جاتی ہے، اور اسی کے مطابق اصلاحی اقدامات وضع کئے جاتے ہیں۔

کمپنی کی سرگرمیاں اسے مختلف قسم کے خطرات سے دوچار کرتی ہیں، جیسے آپریشنل خطرات اور مالیاتی خطرات، جو کہ غیر یقینی کی مختلف سطحوں سے مشروط ہیں۔ مالیاتی ریسک مینجمنٹ کا انکشاف کمپنی کے سالانہ آڈٹ شدہ غیر متعلقہ مالیاتی بیانات کے نوٹ 32 میں کیا گیا ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک:

بورڈ آف ڈائریکٹرز اس بات کو یقینی بنانے کے لئے پرعزم ہے کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ذریعے معین کردہ کارپوریٹ گورننس کی ضروریات کو بغیر کسی رعایت کے پورا کیا جائے۔ کمپنی کے ڈائریکٹرز اور انتظامیہ کمپنیز ایکٹ، 2017 (ایکٹ) کی دفعات کے مطابق اپنی ذمہ داریوں سے پوری طرح واقف ہیں۔ کمپنی نے سیکورٹیز ایکٹ (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 (ریگولیشنز) کے ساتھ ساتھ پاکستان اسٹاک ایکسچینج ریگولیشنز (PSX) کی تمام مادی ضروریات کی تعمیل کی ہے۔ ڈائریکٹرز مندرجہ ذیل باتوں کی تصدیق کرتے ہیں جو حوالہ شدہ مواد کی تعمیل کرتے ہیں۔

- a- مالیاتی تفصیلات کے ساتھ اس پرنٹس، کمپنی کی انتظامیہ کی طرف سے تیار کئے گئے ہیں، اس کی صورت حال، اس کے کاموں کے نتائج، مفاد بہاء اور ایکٹیوٹی میں تبدیلیاں پیش کرتے ہیں۔
- b- کمپنی کے حساب کتاب کی مناسب دیکھ بھال کی گئی ہے۔
- c- مالیاتی گوشواروں کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو مسلسل لاگو کیا گیا ہے، اور اکاؤنٹنگ پالیسیوں میں تبدیلیوں کو مالی بیانات میں ظاہر کیا گیا ہے، حساب کتاب کے تحفیض، معقول دانشمندانہ فیصلے پر مبنی ہیں۔
- d- انٹرنیشنل فنانشل رپورٹنگ سٹینڈرڈز (IFRS) جیسا کہ پاکستان میں لاگو ہوتا ہے، ایکٹ کے تقاضوں کو مالیاتی گوشواروں کی تیاری میں غالو کی گئی ہے، اور وہاں سے کسی بھی روا نگی کو مناسب طور پر ظاہر اور وضاحت کی گئی ہے۔
- e- اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے موثر طریقے سے لاگو کیا گیا ہے اور اس کی نگرانی کی گئی ہے۔
- f- جاری تشویش کے طور پر کمپنی کی صلاحیت کے بارے میں کوئی خاص شک نہیں ہے۔
- g- کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہوئی ہے، جیسا کہ ضوابط اور فہرست سازی کے ضوابط میں تفصیل سے بتایا گیا ہے۔
- h- جہاں ٹیکس، ڈیوٹیز، لیویز اور چارجز کی مد میں کوئی قانونی ادائیگی باقی ہے، اس کی رقم مختصر وضاحت اور وجوہات کے ساتھ مالی بیانات میں ظاہر کی جاتی ہے۔
- i- مندرجہ ذیل کے بارے میں مالی بیانات میں ظاہر کیا گیا ہے یا سالانہ رپورٹ کے ساتھ منسلک ہوتا ہے۔

i- پچھلے چھ سالوں کا کلیدی آپریشنل اور مالیاتی ڈیٹا۔

ii- کمپنی کے حصص میں اس کے ڈائریکٹرز، CEO، CFO، اور کمپنی سیکرٹری کے ذریعے تجاوت۔

بورڈ آف ڈائریکٹرز:

بورڈ آف ڈائریکٹرز کمپنی کے تمام اہم معاملات کا جائزہ لیتا ہے، ان میں کمپنی کی حکمت عملی کی سمت، اس کی پالیسیاں اور طریقہ کار کا فریم ورک، سالانہ کاروباری منصوبے اور اہداف اور قرض لینے اور سرمایہ کاری کے فیصلے شامل ہیں۔ مندرجہ ذیل ترتیب کے مطابق منتخب ڈائریکٹرز کی کل تعداد سات (7) ہے۔

میل 5
فیمیل 2

بورڈ کی ترتیب درج ذیل ہے:

نمبر شمار	ترجمہ	نام
1	ٹان ایگزیکٹو ڈائریکٹرز	جناب فیصل داؤد (چیرمین)
2	ٹان ایگزیکٹو ڈائریکٹرز	مسز مہرین داؤد
3	ٹان ایگزیکٹو ڈائریکٹرز	جناب طارق منیر
4	ٹان ایگزیکٹو ڈائریکٹرز	جناب شاہ محمد چوہدری
5	ٹان ایگزیکٹو ڈائریکٹرز	جناب صالح عرفی
6	آن لوڈ ڈائریکٹرز	جناب سید رضوان علی شاہ

7	آزاد ڈائریکٹرز	محترمہ عالیہ سیدہ خان
8	ایگزیکٹو ڈائریکٹر (چیف ایگزیکٹو)	جناب عمر شہزاد شیخ

بورڈ کا اجلاس:

قابل اطلاق ریگولیٹری فریم ورک کے تحت، بورڈ کو قانونی طور پر کمپنی کی کارکردگی کی شفافیت، جو ابدی اور نگرانی کو یقینی بنانے کے لئے ہر سال میں کم از کم ایک بار ملاقات کرنی چاہیے۔ جب بھی اہم معاملات پر فوری طور پر ضرورت ہو تو خصوصی اجلاس بھی منعقد کئے جاتے ہیں۔ مگر نظر سال کے دوران بورڈ آف ڈائریکٹرز کے آٹھ (8) اجلاس منعقد ہوئے۔ بورڈ کے اجلاسوں کے نوٹس ایجنڈا پیشگی، فوری طور پر اور قابل اطلاق قوانین کی تعمیل میں گردش کروئے گئے تھے۔ سال کے دوران منعقد ہونے والے بورڈ کے تمام اجلاسوں نے حاضری کی کم از کم کورم کی ضروریات کو پورا کیا۔ جیسا کہ قابل اطلاق ضوابط کے ذریعے تجویز کیا گیا ہے۔

کمپنی بیکری بورڈ کے بیکری کی طور پر کام کرتا ہے، اجلاس کے دوران بورڈ کی طرف سے کئے گئے تمام فیصلوں کو کمپنی بیکری کی طرف سے رکھے گئے اجلاس کے منٹس میں دستاویزی شکل دی گئی تھی اور تمام ڈائریکٹرز کو نوٹس کے لئے بھیجا گیا تھا اور بعد میں بورڈ کے اجلاسوں میں ان کی منظوری دی گئی تھی۔

بورڈ کی کمیٹیاں:

بورڈ نے دو کمیٹیاں قائم کی ہیں تاکہ بورڈ کے کام کو ہموار کیا جاسکے اور اس کی ذمہ داریوں کی انجام دہی میں مدد کی جاسکے۔ ان کمیٹیوں کی سربراہی آزاد ایگزیکٹو ڈائریکٹر کرتے ہیں، یہ کمیٹیاں درج ذیل ہیں:-

بورڈ آؤٹ کمیٹی (BAC)

آؤٹ کمیٹی بورڈ کو اپنی نگرانی کی ذمہ داریوں کو پورا کرنے، بنیادی طور پر ریگولیٹری اور قانون سازی کے معیارات کی تعمیل میں تخصص یافتگان کو مالی اور غیر مالیاتی معلومات کا جائزہ لینے اور رپورٹ کرنے میں مدد کرتی ہے۔ BAC کمیٹی کے اندرونی کنٹرول کے فریم ورک کی نگرانی کرتا ہے، اس بات کو یقینی بناتا ہے کہ شناخت شدہ خطرات کو کمپنی کے مفادات کے تحفظ کے لئے کم کیا جائے۔ یہ بورڈ آف ڈائریکٹرز کو منظوری کے لئے سفارش کرنے سے پہلے مستحکم اور غیر مربوط مالی حیانات کا جائزہ لیتا ہے۔ مزید BAC رپورٹنگ کے ذریعے اور اکاؤنٹنگ سسٹم کے ساتھ اندرونی کنٹرول کے ماحول کی تاثیر کا جائزہ دیتا ہے۔ BAC مندرجہ ذیل 3 ارکان پر مشتمل ہے:-

جناب سید رضوان علی شاہ	آزاد ڈائریکٹر (چیرمین)
جناب فاروق نذیر	ٹان ایگزیکٹو ڈائریکٹر
جناب شاہد محمد چوہدری	ٹان ایگزیکٹو ڈائریکٹر

BAC کے حوالہ جات کی شرائط ضوابط کے درمیان خطوط کی روشنی میں بیان کی گئی ہیں۔ کمپنی بیکری BAC کے سربراہ کے طور پر کام کرتا ہے اور اس کے تمام اجلاس بلا تلبہ۔ چیف فنانس آفیسر دعوت کے ذریعے آؤٹ کمیٹی کے اجلاسوں میں شرکت کرتا ہے اور بیرونی آڈیٹرز ریگولیٹری تقاضوں کے مطابق اجلاسوں میں شرکت کرتے ہیں۔ کمیٹی نے سال کے دوران چار (4) بار میٹنگ کی اور میٹنگوں کے نوٹس ایجنڈا پیشگی، وقت اور قابل اطلاق قوانین کی تعمیل میں گردش کروئے گئے ہیں۔

ہیومن ریسورس اور معاوضہ کمیٹی (HRRC):

HRRC اہم ہیومن ریسورس اور معاوضہ کی پالیسیوں کا جائزہ لیتا ہے اور تجویز کرتا ہے، بشمول ملازمت کی اہم شرائط اور ملازمت کے لئے معاوضے کے منصوبے۔ کمیٹی (3) ارکان پر مشتمل ہے جن کی تشکیل حسب ذیل ہے:

جناب فاروق نذیر	ٹان ایگزیکٹو ڈائریکٹر (چیرمین)
جناب شاہد محمد چوہدری	ٹان ایگزیکٹو ڈائریکٹر
جناب سید رضوان علی شاہ	آزاد ڈائریکٹر

جیو مین رسورسز کا سربراہ HRRC کے سیکریٹری کے طور پر کام کرتا ہے اور HRRC کی میٹنگز چلاتا ہے۔
روان سال کے دوران میٹنگ کا جائزہ:

یورڈ اور کمیٹی کے اجلاسوں میں ڈائریکٹرز کی شرکت:

Sr. No.	Name	Board of Directors Meetings	Audit Committee Meetings	HR&R Committee Meetings
1	Mr. Faisal Dawood	8 out of 8	N/A	N/A
2	Mrs. Aliya Saeeda Khan	7 out of 8	N/A	N/A
3	Mr. Farooq Nazir	8 out of 8	4 out of 4	1 out of 1
4	Mrs. Mehran Dawood	8 out of 8	N/A	N/A
5	Mr. Sufin Merghoni	5 out of 8	N/A	N/A
6	Mr. Shah Muhammad Chaudhary	8 out of 8	4 out of 4	1 out of 1
7	Mr. Syed Rizwan Ali Shah	5 out of 8	2 out of 4	0
8	Mr. Umar Shehzad Sheikh	8 out of 8	4 out of 4	1 out of 1

غیر حاضری کی چھٹی ان اراکین کو دی گئی تھی جو اجلاس میں شرکت نہیں کر سکے۔

اندرونی آڈٹ اور کنٹرول:

یورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کو رپورٹ کرنے والے ایک اہل شخص کی سربراہی میں ایک آزاد آڈٹ فنکشن قائم کیا ہے۔ کمیٹی کے اندر اندرونی ڈاٹ فنکشن کے دائرہ کار کو آڈٹ کمیٹی واضح طور پر بیان کرتی ہے، جس میں اندرونی مالیاتی کنٹرولز کا باقاعدہ جائزہ شامل ہوتا ہے۔

اندرونی مالیاتی کنٹرول کی کالیٹ:

یورڈ آف ڈائریکٹرز نے آپریشنز کے مؤثر انتظام، کمیٹی کے اجلاسوں کی حفاظت، قابل اطلاق قوانین اور ضوابط کی تعمیل، قابل اعتماد مالیاتی رپورٹنگ عمل کو یقینی بنانے کے لئے اندرونی مالیاتی کنٹرول کا ایک موثر نظام قائم کیا ہے۔ کمیٹی کا اندرونی کنٹرول کا نظام، مضبوط گورنس ڈسچارج، تقاریر کی حدود، بجٹ سازی کا ایک تفصیلی عمل اور اچھی طرح سے سمجھی جانے والی پالیسیوں اور طریقہ کار پر مشتمل ہے۔ قابل اطلاق قوانین اور ریگولیٹری تقاضوں کی تعمیل بھی اندرونی کنٹرولز پر منحصر ہے اور کمیٹی کے پاس موثر اندرونی ریگولیٹری کنٹرولز ہیں تاکہ یہ یقینی بنایا جاسکے کہ ریگولیٹری تقاضوں کی تعمیل کی جائے۔

ڈائریکٹرز کی تربیت:

یورڈ کے زیادہ تر ڈائریکٹرز نے ضابطوں کے تقاضوں کے مطابق SECP سے منظور شدہ اداروں سے ڈائریکٹرز کے تربیتی پروگراموں کے سرٹیفکیٹ حاصل کئے ہیں، تمام ڈائریکٹرز بطور ڈائریکٹرز اپنے فرائض بھر دے دار ہوں سے پوری طرح واقف ہیں۔

سال 2025 کے دوران LUMS کے تعاون سے ڈائریکٹرز کی اور انجینئرز ورکشاپ کا انعقاد کیا گیا، جس میں LUMS کے سینئر فیکلٹی ممبران نے تربیتی سیشن پیش کئے، جس میں تمام ڈائریکٹرز، قیادت کی ٹیم اور سینئر مینجمنٹ ایگزیکٹوز نے شرکت کی۔ اس پروگرام کا مقصد کارپوریٹ گورنس کو مزید مضبوط بنانا، تعمیل اور شفافیت کے لئے کمیٹی کے عزم کا اعادہ کرنا تھا۔

ڈائریکٹرز کا معاوضہ:

جیسا کہ ضوابط کی ضرورت ہے کمیٹی نے ڈائریکٹرز کے معاوضے کے لئے ایک ری پالیسی کی منظوری دی ہے۔ پالیسی کے مطابق آزاد ڈائریکٹرز وقتاً فوقتاً یورڈ کی طرف سے منظور شدہ شرکت کی فیس کو پورا کرنے کے اہل ہیں۔ جبکہ نامزد ڈائریکٹرز یورڈ / کمیٹی میٹنگ کی فیس یا کوئی اور معاوضہ وصول کرنے کے حقدار نہیں ہیں۔ ڈائریکٹرز کو ہر سال کے لئے معاوضے کا انکشاف اور چیف ایگزیکٹو کو سالانہ ڈاٹ شدہ غیر متعلقہ مالیاتی بیانات کے نوٹ 30 میں فراہم کیا گیا ہے۔

بورڈ آف ڈائریکٹرز کی کارکردگی کا جائزہ:

جیسا کہ ضوابط کی ضرورت ہے، بورڈ کی کارکردگی، بورڈ کے اراکین اور اس کی کمیٹیوں کا سالانہ جائزہ لینے کے لئے کمپنی سیکریٹری کے تعاون سے ایک اندرون کا طریقہ کار وضع کیا ہے۔ زیر نظر سال کے دوران، بورڈ نے سال 2025 کے لئے بورڈ اور اس کی کمیٹیوں کی بیرونی سالانہ تشخیص کا انتخاب کیا ہے۔ جیسے پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (PICG) نے قیام دیا تھا۔ تشخیص نے بورڈ کی مجموعی طور پر اور انفرادی ڈائریکٹرز کی کارکردگی کا جائزہ لیا ہے، جس میں بورڈ کی تشکیل، ماسٹر چیک منصوبہ بندی، طریقہ کار اور کنٹرول کے ماحول جیسے شعبوں کا احاطہ کیا گیا ہے۔

متعلقہ پارٹی لین دین:

متعلقہ فریقوں کے ساتھ تمام لین دین Arm's Length کی بنیاد پر کاروبار کے عام کورس میں کئے جاتے ہیں۔ مزید ایکٹ اور ضوابط کے تقاضوں کے مطابق، کمپنی نے متعلقہ فریقین کے لین دین کے لئے ایک پالیسی نافذ کی ہے۔ پالیسی ہر فریق کے لین دین کی نوعیت، شرائط، شرائط اخفاء، کے تقاضوں اور اس پر غور کرنے اور منظوری دینے کے لئے بورڈ کی ذمہ داری کا جائزہ لینے کے لئے رہنما خطوط فراہم کرتی ہے۔

ضوابط کے تقاضوں کے مطابق ہر سہ ماہی میں متعلقہ فریقوں کے لین دین کی ایک جامع فہرست بورڈ کی ایک آڈٹ کمیٹی کے سامنے رکھی جاتی ہے اور جائزہ اور منظوری کے لئے بورڈ کو پیش کی جاتی ہے۔ کمپنی نے اس سالانہ رپورٹ کے ساتھ منسلک مالی بیانات میں متعلقہ فریق کے لین دین کا تفصیلی انکشاف کیا ہے۔ یہ انکشاف ایکٹ کے چوتھے شیڈول اور قابل اطلاق IFRS کے تقاضوں کے مطابق ہے۔

معیار ماحول اور صحت اور حفاظت (QEHS):

حفاظت پر کسی بھی سمجھوتہ کے لئے صفر رواداری کے ساتھ کمپنی کے آپریشنز کا مرکز ہے۔ ارد گرد کی کمیونٹی اور ماحول کا تحفظ، اپنے ملازمین کی صحت اور کارکردگی کو فروغ دینا، نیز ان کے کام کا حالات کا تحفظ ہمارے کاروبار کی فلاح کا بنیادی حصہ ہیں۔ کمپنی اپنے ملازمین کے ساتھ ساتھ اس کمیونٹی کی صحت، حفاظت اور بہبود کے تحفظ کے لئے پرعزم ہے۔ EHS کی طرف صفر رواداری کے کلچر کو برقرار رکھنے اور بڑھانے کے لئے ایک جامع مواصلاتی ڈھانچہ قائم کیا گیا ہے۔ جیسا کہ روزانہ ہفتہ وار اور ماہانہ حفاظتی چارے اور حفاظتی مذاکرات۔ مزید برآں کمپنی نے ISO 9001 (کوالٹی منجمنٹ)، ISO 14001 (ماحولیاتی انتظام) اور ISO 45001 (پیشہ ورانہ صحت اور حفاظتی انتظام) پر مبنی ایک مربوط انتظامی نظام قائم کیا ہے، اس کے ساتھ دیگر بین الاقوامی رہنما خطوط (جیسے OSHA اور NFPA) ان کے فعال نقطہ نظر کا مقصد سرکردہ اور پیچھے رہ جانے والے دونوں اشلارپوں کی نگرانی کر کے صفر کے ضائع شدہ وقت کے واقعات (LTIs) کو ماحول کرنا ہے۔

کارپوریٹ سماجی ذمہ داریاں:

AEL اپنی فائدے کے لئے کمپنی اور ماحول کے لئے ذمہ داریوں سے کام کرنے کے لئے پرعزم ہے۔ کمپنی کارپوریٹ سماجی ذمہ داری پر توجہ مرکوز کرنا جاری رکھے ہوئے ہے۔ کمپنی اپنے کاروبار کو چلانے کے ساتھ ساتھ اپنے عملے اور عام طور پر کمیونٹی کی سماجی بہبود کے لئے اپنی ذمہ داریوں کو نبھانے میں آجیہ کارپوریٹ شہریت ہونے کی اہمیت کو تسلیم کرتی ہے۔ درست لگانے کے ذریعے مقامی کمیونٹی کے ماحول کے تحفظ پر خصوصی توجہ دی جاتی ہے۔ مزید برآں مقامی کمیونٹی ہماری پلاٹ کی جگہ پر آس پاس کی کمیونٹیز سے مزید عملے کو ملازمت دینے کی ہماری حکمت عملی سے فائدہ اٹھاتی ہے۔

شیر ہولڈر کا پیٹرن:

کمپنی کے حصص پاکستان اسٹاک ایکسچینج میں درج ہیں:

جیسا کہ اینیز ایکٹ، 2017 کے سیکشن 227(2)(f) کی ضرورت ہے، 30 جون 2025 تک شیر ہولڈنگ کے پیٹرن کو ظاہر کرنے والا بیان، ضابطوں کے تحت، مطلوبہ انکشافات کے ساتھ سالانہ رپورٹ کے ساتھ منسلک ہے۔ ڈائریکٹرز، ای او اور ایگزیکٹو کمیٹی کے شیر ذمے کوئی ذاتی دلچسپی نہیں دیکھتے ہیں۔ سوائے شیر ہولڈنگ کے منسلک پیٹرن میں ظاہر کردہ۔

صحتی تفرع:

ALTERN کام کے ماحول کو یقینی بنانے کے لئے پرعزم ہے جو مساویت اور صحتی کو یقینی بناتا ہے۔ ہماری مساوی مواقع کی خدمات کو حاصل کرنے کی حکمت عملی میرٹ پر مبنی، جامع نقطہ نظر کو فروغ دینے کے لئے بنائی گئی ہے، جو تمام امیدواروں اور ملازمین کے لئے مساوی رسائی، منصفانہ تفریص اور مساوی تنخواہ کو یقینی بناتی ہے، چاہے ان کی صنف، کچھ بھی ہو۔ اس میں سٹرکچرل، صحتی غیر جانبدار ملازمت کی تفصیل اور خدمات حاصل کرنے کے عمل، متنوع انٹرویو پوچھنا اور مہارت پر مبنی جائزے شامل ہیں تاکہ یہ یقینی بنایا جاسکے کہ تمام فیصلے اہلیت اور صلاحیت پر مبنی ہیں۔ یہ حکمت عملی ہر سطح پر انصاف، موقع اور جودہائی کی ثقافت کو فروغ دیتی ہے۔

ماحولیات، سماجی اور گورننس:

AEL ذمہ دار کاروباری طریقوں کے ذریعے ماحولیاتی، سماجی اور گورننس (ای ایس جی) کی قیاس کو یقینی بنانے کے لئے پرعزم ہے۔ مالی سال کے دوران، کمپنی نے اپنے کارکن فٹ پرنٹ کو کم کرنے اور شجرکاری اور توانائی کے تحفظ کے ذریعے ماحول کے تحفظ کے اقدامات کو نافذ کر کے ماحولیاتی انتظام کو ترجیح دی ہے۔ سماجی طور پر ہم نے کمیونٹی ڈویلپمنٹ پروگراموں میں سرمایہ کاری کی ہے، جس کا مقصد مقامی آبادی کی تلاش و بہبود کو بڑھانا اور ملازمین کے درمیان شمولیت کو فروغ دینا ہے۔ ہمارا گورننس فریم ورک تمام آپریشنز میں شفافیت، احتساب اور اخلاقی طرز عمل کو یقینی بناتا ہے، جس سے اسٹیک ہولڈرز کے درمیان اعتماد کو فروغ ملتا ہے۔ سخت ای ایس جی معیارات پر عمل کرتے ہوئے، ہم نہ صرف کمیونٹی کے لئے خطرات کو کم کرتے ہیں بلکہ اپنے شیئر ہولڈرز کے لئے طویل مدتی قدر بھی پیدا کرتے ہیں اور پاکستان کے سماجی و اقتصادی منظر نامے میں مثبت کردار ادا کرتے ہیں۔

آؤٹریز:

کمپنی کے قانونی آؤٹریز میسرز گرانٹ تھورنٹن انجمن رجن، چارٹرڈ اکاؤنٹنٹس، 30 جون، 2025 کو ختم ہونے والے مالیاتی سال کے لئے مجموعی مالیاتی بیانات اور ٹیکس پورے گورننس کے ساتھ تعمیل کے بیان کا اپنا آؤٹ مکمل کر لیا ہے۔

انٹرنیٹ ٹیوٹ آف چارٹرڈ اکاؤنٹنٹ آف پاکستان کے کوآپریٹو کنٹرول ریویو پراگرام کے تحت آؤٹ فرم کو تسلی بخش ریٹنگ دی گئی ہے۔ آؤٹ کمپنی کی سفارش پر موجودہ آؤٹریز میسرز گرانٹ تھورنٹن انجمن رجن، چارٹرڈ اکاؤنٹنٹس کو 30 جون، 2026 کو ختم ہونے والے آئندہ سال کے لئے کمپنی کے بیرونی آؤٹریز کے طور پر مل ہونے کی وجہ سے خود کو دوبارہ تفری کے لئے پیش کیا ہے، جسے بورڈ آف ڈائریکٹرز نے سالانہ جنرل میٹنگ میں شیئر ہولڈرز کی منظوری سے منظور کیا ہے۔

مستقبل کی دیکھ بھال:

مالی سال 2025 پاکستان میں پاور سیکٹر میں بہت بڑی تبدیلیوں کا سال تھا۔ صارفین پر بجلی کے بلند نرخوں کے بوجھ کم کرنے کے لئے حکومت پاکستان کی مہم کے نتیجے میں سرکاری اور نجی شعبے کے پاور پرائیکٹس کیساتھ گت وشنید ہوئی، جس کے نتیجے میں چند پاور پلانٹس بند ہونے کے ساتھ ساتھ دیگر پاور پرائیکٹس کے بجلی کے نرخوں میں بھی تبدیلیاں کی گئیں۔ آپ کی کمپنی کی ذیلی کمپنی RPPL ان IPPs میں سے ایک تھی جن کے معاہدے ٹاسک فورس کے ساتھ گت وشنید کے نتیجے میں ختم کر دیے گئے تھے اور اس کا کمپلیکس NPPMCL کے حوالے کر دیا گیا تھا، جہاں RPPL مستقبل میں مزید آمدنی پیدا کرنے کے قابل نہیں رہے گا۔

CPPA کے ساتھ آپ کی کمپنی کا (PPA)، لینے اور تنخواہ کیا انتظام پر مبنی، گزشتہ چند سالوں کے دوران آف ٹیکر کی جانب سے کوئی ترسیل نہ ہونے کی وجہ سے اپنے مقررہ اخراجات کو چورا کرنے کے سنگین چیلنج کا سامنا ہے۔ کمپنی نے حکومت کے ساتھ اپنے معاہدوں کو جلد ختم کرنے اور بناؤ منٹ کی درخواست جمع کرائی ہے۔ معاہدوں کے خاتمے کے بعد کمپنی مستقبل کے اقدامات کا جائزہ لے گی۔ اس دوران بورڈ RPPL سے مستقبل میں ڈیویڈنڈ کی آمدنی کی وجہ سے تشویش کا باعث بنا ہوا ہے۔

اعتراف:

بورڈ اپنے ملازمین اور انتظامیہ کا ان کی مسلسل ثابت قدمی، محنت اور اس مشکل وقت میں کمپنی کو چلانے میں اپنا اعتماد اور بھرپور مدد رکھنے کے لئے شکریہ ادا کرتا ہے۔

محمد شہزاد
چیف ایگزیکٹو

شاہد محمد چوہدری
ڈائریکٹر

تاریخ: 01 ستمبر، 2025

مقام: لاہور

**GENDER PAY GAP STATEMENT UNDER CIRCULAR 10 OF 2024
OF SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

Name of Company: **Altern Energy Limited**

Year ended: June 30, 2025

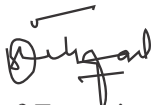
Following is the gender pay gap calculated for the year ended June 30, 2025:

(i) Mean Gender Pay Gap: **100%**

(ii) Median Gender Pay Gap: **100%**

(iii) Any other data/details as deemed relevant: As of the current reporting period, our workforce includes no female employees. In line with our Company policy, we are committed to equal pay for equal work, with no disparity based on gender.

For and on behalf of Board of Directors of the Company



Chief Executive Officer

Date: **September 01, 2025**

پاکستان کے سیکورٹیز اینڈ ایکسچینج کمیشن کے سرکلر 10 کے 2024 کے تحت جھنڈا رپے گیپ کا بیان:

کمپنی کا نام: آلٹرن اینرجی لمیٹڈ

سال کا اختتام: 30 جون، 2025

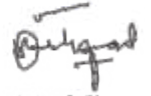
30 جون، 2025 کو ختم ہونے والے سال کے لئے مصطفیٰ تنخواہ کے فرق کا حساب درج ذیل ہے:-

(i) اوسط مصطفیٰ تنخواہ کا فرق: 100%

(ii) اوسط مصطفیٰ تنخواہ کا فرق: 100%

(iii) کوئی دوسرا ڈیٹا تفصیلات جو کہ متعلقہ سمجھے جائیں: موجودہ رپورٹنگ مدت کے مطابق، ہماری افرادی قوت میں کوئی خاتون ملازم شامل نہیں ہے۔ ہماری کمپنی کی پالیسی کے مطابق، ہم جنس کی بنیاد پر کسی تفاوت کے بغیر، مساوی کام کے لئے مساوی تنخواہ کے لئے پرعزم ہیں۔

کمپنی کے بورڈ آف ڈائریکٹر کے لئے اور اس کی جانب سے:



چیف ایگزیکٹو آفیسر

تاریخ: 01 ستمبر، 2025

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: Altern Energy Limited

Year ended: June 30, 2025

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 8 (including Chief Executive) as per the following:

a)	Male	6
b)	Female	2

2. The composition of the Board is as follows:

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

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of Board.
8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. All directors of the Company have completed the Directors' Training Program, except one foreign national director.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, and complied with relevant requirements of the Regulations.
11. Chief Executive and Chief Financial Officer duly endorsed the financial statements before approval of the Board.

12. The Board has formed two committees comprising of members given below:

(a) Audit Committee:

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

(b) Human Resource and Remuneration Committee:

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

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committees for compliance.

14. The frequency of meetings (quarterly/half yearly/yearly) of the committees were as per following:

a) Audit Committee:

Four quarterly meetings were held during the financial year ended June 30, 2025.

b) Human Resource and Remuneration Committee:

One meeting was held during the financial year ended June 30, 2025.

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for this purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive, Chief Financial Officer, Head of Internal Audit, Company Secretary or director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been complied with, and;

- a) In respect of regulation 6(1), the Company believes it has sufficient impartiality and is able to exercise independence in decision making within the Board and hence, does not require to round up the fraction to 3 independent directors.

19. Explanation for non-compliance with requirements, other than regulation 3, 6, 7, 8, 27, 32, 33, and 36 is as follows.

Requirement	Regulation	Explanation
Representation of the Minority shareholders: The minority members as a class shall be facilitated by the Board to contest election of directors by proxy solicitation.	5	No one intended to contest election as a director representing minority shareholder.
Directors' Training: A newly appointed director on the Board may acquire, the directors training program certification within a period of one year from the date of appointment as a director.	19	All directors of the Company have completed the Directors' Training Program, except one foreign national director who shall complete it in due course.
Nomination Committee: The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29(1)	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource & Remuneration Committee.
Risk Management Committee: The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30(1)	Currently, the Board has not constituted a Risk Management Committee and the Company's management performs the requisite function which is overseen by the Audit Committee of the Board. The risks are apprised to the Board after review by the Audit Committee.
Sustainability risks: The Board is responsible for governance and oversight of sustainability risks and opportunities and takes appropriate measures to address it. Further, the Board ensures that the Company's sustainability and diversity, equity and inclusion (DE&I) related strategies are periodically reviewed and monitored.	10A (1) (3) (4)	The Board is cognizant of its responsibilities and will take up measures to ensure that the Company addresses sustainability-related risks and opportunities. Also, it will ensure that the Company's sustainability and DE&I related strategies are periodically reviewed and monitored in future.

Requirement	Regulation	Explanation
Sustainability committee: The Board may establish a dedicated sustainability committee or assign additional responsibilities to an existing Board committee	10A(5)	Currently, the Board has not constituted a separate Sustainability Committee and the functions will be performed by the Board Audit Committee.
Human Resource and Remuneration Committee: The chairman of the Human Resource and Remuneration Committee shall be an independent director and the chief executive officer may be included as a member of the committee.	28(2)	The present Chairman Human Resource & Remuneration Committee is appointed due to his extensive experience as Board and Human Resource & Remuneration Committee member.



Umer Shehzad Sheikh
Chief Executive



Faisal Dawood
Chairman / Director

Lahore
September 01, 2025

**Grant Thornton Anjum
Rahman**
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Lahore 54600,
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**REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN
LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS,
2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Altern Energy Limited for the year ended June 30, 2025, in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any noncompliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements, we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

GRM



Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2025.

Grant Thornton Arjun Chohan
Chartered Accountants
Lahore

Date: September 02, 2025
UDIN: CR2025102123x6KongqR

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INDEPENDENT AUDITOR'S REPORT

To the members of Altern Energy Limited

Report on the Audit of the Unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **Altern Energy Limited (the Company)**, which comprise the unconsolidated statement of financial position as at June 30, 2025, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017) in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2025 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to notes 1.6 to 1.7 to the annexed unconsolidated financial statements, which describe the matters regarding application for cancellation of license. As stated in notes 1.6 to 1.7, this event, together with other matters described therein, indicates a material uncertainty related to going concern that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



Emphasis of Matter

We draw attention to note 7 to the annexed unconsolidated financial statements, which describes the matter relating to the investment in the subsidiary and the carrying value thereof. Our opinion is not modified in respect of this matter.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the unconsolidated financial statements of the current period. These matters were addressed in the context of our audit of the unconsolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Sr. No.	Key audit matter	How the matter was addressed in our audit
(i)	<p>Impairment testing of Power Generation Cash-Generating Unit ('CGU')</p> <p><i>(Refer notes 5.1.4 and 5.1.5 to the annexed unconsolidated financial statements)</i></p> <p>The management has tested the assets relating to Company's Power Generation Operations (considered a CGU) for impairment. The recoverable amount of the CGU has been determined based on higher of 'fair value less costs of disposal' and 'value in use'. Management involved an independent expert (professional valuer) to assess the 'fair value less costs of disposal' while the 'value in use' has been determined by management through discounted cash flow method.</p> <p>The above valuations require significant judgment and estimations on the part of management.</p> <p>Due to the significant level of judgment and estimations involved, we consider this to be a key audit matter.</p>	<p>Our audit procedures, among others, included the following:</p> <ul style="list-style-type: none"> • Obtained understanding of management's process for identification of impairment indicators; • Checked management's assessment of presence and magnitude of impairment indicators for Power Generation CGU; • Checked whether the method for determination of the recoverable amount is in compliance with IAS 36, "Impairment of Assets"; • For 'fair value less costs of disposal', we assessed the valuation methodology applied, checked assumptions used by the management's expert and assessed the methodology and assumptions used by the management's expert; • Checked the professional qualification of management's expert and assessed the independence, competence and experience of the management's expert in the field; • For value in use, we evaluated cash flow forecasts and the process by which they were determined and approved, including checking the mathematical accuracy of the underlying calculations; • Compared the cash flows used in the value in use with the understanding obtained about the business area during our audit and available market information; and <p>Checked the adequacy of the disclosures made by the Company in this area with regard to applicable accounting and reporting standards.</p>

6/11/2025



Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises information included in the annual report, but does not include the unconsolidated and consolidated financial statements and auditor's report thereon.

Our opinion on the unconsolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Unconsolidated Financial Statements

Management is responsible for the preparation and fair presentation of the unconsolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the unconsolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these unconsolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the unconsolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the unconsolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of accounts have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of other comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is **Imran Afzal**.


Chartered Accountants

Lahore

Date: September 2, 2025

UDIN: AR202510212CEq438fXb

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025

	Note	2025 (Rupees in thousand)	2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	332,338	352,356
Intangible assets	6	106	298
Long term investment	7	3,204,510	3,204,510
Long term security deposits	8	175	175
		3,537,129	3,557,339
CURRENT ASSETS			
Stores and spares	9	39,791	39,892
Trade debts - secured	10	-	8,533
Advances, prepayments and other receivables	11	83,929	83,041
Short term investments	12	670,300	187,823
Bank balance	13	145,341	10,381
		939,361	329,670
TOTAL ASSETS		4,476,490	3,887,009
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 400,000,000 (2024: 400,000,000) ordinary shares of Rs. 10 each		4,000,000	4,000,000
Issued, subscribed and paid up share capital 363,380,000 (2024: 363,380,000) ordinary shares of Rs. 10 each	14	3,633,800	3,633,800
Capital reserve: Share premium	15	41,660	41,660
Revenue reserve: Un-appropriated profit		192,002	73,828
		3,867,462	3,749,288
NON-CURRENT LIABILITIES			
Employee benefit obligations	16	10,783	9,554
CURRENT LIABILITIES			
Trade and other payables	17	10,157	22,304
Dividend payable	18	571,044	88,306
Unclaimed dividends		5,347	6,264
Provision for taxation		11,697	11,293
		598,245	128,167
TOTAL EQUITY AND LIABILITIES		4,476,490	3,887,009
CONTINGENCIES AND COMMITMENTS			
	19		

The annexed notes 1 to 36 form an integral part of these unconsolidated financial statements.


Chief Executive


Chief Financial Officer


Director

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees in thousand)	2024
Revenue	20	-	-
Direct costs	21	(96,393)	(93,364)
Gross Loss		(96,393)	(93,364)
Administrative expenses	22	(49,264)	(43,982)
Other income	23	5,963,521	4,500,155
Other expenses	24	(2,540)	-
Finance cost	25	(4,112)	(7,577)
Profit before income tax and final tax		5,811,212	4,355,232
Taxation - final tax	26	(23,969)	(13,944)
Profit before income tax for the period		5,787,243	4,341,288
Taxation - income tax	26	(341)	(4,976)
Profit for the year		5,786,902	4,336,312
Earnings per share - basic and diluted - Rupees	34	15.93	11.93

The annexed notes 1 to 36 form an integral part of these unconsolidated financial statements.



Chief Executive



Chief Financial Officer



Director

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2025

	2025 (Rupees in thousand)	2024
Profit for the year	5,786,902	4,336,312
Other comprehensive income		
<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>	-	-
Total comprehensive income for the year	5,786,902	4,336,312

The annexed notes 1 to 36 form an integral part of these unconsolidated financial statements.



Chief Executive



Chief Financial Officer



Director

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2025

	Share capital	Capital reserve Share premium	Revenue reserve Un-appropriated profit	Total
	(Rupees in thousand)			
Balance as on July 01, 2023	3,633,800	41,660	261,597	3,937,057
Profit for the year	-	-	4,336,312	4,336,312
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	4,336,312	4,336,312
Transactions with owners, in their capacity as owners, recognized directly in equity:				
1st interim cash dividend for the year ending June 30, 2024 @ Rs. 4.70 per ordinary share	-	-	(1,707,886)	(1,707,886)
2nd interim cash dividend for the year ending June 30, 2024 @ Rs. 4.75 per ordinary share	-	-	(1,726,055)	(1,726,055)
3rd interim cash dividend for the year ending June 30, 2024 @ Rs. 1.50 per ordinary share	-	-	(545,070)	(545,070)
4th interim cash dividend for the year ending June 30, 2024 @ Rs. 1.50 per ordinary share	-	-	(545,070)	(545,070)
Balance as on June 30, 2024	3,633,800	41,660	73,828	3,749,288
Profit for the year	-	-	5,786,902	5,786,902
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	5,786,902	5,786,902
Transactions with owners, in their capacity as owners, recognized directly in equity:				
1st interim cash dividend for the year ending June 30, 2025 @ Rs. 5.90 per ordinary share	-	-	(2,143,942)	(2,143,942)
2nd interim cash dividend for the year ending June 30, 2025 @ Rs. 9.70 per ordinary share	-	-	(3,524,786)	(3,524,786)
Balance as on June 30, 2025	3,633,800	41,660	192,002	3,867,462

The annexed notes 1 to 36 form an integral part of these unconsolidated financial statements.


Chief Executive


Chief Financial Officer


Director

UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees in thousand)	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	27	(127,363)	(55,108)
Finance costs paid		(4,112)	(7,587)
Income tax and final tax paid		(23,904)	(16,951)
Employee benefit obligations paid		(1,076)	-
		(29,092)	(24,538)
Net cash outflow from operating activities		(156,455)	(79,646)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant & equipment and intangible assets		(1,887)	(4,449)
Profit received on short term investments		98,092	92,442
Proceeds from disposal of fixed assets		270	-
Dividend received from PMCL (wholly owned subsidiary)		5,864,253	4,390,179
Profit received on bank deposits		71	17,160
Net cash inflow from investing activities		5,960,799	4,495,332
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(5,186,907)	(4,434,925)
Net cash outflow from financing activities		(5,186,907)	(4,434,925)
Net increase / (decrease) in cash and cash equivalents		617,437	(19,239)
Cash and cash equivalents at beginning of the period		198,204	217,443
Cash and cash equivalents at the end of the period	28	815,641	198,204

The annexed notes 1 to 36 form an integral part of these unconsolidated financial statements.


 Chief Executive


 Chief Financial Officer


 Director

NOTES TO AND FORMING PART OF THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

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 repealed 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 (2024: 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 sector as detailed in Note 7 to these 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 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 now 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 switch yard to 132 KV.
- 1.5** The Company's Generation License issued by the National Electric Power Regulatory Authority ('NEPRA') expired on September 21, 2021. On August 31, 2021, it applied for its renewal/extension from NEPRA, in line with the term of its PPA and Implementation Agreement ('IA'). On April 01, 2024, NEPRA granted the renewal of the Generation License to the Company for another term of ten (10) years from the date of expiry. Now, the term of the Generation License is extended till June 05, 2031, making it consistent with the terms of the PPA and the IA. As directed by NEPRA in its Determination, the Company has applied for the Licensee Proposed Modification ('LPM') with NEPRA vide its letter no. AEL/CORP/1375 dated May 10, 2024, to match the installed capacity in the Generation License with the capacity mentioned in the PPA and the IA, which is still in process.
- 1.6** During the year, Company's subsidiary, Rousch (Pakistan) Power Limited ('RPPL') was approached by the Government of Pakistan for Termination of the Power Purchase Agreement ('PPA') entered into with Central Power Purchasing Agency (Guarantee) Limited (CPPA), the Implementation Agreement ('IA') entered into with the President of the Islamic republic of Pakistan, and the Guarantee issued by the Islamic Republic Of Pakistan ("the Agreements"). On November 11, 2024, RPPL signed a Negotiated Settlement Agreement ('NSA') for Termination of the Agreements. As per the terms of the NSA, CPPA paid the agreed outstanding receivables to RPPL by December 31, 2024, and RPPL handed over the Complex to the Government of Pakistan's designated entity National Power Parks Management Company Limited ('NPPMCL').

- 1.7** In view of continued operational losses suffered by the Company as a result of no dispatch demand from the off-taker during the past several years, on March 2025 the Board of Directors of the Company referred to the shareholders, the proposal of early termination / retirement of: (i) the PPA entered into with CPPA, (ii) the IA entered into with the President of Islamic Republic of Pakistan on behalf of the Government of Pakistan, and (iii) the Guarantee issued by the Government of Pakistan ("Guarantee"), (the PPA, IA and the Guarantee are hereinafter collectively referred to as the "Agreements"). On April 17, 2025, the shareholders of the Company in an Extra Ordinary General Meeting decided to and authorised the Company to submit an application for early Termination of the Agreements with CPPA. On May 09, 2025, the Company has also submitted a formal request to CPPA for early retirement of the Agreements which is in process at the end of CPPA for this consideration and approval.

These conditions indicate a material uncertainty on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these financial statements have been prepared on going concern basis, as RPPL has invested the funds received from the Government in mutual funds, which are expected to generate sufficient dividend income in future to support the Company in meeting its expenditures, based on the cash flow projections of the Company.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

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

- i)** International Financial Reporting Standards ('IFRS') 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 from the IFRS, the provisions of and directives issued under the Act have been followed.

- 2.2** These unconsolidated financial statements are the separate financial statements of the Company. Consolidated financial statements are prepared separately.

2.3 Initial application of standards, amendments or an interpretation to existing standards

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

2.3.1 Standards, amendments to published standards and interpretations that are effective in the current year

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 1, 2024 but are considered not to be relevant or to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated financial statements.

2.2.2 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. As referred to in Note 1.2, the Company's PPA was executed on September 18, 1995. Therefore, the standard will not have any impact on the Company's unconsolidated financial statements to the extent of its PPA. For the remaining leases, the Company has assessed that the application of this standard does not have any material impact on these unconsolidated financial statements.

Under IFRS 16, the consideration required to be made by the lessee for the right to use the asset is to be accounted for as a lease. The Company's power plant's control due to purchase of total output by CPPA appears to fall under the scope of IFRS 16. Consequently, if the Company were to follow IFRS 16 with respect to its PPA, the effect on the unconsolidated financial statements would be as follows:

	2025 (Rupees in thousand)	2024
De-recognition of property, plant and equipment	(290,250)	(308,963)
De-recognition of trade debts	-	-
Recognition of lease debtor	279,873	305,337
Decrease in un-appropriated profit at the beginning of the year	(3,620)	(1,647)
Increase in profit for the year	(6,757)	(1,973)
Decrease in un-appropriated profit at the end of the year	(10,377)	(3,620)

- b) In respect of companies holding financial assets due from the Government of Pakistan ('GoP') in respect of circular debt, SECP through SRO 1784(I)/2024 dated November 04, 2024 has notified that the requirements contained in IFRS 9 with respect to application of Expected Credit Losses ('ECL') method shall not be applicable on such financials assets for the financial years ending on or before December 31, 2025 and that such companies shall follow relevant requirements of International Accounting Standard ('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. Company has not assessed the impact of ECL in respect of such financial assets on its financial statements for the year beginning on July 1, 2025 since there is no impact of such exemption on the financial statements

- c) IAS 21, 'The Effects of Changes in Foreign Exchange Rates' is detailed in Note 5.1.7

2.2.3 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 IFRS and interpretations that are mandatory for companies having accounting periods beginning on or after July 1, 2025 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 financial statements.

IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information' sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity.

IFRS S2 'Climate-related Disclosures' sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity

The implementation of IFRS S1 and IFRS S2 will be phased as per the SECP's order dated 31 December 2024, with different effective dates based on annual turnover, number of employees, and total assets (Criteria). Phase I will apply to listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2025. Phase II will apply to other listed companies having specific Criteria for annual reporting periods beginning on or after 1 July 2026. Phase III will cover non-listed public interest companies and remaining listed companies for annual reporting periods beginning on or after 1 July 2027.

2.3.4 International Accounting Standards Board ('IASB') has also issued the following standards and interpretation, which have not been notified locally by the SECP as at 30 June 2025;

- IFRS 1 'First-time Adoption of International Financial Reporting Standards'
- IFRIC 12 'Service Concession Arrangement'
- IFRS 18 'Presentation and Disclosures in Financial Statements'
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

3. BASIS OF MEASUREMENT

3.1 These unconsolidated financial statements have been prepared under the historical cost convention except for certain items as disclosed in the relevant accounting policies in Note 4.

3.2 Critical accounting estimates and judgements

The preparation of unconsolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the area that involved a higher degree of judgement or complexity, and the item which is more likely to be materially adjusted due to the estimates and assumptions turning out to be wrong. Detailed information about this estimate and judgement is included in other notes together with information about the basis of calculation for each affected line item in the unconsolidated financial statements.

- (i) Useful lives, residual values and recoverable amount of property, plant and equipment - Notes 4.2, 4.4 and 5.1
- (ii) Taxation
- (iii) Impairment

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of these unconsolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

4.1 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognised in the unconsolidated statement of profit or loss except to the extent that relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current

The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to profit for the year if enacted or substantively enacted at the end of the reporting period in accordance with the prevailing law for taxation of income, after taking into account tax credits, rebates and exemptions, if any. Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the tax authorities will accept an uncertain tax treatment. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The profits and gains of the Company derived from electric power generation are exempt from tax in terms of Clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the conditions and limitations provided therein.

Under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, the Company is also exempt from levy of minimum tax on 'turnover' under section 113 of the Income Tax Ordinance, 2001. However, full provision is made in the unconsolidated statement of profit or loss on income from sources not covered under the above clauses at current rates of taxation after taking into account, tax credits and rebates available, if any.

Deferred

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax has not been provided in these unconsolidated financial statements as the Company's management believes that the temporary differences will not reverse in the foreseeable future due to the fact that the profits and gains of the Company derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

Group taxation

In September 2021, SECP registered a Group comprising of the Company and its wholly owned subsidiary, Power Management Company (Private) Limited, and designated the Group for Group Taxation under section 59AA of the Income Tax Ordinance, 2001. Consequently, the Group is taxed as one fiscal unit from the tax year 2022 and onwards. Further, as per clause 103A of the Second Schedule to the Income Tax Ordinance, 2001, any income derived from inter-corporate dividend within the group companies entitled to group taxation under section 59AA of the Income Tax Ordinance, 2001 is exempt from tax subject to the condition that return of the Group has been filed for the tax year.

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

4.2 Property, plant and equipment

4.2.1 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The cost of an item of plant and machinery is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of such item can be measured reliably.

Recognition of cost in the carrying amount of an item of plant and machinery ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the management. The cost of the plant and equipment includes:

- a) its purchase price including import duties, non refundable purchase taxes after deducting trade discounts and rebates; and
- b) any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Exchange differences arising on foreign currency loans contracted under IA with the GoP are capitalized in the cost of plant and machinery as referred to in Note 4.17(b) to these unconsolidated financial statements.

Depreciation on all items of operating fixed assets is charged to statement of profit or loss on straight line basis so as to write off the cost of an asset over its estimated useful life at the annual rates mentioned in Note 5.1 after taking into account their residual values.

The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted if impact on depreciation is significant. The Company's estimate of the residual value of its operating fixed assets as at June 30, 2025 has not required any adjustment, as its impact is considered insignificant.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount as explained in Note 4.4 to these unconsolidated financial statements.

Subsequent costs incurred to replace a component of an item of plant and equipment is capitalized and the asset so replaced is retired. Other subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset, represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

4.2.2 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

4.2.3 Major spare parts and stand-by equipment

Major spare parts and stand-by equipment qualify as property, plant and equipment when an entity expects to use them during more than one year. Transfers are made to relevant operating fixed assets category as and when such items are available for use.

4.3 Intangible assets

Expenditure incurred to acquire Enterprise Resource Planning ('ERP') system and other software is capitalised as an intangible asset and stated at cost less accumulated amortisation and any identified impairment loss. Costs associated with maintaining ERP are recognised as an expense as incurred. Intangible assets are amortised using the straight line method over a period of three years.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (as explained in Note 4.4 to these financial statements).

4.4 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units 'CGU'). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4.5 Investments

Investments intended to be held for less than twelve months from the reporting date or to be sold to raise operating capital, are included in current assets. These include investments made in mutual funds that are carried at fair value through profit or loss ('FVPL'). All other investments are classified as non-current. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

4.5.1 Investments in equity instruments of subsidiary

Investment in equity instruments of subsidiary is measured at cost as per the requirements of IAS 27 "Separate Financial Statements". However, at subsequent reporting dates, the Company reviews the carrying amount of the investment and its recoverability to determine whether there is an indication that such investment has suffered an impairment loss. If any such indication exists, the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are recognised as an expense in the unconsolidated statement of profit or loss.

The Company assesses at the end of each reporting period whether there is any indication that a previously recognised impairment loss may no longer exist or may have decreased. It assesses whether there have been favourable events or changes in circumstances, since impairment was recognised. If any such indication exists, the Company estimates the recoverable amount of that investment and reverses the impairment loss. The amount of any reversal recognised is restricted to increasing the carrying value of investment to the carrying value that would have been recognised if the original impairment had not occurred.

The Company is required to issue consolidated financial statements along with its separate financial statements in accordance with the requirements of IFRS 10, 'Consolidated Financial Statements' and IAS 27, 'Separate Financial Statements'.

4.6 Stores, spares and loose tools

Stores, spare parts and loose tools are valued at moving weighted average cost except for items in transit which are stated at invoice value plus other charges paid thereon till the reporting date. For items which are slow moving and/or identified as obsolete, adequate provision is made for any excess book value over estimated realizable value. The Company reviews the carrying amount of stores and spares on a regular basis and provision is made for obsolescence.

4.7 Financial assets

4.7.1 Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value [either through other comprehensive income ('OCI') or through profit or loss], and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ('FVOCI').

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

4.7.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

4.7.3 Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- i) **Amortised cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method except for delayed payment markup on amounts due under the PPA which is included in revenue. Any gain or loss arising on derecognition is recognised directly in profit or loss. Impairment losses are presented as separate line item in the statement of profit or loss.
- ii) **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method. Impairment expenses are presented as separate line item in the statement of profit or loss.
- iii) **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

Equity instruments

The Company subsequently measures all equity investments, other than investment in subsidiary, at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

4.7.4 Impairment of financial assets other than those due from the Government of Pakistan and investment in equity instruments

The Company assesses on a forward-looking basis the expected credit losses ('ECL') associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade debts, the company applies IFRS 9 simplified approach to measure the expected credit losses (loss allowance) which uses a life time expected loss allowance to be recognised from initial recognition of the receivables, while general 3-stage approach for deposits, loans, bank balances and other receivables i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

Following are the financial assets that are subject to the ECL model:

- Long term security deposits;
- Loans and other receivables; and
- Bank balance.

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month ECL where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses. The Company considers that a financial asset other than those due from the Government of Pakistan, is in default when a contractual payment is 90 days past due. The definition is based on the Company's internal credit risk management policy.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company recognizes an impairment gain or loss in the statement of profit or loss for financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

The Company writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Company may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result into impairment gains.

4.7.5 Impairment of financial assets due from the Government of Pakistan

Financial assets due from the Government of Pakistan in respect of circular debt include trade debts, contract assets and other receivables due from CPPA under the PPA that also includes accrued amounts. As disclosed in Note 2.4.2(b), the Company applies requirements of IAS 39 in respect of above referred financial assets to recognise impairment. Accordingly, the same continue to be reported as per following accounting policy:

"Impairment is established when there is objective evidence that the Company will not be able to collect all the amount due according to the original terms of the receivable.

The Company assesses at the end of each reporting period whether there is objective evidence that the financial asset is impaired. The financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of profit or loss. When the financial asset is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the statement of profit or loss. If, in a subsequent period, the amount of the impairment decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment is recognised in the statement of profit or loss."

4.8 Financial liabilities

Financial liabilities are recognised at time when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in statement of profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method. Gain and losses are recognized in the profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in unconsolidated statement of profit or loss.

4.9 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the unconsolidated financial statements only when there is a legally enforceable right to set off the recognised amount and the Company intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.10 Trade debts

Trade debts are amounts due from CPPA in the ordinary course of business. They are generally due for settlement as referred to in Note 4.18 and therefore classified as current. Trade debts are recognised initially at amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair values. The Company holds trade debts with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using effective interest method, less impairment.

4.11 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and short term borrowings. Short term borrowings are shown within borrowings in current liabilities in the unconsolidated statement of financial position.

4.12 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in unconsolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the date of statement of financial position.

4.13 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in unconsolidated statement of profit or loss in the period in which they are incurred.

4.14 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in ordinary course of business from suppliers. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. Trade and other payables are recognized initially at fair values and subsequently measured at amortised cost using the effective interest method.

4.15 Provisions

Provisions for legal claims and make good obligations are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

4.16 Employee benefits

i) Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the unconsolidated statement of financial position.

ii) Post employment benefits

The main features of the schemes operated by the Company for its employees are as follows:

a) Defined benefit plan - gratuity

The Company operates an un-funded gratuity scheme for all permanent employees according to the terms of employment, subject to a minimum qualifying period of service and provision is made annually to cover the obligations under the scheme. These benefits are calculated with reference to last drawn salaries and prescribed qualifying periods of service of the employees. The management considers that the valuation by an independent actuary is not expected to result into a significant deviation from the management's estimation.

b) Other long term employee benefit obligations - accumulating compensated absences

The Company provides for accumulating compensated absences of its employees in accordance with respective entitlement on cessation of service. The annual leaves can be encashed at the time the employee leaves the Company on the basis of the latest gross salary. Annual leaves will be accumulated for a maximum of twenty two days. Annual leaves in excess of maximum balance shall automatically lapse. The management considers that the valuation by an independent actuary is not expected to result in a significant deviation from the management's estimation.

4.17 Foreign currency transactions and translation

a) Functional and presentation currency

Items included in the unconsolidated financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the unconsolidated statement of profit or loss except for exchange differences related to foreign currency loans obtained for the acquisition, development and construction of qualifying assets which are capitalised over the period of the IA in accordance with SRO 986(I)/2019 dated September 2, 2019 (previously SRO 24(I)/2012) of the SECP.

4.18 Revenue recognition

Revenue is recognised when (or as) the Company satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset and thus has the ability to direct the use and obtain the benefits from the good or service.

Revenue on account of energy purchase price and capacity purchase price is recognised based on Net Electric Output ('NEO') delivered to CPPA (at a point in time). Capacity and energy revenue is recognised based on the rates determined under the mechanism laid down in the PPA.

Revenue on account of delayed payments markup on amounts due under the PPA, is accrued on a time proportion basis by reference to the amount outstanding and the applicable rate of return under the PPA.

Invoices are raised on a monthly basis and are due after 15 days from acknowledgement by CPPA.

4.19 Dividend and appropriation to / from reserves

Dividend distribution to the Company's members and appropriation to/from reserves is recognized in the Company's unconsolidated financial statements in the period in which these are approved.

4.20 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

4.21 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.22 Contract asset and contract liability

A contract asset is recognised for the Company's right to consideration in exchange for goods or services that it has transferred to a customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Company presents the amount as a contract asset, excluding any amounts presented as a receivable.

A contract liability is recognised for the Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Company has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Company transfers a good or service to the customer, the Company shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

4.23 Leases

The Company is the lessee.

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease, it is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

4.24 Rounding of amounts

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

	Note	2025 (Rupees in thousand)	2024
5. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	5.1	329,646	349,664
Major spare parts and stand-by equipment	5.2	2,692	2,692
		332,338	352,356

5.1.4 Management has reviewed the business performance of the Company's Power Generation operations during the year and an assessment has been made in respect of triggering events as specified by IAS 36, 'Impairment of Assets' applicable to the assets relating to Power Generation operations at a CGU level. Based on the following indicators applicable to Power Generation CGU, an impairment test has been carried out by the management:

- Significant change in the technological and economic conditions;
- Decrease in the economic performance of Company's Power Generation operations; and
- Forecasted operating losses and net cash outflows in certain years for Company's Power Generation operations.

Power Generation CGU comprises property, plant and equipment, intangible assets and stores and spares. The recoverable amount of the CGU has been determined based on the higher of 'fair value less costs of disposal' and 'value in use'. Management involved an independent expert (professional valuer) to materially assess the 'fair value less costs of disposal' while the 'value in use' has been determined by management through discounted cash flow method. Based on the above, the 'fair value less costs of disposal' has been determined as higher of the two and consequently, has been used as the recoverable amount of the CGU. The CGU's disposal is subject to approval by CPPA/PPIB under the IA and PPA. Since the recoverable amount of the CGU is higher than its carrying amount, therefore, no impairment loss is required to be recognised during the year in these unconsolidated financial statements.

5.1.5 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. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. Fair value is determined on the basis of objective evidence at each reporting date.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between Levels 1 and 2 and Levels 2 and 3 during the year and there were no changes in valuation techniques during the years.

Valuation techniques and key assumptions used to determine level 2 and level 3 fair values

The fair value measurement of Power Generation CGU is categorised within the levels 2 and 3 of fair value hierarchy as stated below. The Company obtained independent valuation for its freehold land, building on freehold land and plant and machinery.

Level 2 fair value of freehold land has been derived using a comparable transactions approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price per kanal or acre.

Level 3 fair value of building on freehold land has been determined using a depreciated replacement cost approach, whereby, current cost of construction of a similar building in a similar location has been adjusted using a suitable depreciation rate and forced sale factor to arrive at present market value. Higher, the estimated cost of construction of a new building, higher the fair value. Further, higher the depreciation rate, the lower the fair value of the building.

Costs of disposal of plant and machinery have been determined on the basis of estimate of installation cost of similar plant and machinery.

5.1.6 The aggregate book value of operating fixed assets sold during the current and previous years was below Rs 0.5 million.

5.1.7 According to the SRO 986(I)/2019 dated September 2, 2019 (previously SRO 24(I)/ 2012) issued by SECP [as fully explained in Note 4.17(b) to these unconsolidated financial statements], the Company is allowed to capitalize exchange differences. There were no exchange differences capitalised during the year (2024: Nil). Had the Company followed IAS 21, 'The Effects of Changes in Foreign Exchange Rates', the effect on the unconsolidated financial statements would be as follows:

	Note	2025 (Rupees in thousand)	2024
Statement of financial position			
Decrease in the carrying amount of property, plant and equipment and un-appropriated profits as at June 30		(24,597)	(28,697)
Statement of profit or loss			
Decrease in cost of sales		4,100	4,100
Increase in profit for the year		4,100	4,100

5.2 This amount is net of provision for impairment amounting to Rs. 2.114 million (2024: Rs. 2.114 million).

6 INTANGIBLE ASSETS

These represent computer software and ERP system.

Cost

Opening balance	9,089	9,089
Additions during the year	-	-
Closing balance	9,089	9,089

Amortisation

Opening balance	8,791	8,306
Charge for the year	192	485
Closing balance	8,983	8,791

Net book value as at June 30

Annual amortization rate	33%	33%
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6.1 The amortisation charge for the year has been allocated to administrative expenses.

6.2 ERP system 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.

6.3 Cost of fully amortised intangible assets which are still in use as at June 30, 2025 amounts to Rs 8.766 million (2024: Rs 8.395 million).

			2025 (Rupees in thousand)	2024
7.	LONG TERM INVESTMENT	Note		
	Subsidiary - unquoted:			
	Power Management Company (Private) Limited ('PMCL')			
	320,451,000 (2024: 320,451,000) fully paid ordinary shares			
	of Rs 10 each [Equity held 100% (2024: 100%)] - Cost	7.1	3,204,510	3,204,510

- 7.1** 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 unconsolidated financial statements of the Company. PMCL, in turn, directly holds 59.98% (2024: 59.98%) shares in Rousch (Pakistan) Power Limited ('RPPL'). RPPL is an unlisted public Company limited by shares incorporated in Pakistan.

The principal objective of RPPL is establishing, operating and managing the power plant and to sell electric power. RPPL had been engaged in the sale of electricity and ownership, operation, and maintenance of a 450 Megawatt gas based combined cycle thermal power plant to CPPA. As disclosed in Note 1.6, RPPL's Agreements have been terminated, and it has handed over the Complex to NPPML during the year after receiving its receivables from CPPA. Currently, RPPL no longer owns the Power Plant. However, there are sufficient funds available with the company to meet its ongoing obligations.

Since liquid funds available with RPPL are higher than carrying value of the investment in the Company's statement of financial position, the management has not recorded any impairment on investment in these unconsolidated financial statements.

- 8.** This majorly represents security deposits with IESCO against service charges. These have not been carried at amortised cost as the effect of discounting is not considered material.

			2025 (Rupees in thousand)	2024
9	STORES AND SPARES	Note		
	Stores		-	-
	Spares		69,792	69,893
			69,792	69,893
	Impairment	9.2	(30,001)	(30,001)
			39,791	39,892

- 9.1** Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.

- 9.2** There has been no movement in impairment in the current and prior year.

10	TRADE DEBTS - SECURED			
	Considered good		-	8,533
	Considered doubtful		-	13,674
			-	22,207
	Impairment	10.1	-	(13,674)
			-	8,533

10.1 There has been no movement in impairment in the current and prior year.

	Note	2025 (Rupees in thousand)	2024
11 Advances, prepayments and other receivables			
Advances:			
- To suppliers		178	2,815
- To employees against expenses		100	184
Balances with statutory authorities:			
- Sales tax receivable - considered good		43,193	35,099
- Receivable against Workers' Welfare Fund ('WWF')	11.1	38,369	38,369
		81,562	73,468
Prepayments	11.2	2,089	6,574
		83,929	83,041

11.1 This includes WWF contribution amounting to Rs 37.229 million (2024: Rs 37.229 million) based on accounting profit for tax year 2014 paid under protest after demand by taxation authorities. Since the provisions of WWF were not applicable to the Company in the light of Supreme Court's decision, CPPA has not acknowledged this amount as a valid pass through item under the PPA. Therefore, the Company has filed for a refund from the taxation authorities. The Company has not made any provision against the recoverable amount as the management is confident that the ultimate outcome of the matter would be in favour of the Company, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.

11.2 This includes prepayment in respect of ERP annual support services cost made to Descon Corporation (Private) Limited, a related party on the basis of common directorship, aggregating to Rs 0.058 million (2024: Rs 0.829 million).

12 Short term investments - Fair value through profit or loss

This represents an investment in units of mutual funds of NBP Fund Management Limited and HBL Asset Management Limited.

	Note	2025 (Rupees in thousand)	2024
13 Bank balance			
Cash at bank:			
- Saving accounts	13.1	507	460
- Current accounts		144,834	9,921
		145,341	10,381

13.1 These carry mark-up rate of 9.5% per annum (2024: 20.5% to 23.41% per annum).

14 Issued, subscribed and paid up share capital

2025 (Number of shares)	2024		Note	2025 (Rupees in thousand)	2024
359,480,000	359,480,000	Ordinary shares of Rs 10 each fully paid in cash		3,594,800	3,594,800
3,900,000	3,900,000	Ordinary shares of Rs 10 each issued for consideration other than cash	14.3	39,000	39,000
363,380,000	363,380,000			3,633,800	3,633,800

- 14.1** As at June 30, 2025, 211,397,063 (2024: 211,397,063) ordinary shares of the Company which represent 58.18% (2024: 58.18%) of the share capital of the Company are held by the Holding Company.
- 14.2** A Share Purchase Agreement ('SPA') was signed by and among Crescent Steel and Allied Products Limited ("CSPL") and Shakarganj Mills Limited (collectively referred to as "Sellers"), and Descon Engineering Limited ("Buyer") on August 28, 2006. The SPA defines the rights and privileges of the parties to this Agreement. Major rights and responsibilities under the SPA include; numbers of directors on the Board, minimum amount of shareholding in paid-up capital of the Company and the Right of First Offer over the shares that are or shall be held by other shareholders, should any of them wish to sell or dispose off their shares subject to any conditions laid down in the SPA.
- 14.3** These were issued against machinery and equipment at the time of project development.
- 15.** This reserve can be utilised by the Company only for the purposes specified in Section 81 of the Act.

	Note	2025 (Rupees in thousand)	2024
16	EMPLOYEE BENEFITS OBLIGATIONS		
Gratuity	16.1	10,294	9,136
Accumulating compensated absences	16.2	489	418
		10,783	9,554
16.1	Gratuity		
Opening balance		9,136	7,449
Provision for the year		2,170	1,687
Payments made during the year		(1,012)	-
Closing balance		10,294	9,136
16.2	Accumulating compensated absences		
Opening balance		418	364
Provision for the year		135	54
Payments made during the year		(64)	-
Closing balance		489	418
17	Trade and other payables		
Payable to SNGPL		-	349
Trade creditors	17.1	3,070	14,168
Withholding income tax payable		260	180
Withholding sales tax payable		397	466
Punjab Workers' Welfare Fund	17.2	24	-
Accrued liabilities	17.3	6,406	7,141
		10,157	22,304

	Note	2025 (Rupees in thousand)	2024
17.1	This includes the following amounts due to related parties:		
	Descon Power Solutions (Private) Limited	-	3,734
	Descon Corporation (Private) Limited	59	485
	Inspectest (Private) Limited	-	173
		59	4,392
17.2	Punjab Workers' Welfare Fund		
	Opening balance	-	-
	Accrued during the year	24.1 1,366	-
	Payments during the year	(1,342)	
	Closing balance	24	-
17.3	This includes accrued liability in respect of the following related parties:		
	Descon Engineering Limited	2,070	1,853
	Descon Power Solutions (Private) Limited	547	1,525
	Descon Corporation (Private) Limited	-	230
	Rousch (Pakistan) Power Limited	380	201
	Inspectest (Private) Limited	-	88
		2,997	3,897

18 Dividend payable

This represents dividend payable to Saudi Arabian Construction & Repair Company Limited, a related party, pending approval of State Bank of Pakistan for payment.

19. CONTINGENCIES AND COMMITMENTS

2025 2024
(Rupees in thousand)

19.1 Contingencies

i)	<p>In financial year 2014, the taxation authorities issued a show cause notice for Rs 157 million on account of input sales tax alleged to be wrongly claimed for the tax periods July 2009 to June 2013. The tax department is of the view that input tax paid by the Company should be split among taxable and non-taxable supplies. The Company based on a legal advice, is of the view that component of capacity revenue is not considered value of supply and rule of apportionment is not applicable in case of Independent Power Producers ('IPPs') for the reason that the ultimate product is electrical energy, which is taxable. The Company submitted reply in respect of the show cause notice, which was rejected by the taxation authorities and a demand for the above mentioned amount was raised. Aggrieved by this order, the Company preferred an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], wherein relief sought was not provided. Consequently, Company filed an appeal with Appellate Tribunal Inland revenue ('ATIR') against the demand which was also rejected. The Company preferred an appeal before the Lahore High Court ('LHC') which granted stay to the Company after payment of Rs 10.12 million against the total demand of Rs 157 million. The LHC vide its judgement dated October 31, 2016 decided the case in favour of the Company and the deposit amounting to Rs 10.2 million was refunded to the Company. The tax department has challenged the decision of the LHC before Supreme Court of Pakistan on February 4, 2017 and has also preferred an intra court appeal in LHC against such order which are pending adjudication. Since, the case has already been decided in Company's favour on merits by LHC, no provision for this amount has been made in these unconsolidated financial statements, inter alia on the basis of the advice of the Company's legal counsel.</p>	157,000	157,000
ii)	<p>In respect of tax years 2010, 2011, 2012 and 2013, the Additional Commissioner Inland Revenue ('ACIR') raised demands aggregating Rs 9.30 million under section 122(5A) of the Income Tax Ordinance, 2001 which mainly related to subjecting capacity price to minimum taxation under section 113 of the Income Tax Ordinance, 2001. The Company preferred an appeal before CIR(A) against the impugned tax demand who decided the appeal in favour of the Company thereby deleting the alleged tax demand. The tax department has filed an appeal before the ATIR against the order of CIR(A) on November 3, 2016 and the case is pending for adjudication. The Company has not made any provision against the above demand as the case has already been decided in Company's favour on merits by CIR(A) and the management is confident that the ultimate outcome of the appeal would be in favour of the Company, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.</p>	9,300	9,300
iii)	<p>The taxation authorities in pursuance of show cause notice under sections 114/182 of the Income Tax Ordinance, 2001 for imposition of penalty for late filing of return for tax year 2014, issued an Order thereby creating demand amounting to Rs 16.84 million. Aggrieved with the said Order, the Company preferred an appeal before CIR(A), wherein relief sought was not provided. Being aggrieved with the Order of CIR(A), the Company preferred an appeal before ATIR on May 7, 2018, wherein relief sought was also not provided. Being aggrieved with Order of ATIR the Company has filed an Appeal with the LHC and the case is pending adjudication. The Company has not made any provision against the above demand as the management is confident that the ultimate outcome of the appeal would be in favor of the Company, inter alia based on the advice of the tax consultant and the relevant law and facts.</p>	16,840	16,840

		2025	2024
		(Rupees in thousand)	
iv)	<p>In respect of tax year 2015, the Additional Commissioner (Audit), Inland Revenue ['AC(A)IR'] passed an amended assessment order under section 122(5A) of the Income Tax Ordinance, 2001, creating income tax demand amounting to Rs 81.60 million which mainly related to denying the claim of exemption of dividend income from wholly owned subsidiary on account of non-filing of group tax return for the said tax year. The Company being aggrieved of the said order filed appeal before CIR(A) who through order dated April 16, 2018, accepted all the contentions of the Company except for the taxation of dividend income thereby reducing the demand to Rs 68.33 million. On April 18, 2018, the Company filed an appeal before ATIR against the CIR(A)'s order. ATIR through order dated July 15, 2020 decided the appeal in favour of the Company and thereby deleting the alleged tax demand. Against the ATIR's order, the tax department has filed an appeal before the LHC on October 26, 2020 and the case is pending adjudication.</p> <p>In addition to the above, being aggrieved with the Order of the CIR(A) on the issues which were decided in favour of the Company such as addition of fixed assets, gain on sale of scrap, minimum tax liability on capacity payments and supplemental charges, the tax department preferred an Appeal before the ATIR. On April 18, 2025, the ATIR while accepting the tax department's stance annulled the Order passed by the CIR(A) and restored the Order passed by the assessing officer. Being aggrieved with the Order of the ATIR, the Company has filed an Appeal before the Honorable Lahore High Court and the case is pending adjudication.</p> <p>The Company has not made any provision against the above as the management is confident that the ultimate outcome of the appeal would be in favour of the Company, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.</p>	81,600	68,330
v)	<p>In respect of tax year 2016, the AC(A)IR passed an amended assessment order under section 122(5A) of the Income Tax Ordinance, 2001, creating income tax demand amounting to Rs 150.97 million which mainly related to taxability of dividend income from wholly owned subsidiary on accrual basis. The Company, being aggrieved of the said order, filed an appeal before CIR(A) who through order dated April 16, 2018, accepted all the contentions of the Company except the taxation of dividend income thereby reducing the demand to Rs 147.52 million. On April 18, 2018, the Company filed an appeal before the ATIR against the CIR(A)'s order. ATIR through order dated July 15, 2020 decided the appeal in favour of the Company and thereby deleting the alleged tax demand. Against the ATIR's order, the tax department filed an appeal before the LHC on October 26, 2020 and the case is pending adjudication. In addition to the above, being aggrieved with the Order of the CIR(A) on the issues which were decided in favour of the Company such as addition of fixed assets, gain on sale of scrap, minimum tax liability on capacity payments and supplemental charges, the tax department preferred an Appeal before the ATIR. On April 18, 2025, the ATIR while accepting the tax department's stance annulled the Order passed by the CIR(A) and restored the Order passed by the assessing officer. Being aggrieved with the Order of the ATIR, the Company has filed an Appeal before the Honorable Lahore High Court and the case is pending adjudication.</p> <p>The Company has not made any provision against the above as the management is confident that the ultimate outcome of the appeal would be in favour of the Company, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.</p>	150,970	147,520

		2025 (Rupees in thousand)	2024
vi)	A banking company has issued a guarantee on behalf of the Company in favour of SNGPL as security to cover natural gas/RLNG supply for which payments are made in arrears. The guarantee, which expired on June 14, 2025, was renewed on July 14, 2025, and is now valid until September 14, 2025, and remains renewable.	532,680	532,680
vii)	Based on a legal opinion, management believes that the Company is not an 'establishment' as it does not employ any worker within the meaning of the Punjab Workers' Welfare Fund Act, 2019 (the 'Act'), and therefore the provisions of the Act are not applicable to the Company. The Company had filed a civil suit before the Civil Court, Lahore, which is pending adjudication, seeking a declaration that the Act does not apply to the Company. During the year, the Company received PWWF notices for Tax Years 2022, 2023, and 2024 and, through its legal counsel, responded to these notices. The matter has been decided in the Company's favour, with the liability determined based only on NTR income, as explained in Note 24.1.	-	166,596
viii)	In respect of tax year 2019, the ACIR passed an Order under section 122(5) of the Income Tax Ordinance, 2001, creating income tax demand amounting to Rs. 30.99 million which mainly relates to chargeability of Super Tax under section 4(b) of the Income Tax Ordinance, 2001. Aggrieved with the said Order, the Company filed an appeal before the CIR (A), where the relief was not granted. Aggrieved with the Order of CIR(A), the Company preferred an Appeal before the ATIR. On August 24, 2024, the ATIR has passed an Order thereby deciding the case in favour of the Company. Against the ATIR's order, the tax department filed an appeal before the LHC and the case is pending adjudication. Management is confident that the ultimate outcome of the appeal would be in favour of the Company, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.	30,990	30,990
ix)	In respect of tax year 2022, the DCIR passed an Order under section 4C of the Income Tax Ordinance, creating a demand of Rs. 293.17 million. Aggrieved with the said Order, the Company preferred an Appeal before the CIR(A), where the relief was not granted on January 8, 2024. The Company has filed an Appeal with ATIR within legal timelines. The Company has not made any provisions against the said tax demand as the management is confident that the ultimate outcome of the Appeal would be in favour of the Company, inter alia on the basis of the advice of the tax consultant and the relevant laws and facts.	293,174	293,174
19.2	Commitments - nil		
20.	Revenue - nil		

		2025	2024	
		(Rupees in thousand)		
21	DIRECT COSTS			
	RLNG cost	455	452	
	Depreciation on operating fixed assets	20,535	19,467	
	Stores and spares consumed	334	470	
	Repairs and maintenance	3,424	7,712	
	Purchase of energy	5,103	6,586	
	Lube oil consumed	50	788	
	Operation and maintenance	43,014	37,404	
	Security	12,310	11,631	
	Salaries, benefits and other allowances	1,750	1,612	
	Insurance	3,838	3,518	
	Rent, rates and taxes	1,629	-	
	Travelling and conveyance	451	544	
	Licensing fee	3,337	3,021	
	Miscellaneous	163	159	
		96,393	93,364	
22	ADMINISTRATIVE EXPENSES			
	Salaries, benefits and other allowances	22.1	13,689	11,316
	Directors' meeting fee		1,625	2,725
	Information technology and ERP related cost	22.2	959	1,819
	Travelling and conveyance		3,131	3,117
	Utilities		1,791	1,593
	Postage and telephone		1,056	393
	Printing, stationery and advertisement		2,079	2,760
	Auditor's remuneration	22.3	3,191	2,907
	Legal and professional		15,251	12,777
	Fees and subscription		2,757	2,365
	Entertainment		232	247
	Amortisation of intangible assets		191	485
	Depreciation on operating fixed assets		1,369	684
	Rent, rates and taxes	22.4	790	778
	Miscellaneous		16	16
	Bad debts written off		1,137	-
			49,264	43,982

22.1 Salaries, benefits and other allowances include Rs 2.170 million (2024: Rs 1.687 million) and Rs 0.070 million (2024: Rs 0.054 million) on account of gratuity and accumulating compensated absences respectively.

22.2 This represents charges in respect of ERP annual support services rendered by Descon Corporation (Private) Limited, a related party on the basis of common directorship.

	Note	2025 (Rupees in thousand)	2024
22.3 Auditor's remuneration			
The charges for professional services (exclusive of sales tax) consist of the following in respect of auditors' services for:			
Statutory audits		1,461	1,270
Half yearly review		470	407
Certifications required by various regulations		330	330
Reimbursement of expenses		250	250
Special audit of consolidated financial statements		450	450
Group audit services		230	200
		3,191	2,907
22.4	This includes rentals in respect of property leased from Descon Corporation (Private) Limited, a related party (on the basis of common directorship).		
23 OTHER INCOME			
Profit on bank deposits		71	17,160
Income on short term investment		98,092	92,816
Gain on sale of operating fixed assets		270	-
Liabilities written back		835	-
Dividend income from PMCL (wholly owned subsidiary)		5,864,253	4,390,179
		5,963,521	4,500,155
24 OTHER EXPENSES			
Workers' Welfare Fund	24.1	1,366	-
Advances written off	24.2	1,174	-
		2,540	-
24.1	This also includes Punjab Workers' Welfare Fund (PWWF) expense for Tax Years 2022, 2023, and 2024 amounting to Rs. 1.342 million, based on notices received during the year, as disclosed in Note 19.1(vii).		
24.2	This pertains to arrears payable to SNGPL, which have now been settled.		
25 FINANCE COST			
Mark-up on short term borrowing from banking company - secured		2	4
Bank charges		914	3,771
Guarantee commission		3,196	3,802
		4,112	7,577
26 TAXATION - INCOME TAX AND FINAL TAX			
Final tax		23,969	13,944
Income tax for the year		341	4,976
		24,310	18,920

	Note	2025 (Rupees in thousand)	2024
26.1 Relationship between tax (expense)/income and accounting profit			
Profit before income tax and final tax		5,811,212	4,355,232
Tax at the applicable rate of 29% as per Income Tax Ordinance, 2001		1,685,251	1,263,018
Tax effect of:			
- Electric power generation losses that cannot be carried forward for adjustment		43,527	41,996
- Exemption of dividend income as referred to in Note 4.1		(1,700,633)	(1,273,152)
- Income taxable under different rate		(3,836)	(12,942)
		(1,660,942)	(1,244,098)
		24,310	18,920
27 CASH USED IN OPERATIONS			
Profit before income tax and final tax		5,811,212	4,355,232
Adjustment for non cash charges and other items:			
-Depreciation on operating fixed assets		21,904	20,151
-Dividend income from PMCL (wholly owned subsidiary)		(5,864,253)	(4,390,179)
-Amortization of intangible assets		191	485
-Provision for employee retirement benefits		2,305	1,741
-Bad debts written off		1,137	-
-Liabilities written back		(835)	-
-Profit on bank deposits		(71)	(17,160)
-Profit on short term investments		(98,092)	(92,442)
-Gain on disposal of operating fixed assets		(270)	-
-Finance cost		4,112	7,577
		(5,933,872)	(4,469,827)
Loss before working capital changes		(122,660)	(114,595)
Effect on cashflow due to working capital changes:			
(Increase) / decrease in current assets			
Stores and spares		101	(964)
Trade debts - secured		7,396	68,470
Advances, prepayments, and other receivables		(53)	(10,813)
		7,444	56,693
(Decrease) / increase in current liabilities			
Trade & other payables		(12,147)	2,794
		(127,363)	(55,108)
28 CASH AND CASH EQUIVALENTS			
Bank balance		145,341	10,381
Short term investments		670,300	187,823
		815,641	198,204

29. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

19.1 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. Amounts due from and to related parties are shown under receivables and payables.

19.2 Related party transactions have been disclosed in respective notes in these unconsolidated financial statements other than followings:

		2025 (Rupees in thousand)	2024
Relationship with the Company	Nature of transaction		
i) Holding company			
DEL Power (Private) Limited	Dividends paid	3,297,794	2,631,893
ii) Subsidiary companies			
Power Management Company (Private) Limited	Dividends received	5,864,253	4,390,179
Rousch (Pakistan) Power Limited	Common costs charged to the Company	868	1,129
iii) Other related parties			
On the basis of common directorship			
Descon Engineering Limited	Common costs charged to the Company	6,269	5,349
Descon Power Solutions (Private) Limited	Operation & maintenance contractor's fee	43,014	37,404
	Common costs charged to the Company	1,323	1,038
Descon Corporation (Private) Limited	Common costs charged to the Company	100	1,834
	Building rent	707	647
Group company			
Descon Holdings (Private) Limited	Dividend paid	468	374
Other related parties			
Saudi Arabian Construction & Repair Company Limited	Dividend paid	88,306	-
Crescent Steel and Allied Products Limited	Dividend paid	734,424	755,264
iv) Key management personnel			

There are no transactions with key management personnel other than under the terms of employment. Remuneration of key management personnel is disclosed in Note 30 to these unconsolidated financial statements.

29.3 Related parties with whom the Company had entered into transactions or had arrangements/agreements in place along with their basis of relationship with the Company and percentage of shareholding in the Company are as follows:

Name	Relationship	Percentage of shareholding of the Company
DEL Power (Private) Limited	Holding Company	58.18%
DEL Processing (Private) Limited	Ultimate Parent	Nil
Power Management Company (Private) Limited	Subsidiary	Nil
Rousch (Pakistan) Power Limited	Subsidiary	Nil
Descon Engineering Limited	Common directorship	Nil
Descon Power Solutions (Private) Limited	Common directorship	Nil
Descon Corporation (Private) Limited	Common directorship	Nil
Inspectest (Private) Limited	Common directorship	Nil
Saudi Arabian Construction & Repair Company Limited	Other related party	17.05%
Crescent Steel and Allied Products Limited	Other related party	5.74%
Descon Holdings (Private) Limited	Group Company	0.00826%
Mr. Faisal Dawood	Director	0.00619%
Mrs. Mehreen Dawood	Director	0.000138%
Mr. Farooq Nazir	Director	0.000138%
Mrs. Aliya Saaeda Khan	Director	0.000138%
Mr. Shah Muhammad Chaudhry	Director	0.000138%
Mr. Salih Merghani	Director	Nil
Mr. Syed Rizwan Ali Shah	Director	0.000138%
Mr. Umer Shehzad Sheikh	Chief Executive	Nil

30. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

30.1 The aggregate amounts charged in these unconsolidated financial statements for remuneration and certain benefits to the Directors and Chief Executive are as follows. There is no executive of the Company.

	Chief Executive		Non-Executive Director	
	2025	2024	2025	2024
	---Rupees in thousand---		---Rupees in thousand---	
Managerial remuneration	6116	5162	-	-
Bonus	478	416	-	-
Gratuity	2069	1475	-	-
Accumulating compensated absences	65	46	-	-
Reimbursement of personal medical expenses	333	254	-	-
Car allowance	1372	854	-	-
House rent, utilities and allowances	680	573	-	-
Meeting fee	-	-	1,625	2,725
	11,113	8,780	1,625	2,725
Number of person(s)	1	1	2	2

30.2 During the year, the Company has paid meeting fee amounting to Rs 1.625 million (2024: Rs 2.725 million) to its non-executive (independent) directors. The total number of non-executive directors is 7 (2024: 7).

30.3 There is no executive in Company.

31 NUMBER OF EMPLOYEES

Total number of employees as at June 30
Average number of employees during the year

2025	2024
5	5
5	5

32. FINANCIAL RISK MANAGEMENT

32.1 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.

The Company's overall risk management procedures to minimise the potential adverse effects of financial market on the Company's performance are as follows:

a) Market risk

Market risk is the risk that the fair value or future cash flows of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, liquidity in the market etc.

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. It arises mainly from future commercial transactions or receivables and payables that exist due to transactions entered into foreign currencies. The Company is not exposed to any significant currency risk.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises on balances in savings accounts, overdue trade debts and short term borrowing. The Company has no significant long term interest-bearing assets. The interest rate profile of the Company's interest-bearing financial instruments at the reporting date was as under:

	Note	2025 (Rupees in thousand)	2024
Fixed rate instruments			
Financial assets		-	-
Financial liabilities		-	-
Variable rate instruments			
Financial assets			
Trade debts		-	8,533
Bank balances - savings accounts	13	507	460
Financial liabilities		-	-
Net exposure		507	8,993

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect the unconsolidated statement of profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If interest rates on variable rate financial instruments, at the year end date, fluctuates by 1% higher/lower with all other variables held constant, the impact on post tax loss would not be material.

iii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company has investment in mutual funds that are carried at fair value through profit or loss ('FVPL'). Therefore, the Company is exposed to other price risk due to macroeconomic factors.

As at June 30, 2025, if the market value of Company's investment in units held in mutual funds had been 10% higher/lower, with all other variables held constant, the impact would have been as follow:

	Impact on profit/ loss for the year	
	2025	2024
	(Rupees in thousand)	
NBP Islamic Daily Dividend Fund	5	8,904
NBP Money Market Fund	9,520	147
NBP Cash Plan - II	-	9,731
HLB Cash Fund	57,505	-
	67,030	18,782

The Company is not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices. The Company is also not exposed to equity price risk since there are no investments in equity instruments traded in the market at the reporting date.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk mainly arises from deposits with banks, trade and other receivables. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by Board. The utilization of these credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2025 (Rupees in thousand)	2024
Long term security deposits	175	175
Short term investments	670,300	187,823
Trade debts - secured	-	8,533
Bank balances	145,341	10,381
	815,816	206,912
As of June 30, age analysis of trade debts was as follows:		
Neither past due, not impaired	-	-
Past due but not impaired		
1 to 30 days	-	-
121 to 360 days	-	-
Above 360 days	-	8,533
	-	8,533
Past due and impaired - above 360 days	-	13,674
Less: Impairment	-	(13,674)
	-	8,533

ii) Credit quality of financial institutions

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating Agency	2025 (Rupees in thousand)	2024
	Short term	Long term			
Trade debtors					
CPPA	Not available			-	8,533
Short term investments					
NBP Islamic Daily Dividend Fund	-	AA+(f)	PACRA	48	89,044
NBP Money Market Fund	-	AA(f)	PACRA	95,200	1,471
NBP Cash Plan - II	-	AM1	PACRA	-	97,308
HBL Cash Fund	-	AA+(f)	VIS	575,052	-
				670,300	187,823
Bank balances					
MCB Bank Limited	A1+	AAA	PACRA	2,067	2,035
The Bank of Punjab	A1+	AA+	PACRA	4,295	4,295
Habib Bank Limited	A1+	AAA	VIS	793	124
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	138,186	3,927
				145,341	10,381

The Company's sole customer is CPPA. The credit risk on trade debts from CPPA is managed by a guarantee from the Government of Pakistan under the IA and by continuous follow-ups for release of payments from CPPA. Cash is held only with reputable banks with high quality external credit enhancements. The Company establishes a impairment that represents its estimate of incurred losses in respect of trade debts, if required. Due to the Company's long standing business relationships with these counter-parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Company. Accordingly, the credit risk is minimal.

(iii) Impairment of financial assets other than those due from the Government of Pakistan

The Company's financial assets, other than those due from the Government of Pakistan in respect of circular debt, are subject to the ECL method. While bank balances, long term security deposits and other receivables are subject to the ECL method of IFRS 9, the identified impairment loss as at June 30, 2025 was immaterial and hence, has not been accounted for.

c) **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the Company's business, the Company manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Management monitors the forecasts of the Company's cash and cash equivalents (Note 28) on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the Company. These limits vary by location to take into account the liquidity of the market in which the Company operates. In addition, the Company's liquidity management policy involves projecting cash flows on regular basis and considering the level of liquid assets necessary to meet its liabilities, monitoring reporting date liquidity ratios against internal and external regulatory requirements, and maintaining debt financing plans.

The Company's financial liabilities are due to mature within one year and the carrying amounts are equal to the total contractual cashflows.

The Company closely monitors its liquidity and cash flow position. The liquidity risk is managed by using a financial model and a continuous follow-up for collecting receivables from CPPA and managing debt repayments on due dates, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. However, under current circular debt issue faced by the power sector, the Company is significantly exposed to liquidity risk.

32.2 Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and lenders and to maintain an optimal capital structure to reduce the cost of capital. Consistent with others in the industry and the requirements of the lenders, the Company monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net borrowings divided by total capital employed (as shown in the statement of financial position). Net borrowings is calculated as total borrowings (including current and non-current borrowings) less cash and bank balances and liquid investments.

The Company is ungeared as at June 30, 2025 and 2024.

32.3 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.

The different levels for fair value estimation used by the Company have been explained 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 maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to assess fair value of an instrument are observable, the instrument is included in level 2.
- If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

The following table presents the financial assets and liabilities that are measured at fair value at June 30, 2025:

	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Assets				
Recurring fair value measurements				
At fair value through profit or loss				
Sort term investments	670,300	-	-	670,300
Liabilities	-	-	-	-

The following table represented the financial assets and liabilities that were measured at fair value at June 30, 2024:

	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Assets				
Recurring fair value measurements				
At fair value through profit or loss				
Sort term investments	187,823	-	-	187,823
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 year. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. Changes in level 2 and 3 fair values are analysed 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.

32.4 Offsetting financial assets and financial liabilities

There are no significant financial assets and financial liabilities that are subject to offsetting, enforceable master netting arrangements and similar agreements.

32.5 Financial instruments by categories

	Financial assets at fair value through profit or loss		Financial assets at amortised cost	
	2025	2024	2025	2024
	(Rupees in thousand)		(Rupees in thousand)	
Assets as per statement of financial position				
Long term security deposits	-	-	175	175
Short term investments	670,300	187,823	-	-
Trade debts	-	-	-	8,533
Bank balances	-	-	145,341	10,381
	670,300	187,823	145,516	19,089

Liabilities as per statement of financial position

Trade and other payables
Dividend payable
Unclaimed dividend

**Financial liabilities at
amortised cost**

2025 **2024**
(Rupees in thousand)

10,157	22,304
571,044	88,306
5,347	6,264
586,548	116,874

33 PLANT CAPACITY AND ACTUAL NET GENERATION

Installed capacity (MWh)
Practical maximum output (MWh)
Actual energy delivered (MWh)

250,356	250,356
219,318	219,318
-	-

The actual generation for power plant takes into account all scheduled outages approved by CPPA. Actual output is dependent on the load demanded by CPPA, RLNG supply by SNGPL under as-and-when available basis, the plant availability and mean-site conditions.

34 EARNINGS PER SHARE - BASIC AND DILUTED
Basic Earnings/(loss) per share

Profit for the year (Rupee in thousand)
Weighted average number of ordinary shares (Number)
Earnings per share (Rupees)

5,786,902	4,341,288
363,380,000	363,380,000
15.93	11.95

Diluted earnings per share

A diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2025 and June 30, 2024 which would have any effect on the earnings per share if the option to convert is exercised.

35 CORRESPONDING FIGURES

Certain corresponding figures have been rearranged and/or reclassified, wherever necessary, for the purpose comparison and better presentation. However, no significant reclassification has been made in these unconsolidated financial statements.

36 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on September 01, 2025 by the Board of Directors of the Company.


Chief Executive


Chief Financial Officer


Director

Consolidated Financial Statements
June 30, 2025

Grant Thornton Anjum
Rahman
135-Ferozepur Road,
Lahore 54600,
Pakistan.

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INDEPENDENT AUDITOR'S REPORT

To the members of Altern Energy Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **Altern Energy Limited and its subsidiaries (the Group)**, which comprise the consolidated statement of financial position as at June 30, 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Group's affairs as at June 30, 2025 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 1.2 to the annexed consolidated financial statements, which describes the matter regarding application for cancellation of license. As stated in note 1.2, this event, together with other matters described therein, indicates a material uncertainty related to going concern that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the key audit matter:

Sr. No.	Key audit matter	How the matter was addressed in our audit
(i)	<p>Impairment testing of AEL's Power Generation Cash-Generating Unit ('CGU')</p> <p><i>(Refer notes 5.1.4 and 5.1.5 to the annexed consolidated financial statements)</i></p> <p>The management has tested the assets relating to AEL's Power Generation Operations (considered a CGU) for impairment. The recoverable amount of the CGU has been determined based on higher of 'fair value less costs of disposal' and 'value in use'. Management involved an independent expert (professional valuer) to assess the 'fair value less costs of disposal' while the 'value in use' has been determined by management through discounted cash flow method.</p> <p>The above valuations require significant judgment and estimations on the part of management.</p> <p>Due to the significant level of judgment and estimations involved, we consider this to be a key audit matter.</p>	<p>Our audit procedures, among others, included the following:</p> <ul style="list-style-type: none"> • Obtained understanding of management's process for identification of impairment indicators; • Checked management's assessment of presence and magnitude of impairment indicators for AEL's Power Generation CGU; • Checked whether the method for determination of the recoverable amount is in compliance with the IAS 36, "Impairment of Assets". • For 'fair value less costs of disposal', we assessed the valuation methodology applied, checked assumptions used by the management's expert and assessed the methodology and assumptions used by the management's expert; • Checked the professional qualification of management's expert and assessed the independence, competence and experience of the management's expert in the field; • For value in use, we evaluated cash flow forecasts and the process by which they were determined and approved, including checking the mathematical accuracy of the underlying calculations; • Compared the cash flows used in the value in use with the understanding obtained about the business area during our audit and available market information; and • Checked the adequacy of the disclosures made by the Group in this area with regard to applicable accounting and reporting standards.

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Information Other than the Unconsolidated and Consolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and unconsolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the

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Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is **Imran Afzal**.


Chartered Accountants

Lahore

Date: September 2, 2025

UDIN: AR202510212u06iCAeFI

ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2025

	Note	2025 (Rupees in thousand)	2024
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	5	338,722	10,478,373
Intangible assets	6	106	9,784
Long term security deposits		376	608
Long term loan to employees - secured	7	-	1,988
		339,204	10,490,753
CURRENT ASSETS			
Store, spares and loose tools	8	39,791	736,184
Inventory of fuel oil		-	441,988
Trade debts - secured	9	-	14,229,704
Loans, advances, prepayments and other receivables	10	1,578,221	2,285,925
Short term investments	11	8,921,080	3,434,002
Bank balance	12	186,308	552,078
		10,725,400	21,679,881
		11,064,604	32,170,634
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 400,000,000 (2024: 400,000,000) ordinary shares of Rs 10 each	13	4,000,000	4,000,000
Issued, subscribed and paid up share capital 363,380,000 (2024: 363,380,000) ordinary shares of Rs 10 each		3,633,800	3,633,800
Capital reserve: Share premium	14	41,660	41,660
Revenue reserve: Un-appropriated profits		2,691,960	12,918,847
Attributable to owners of the Parent Company		6,367,420	16,594,307
Non-controlling interests		3,529,938	11,200,008
Total equity		9,897,358	27,794,315
NON-CURRENT LIABILITIES			
Employee benefit obligations	15	15,141	15,836
Deferred taxation	16	324,162	1,024,431
		339,303	1,040,267
CURRENT LIABILITIES			
Trade and other payables	17	233,922	554,289
Accrued markup on short term borrowings - secured		-	822
Unclaimed dividends		5,347	6,264
Dividends Payable	18	594,927	2,756,986
Provision for taxation		(6,253)	17,691
		827,943	3,336,052
CONTINGENCIES AND COMMITMENTS			
	19		
		11,064,604	32,170,634

The annexed notes 1 to 38 form an integral part of these consolidated financial statements.


Chief Executive


Chief Financial Officer


Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees in thousand)	2024
Revenue	20	7,970,077	9,602,464
Direct costs	21	(4,196,565)	(3,614,355)
Gross profit		3,773,512	5,988,109
Administrative expenses	22	(380,131)	(1,068,698)
Other expenses	24	(12,048,363)	(15,373)
Other income	23	1,119,267	963,721
Finance cost	25	(106,318)	(57,007)
(Loss) / profit before income tax and final tax		(7,642,033)	5,810,752
Taxation - final tax	26	(581,122)	(152,022)
(Loss) / profit before income tax for the year		(8,223,155)	5,658,730
Taxation - income tax	26	515,790	(351,755)
(Loss) /profit for the year		(7,707,365)	5,306,975
Attributable to:			
Equity holders of the Parent Company		(4,557,349)	3,085,244
Non-controlling interest		(3,150,016)	2,221,731
		(7,707,365)	5,306,975
(Loss) /earnings per share - basic and diluted	Rupees	(12.54)	8.49

The annexed notes 1 to 38 form an integral part of these consolidated financial statements.



Chief Executive



Chief Financial Officer



Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2025

	2025 (Rupees in thousand)	2024
(Loss) /profit for the year	(7,707,365)	5,306,975
Other comprehensive income:		
<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>		
-Remeasurement of post retirement benefit plan	(1,350)	3,414
	(1,350)	3,414
Total comprehensive (loss) /income for the year	(7,708,715)	5,310,389
Attributable to:		
Equity holders of the Parent Company	(4,558,159)	3,087,292
Non-controlling interest	(3,150,556)	2,223,097
	(7,708,715)	5,310,389

The annexed notes 1 to 38 form an integral part of these consolidated financial statements.


Chief Executive


Chief Financial Officer


Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2025

	Share capital	Share premium	Un-appropriated profit	Total equity attributable to owners of the Parent Company	Non-controlling Interests	Total
	(Rupees in thousand)					
Balance as on July 1, 2023 (Audited)	3,633,800	41,660	14,355,636	18,031,096	12,426,921	30,458,017
Profit for the year	-	-	3,085,244	3,085,244	2,221,731	5,306,975
Other comprehensive income for the year	-	-	2,048	2,048	1,366	3,414
Total comprehensive income for the year	-	-	3,087,292	3,087,292	2,223,097	5,310,389
Transactions with owners, in their capacity as owners, recognized directly in equity:						
1st Interim cash dividend @ Rs 4.70 per ordinary share by Parent Company	-	-	(1,707,886)	(1,707,886)	-	(1,707,886)
2nd Interim cash dividend @ Rs 4.75 per ordinary share by Parent Company	-	-	(1,726,055)	(1,726,055)	-	(1,726,055)
3rd Interim cash dividend @ Rs 1.50 per ordinary share by Parent Company	-	-	(545,070)	(545,070)	-	(545,070)
4th Interim cash dividend @ Rs 1.50 per ordinary share by Parent Company	-	-	(545,070)	(545,070)	-	(545,070)
Final cash dividend paid to non-controlling interest by Rousch	-	-	-	-	(1,380,004)	(1,380,004)
1st Interim cash dividend paid to non-controlling interest by Rousch	-	-	-	-	(1,380,004)	(1,380,004)
2nd Interim cash dividend paid to non-controlling interest by Rousch	-	-	-	-	(345,001)	(345,001)
3rd Interim cash dividend paid to non-controlling interest by Rousch	-	-	-	-	(345,001)	(345,001)
Balance as on June 30, 2024	3,633,800	41,660	12,918,847	16,594,307	11,200,008	27,794,315
Loss for the year	-	-	(4,557,349)	(4,557,349)	(3,150,016)	(7,707,365)
Other comprehensive income for the year	-	-	(810)	(810)	(540)	(1,350)
Total comprehensive loss for the year	-	-	(4,558,159)	(4,558,159)	(3,150,556)	(7,708,715)
Transactions with owners, in their capacity as owners, recognized directly in equity:						
1st Interim cash dividend @ Rs 5.90 per ordinary share by Parent Company	-	-	(2,143,942)	(2,143,942)	-	(2,143,942)
1st Interim cash dividend @ Rs 9.70 per ordinary share by Parent Company	-	-	(3,524,786)	(3,524,786)	-	(3,524,786)
Final cash dividend paid to non-controlling interest by Rousch	-	-	-	-	(1,552,505)	(1,552,505)
1st Interim cash dividend paid to non-controlling interest by Rousch	-	-	-	-	(2,967,009)	(2,967,009)
Balance as on June 30, 2025	3,633,800	41,660	2,691,960	6,367,420	3,529,938	9,897,358

The annexed notes 1 to 38 form an integral part of these consolidated financial statements.


Chief Executive


Chief Financial Officer


Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2025

	Note	2025 (Rupees in thousand)	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	27	18,085,322	5,966,565
Long term deposits - net		-	99
Finance cost paid		(85,140)	(91,183)
Income tax and final tax paid		(789,542)	(732,833)
Long term loans to employees - net		1,988	(854)
Employee benefit obligations paid		(4,592)	(5,557)
		(877,286)	(830,328)
Net cash inflow from operating activities		17,208,036	5,136,237
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment and intangible assets		(37,270)	(9,059)
Profit on short term investment received		205,937	92,442
Profit on bank deposits received		53,042	778,241
Proceeds from disposal of operating fixed assets		42,783	7,476
Net cash inflow from investing activities		264,492	869,100
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(12,351,220)	(5,216,255)
Net cash outflow from financing activities		(12,351,220)	(5,216,255)
Net increase in cash and cash equivalents		5,121,308	789,082
Cash and cash equivalents at the beginning of the period		3,986,080	3,196,998
Cash and cash equivalents at the end of the period	28	9,107,388	3,986,080

The annexed notes 1 to 38 form an integral part of these consolidated financial statements.


 Chief Executive


 Chief Financial Officer


 Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARY COMPANIES

NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2025

1. LEGAL STATUS AND NATURE OF BUSINESS

Altern Energy Limited ('the Parent company') and its subsidiaries, Power Management company (Private) Limited and Rousch (Pakistan) Power Limited (together, 'the Group') are 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.

1.1 The group comprises of:

Parent Company

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

Subsidiary companies

- Power Management Company (Private) Limited (hereinafter referred to as PMCL)
- Rousch (Pakistan) Power Limited (hereinafter referred to as RPPL)

2025 (Holding percentage)	2024
100.00%	100.00%
59.98%	59.98%

Production facility of:

- AEL

Location

Fateh Jang, District Attock, Punjab, Pakistan

1.2 AEL ('The Parent Company')

The Company's Generation License issued by the National Electric Power Regulatory Authority ('NEPRA') expired on September 21, 2021. On August 31, 2021, it applied for its renewal/extension from NEPRA, in line with the term of its PPA and Implementation Agreement ('IA'). On April 01, 2024, NEPRA has granted the renewal of the Generation License to the Company for another term of ten (10) years from the date of expiry. Now, the term of the Generation License is extended till June 05, 2031, making it consistent with the terms of the PPA and the IA. As directed by NEPRA in its Determination, the Company has applied for the Licensee Proposed Modification ('LPM') with NEPRA vide its letter no. AEL/CORP/1375 dated May 10, 2024, to match the installed capacity in the Generation License with the capacity mentioned in the PPA and the IA, which is still in process.

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 now 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.

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.

During the year, Company's subsidiary, Rousch (Pakistan) Power Limited ('RPPL') was approached by the Government of Pakistan for Termination of the Power Purchase Agreement ('PPA') entered into with Central Power Purchasing Agency (Guarantee) Limited (CPPA), the Implementation Agreement ('IA') entered into with the President of the Islamic Republic of Pakistan, and the Guarantee issued by the Islamic Republic Of Pakistan ("the Agreements"). On November 11, 2024, RPPL signed a Negotiated Settlement Agreement ('NSA') for Termination of the Agreements. As per the terms of the NSA, CPPA paid the agreed outstanding receivables to RPPL by December 31, 2024, and RPPL handed over the Complex to the Government of Pakistan's designated entity National Power Parks Management Company Limited ('NPPMCL').

In view of continued operational losses suffered by the Company as a result of no dispatch demand from the off-taker during the past several years, on March 2025 the Board of Directors of the Company referred to the shareholders, the proposal of early termination / retirement of: (i) the PPA entered into with CPPA, (ii) the IA into with the President of Islamic Republic of Pakistan on behalf of the Government of Pakistan, and (iii) the Guarantee issued by the Government of Pakistan ("Guarantee"), (the PPA, IA and the Guarantee are hereinafter collectively referred to as the "Agreements"). On April 17, 2025, the shareholders of the Company in an Extra Ordinary General Meeting decided to and authorised the Company to submit an application for early Termination of the Agreements with CPPA. On May 09, 2025, the Company has also submitted a formal request to CPPA for early retirement of the Agreements which is in process at the end of CPPA for this consideration and approval.

The conditions indicate a material uncertainty on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these consolidated financial statements have been prepared on going concern basis, as RPPL has invested the funds received from the Government in mutual funds, which are expected to generate sufficient dividend income in future to support the Company in meeting its expenditures, based on the cash flow projections of the Company.

1.3 PMCL

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

1.4 RPPL

Rousch (Pakistan) Power Limited (the 'Company') is a public unlisted 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 Company is a subsidiary of Power Management Company (Private) Limited, Pakistan ('PMCL'), which is a wholly owned subsidiary of Altern Energy Limited, Pakistan ('AEL'), a listed company. Further, the ultimate parent of the Company is DEL Processing (Private) Limited, Pakistan. The registered office of the Company is situated at 403-C, 4th Floor, Evacuee Trust Complex, Sector F-5/1, Islamabad. The principal objective of the Company is establishing, operating and managing power generating projects and selling electricity.

The Company had a Power Purchase Agreement ('PPA') with its sole customer, Central Power Purchasing Agency (Guarantee) Limited (CPPA) for thirty years, which commenced from the Commercial Operation Date and was scheduled to expire in May 2031. During the year, the Company was approached by the Government of Pakistan for early Termination of the PPA, the Implementation Agreement ('IA') entered into with the President of the Islamic Republic of Pakistan and the Guarantee issued by the Islamic Republic of Pakistan ("the Agreements"). On November 11, 2024, upon approval from its Shareholders, the Company signed a Negotiated Settlement Agreement ('NSA') for Termination of the Agreements. The salient features of such NSA were as follows:

The Company shall receive outstanding receivables from CPPA by December 31, 2024; and

The Company shall hand over the Complex (fixed assets, stores, spares and loose tools & fuel inventory) to the Government of Pakistan or its designated entity by December 31, 2024.

As per terms of the NSA, CPPA has paid agreed outstanding receivables to the Company before December 31, 2024. Accordingly, the Company has also handed over the Complex to the Government of Pakistan's designated entity National Power Parks Management Company Limited ('NPPMCL'). As a result of execution of the NSA, the Company no longer owns the Complex to generate and sell electricity to CPPA.

Early termination of the PPA indicates a material uncertainty on the Company's ability to continue as a Going Concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The management of the Company believes that it will continue as a Going Concern based on following factors:

- i) The Company has Rs. 7,445 million surplus funds available as on June 30, 2025 which are invested in mutual funds which generate sufficient income to support Company's expenses.
- ii) The Company has taken certain measures including but not limited to significant reduction in its work force and cutting down its fixed costs and overheads following the handing over of plant to the Government of Pakistan under the NSA mentioned in the paragraph 1.2 above. The Board has directed the management to settle the ongoing litigation matters of the Company. While the management pursues settlement of ongoing litigation, the Company is able to manage its current and future expenses and its obligations due to its sound financial position and there is no reason to believe that this status will change. Therefore, the financial statements have been prepared on Going Concern basis and, consequently, do not require adjustment related to impairment of assets.

2 BASIS OF PREPARATION

2.1 Statement of compliance

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

- i) International Financial Reporting Standards ('IFRS') 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 provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Initial application of standards, amendments or an interpretation to existing standards

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

2.2.1 Standards, amendments to published standards and interpretations that are effective in the current year

Certain standards, amendments and interpretations to IFRS are effective for accounting periods beginning on July 1, 2024 but are considered not to be relevant or to have any significant effect on the Group's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated financial statements.

2.2.2 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 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 consolidated financial statements.

Under IFRS 16, the consideration required to be made by the lessee for the right to use the asset is to be accounted for as a lease. The Group's power plants control due to purchase of total output by CPPA appears to fall under the scope of IFRS 16. Consequently, if the Group were to follow IFRS 16 with respect to its PPAs, the effect on the consolidated financial statements would be as follows:

	2025 (Rupees in thousand)	2024 (Rupees in thousand)
De-recognition of property, plant and equipment	(290,250)	(10,412,144)
De-recognition of trade debts	-	(12,409,357)
Recognition of lease debtor	279,873	18,578,990
Decrease in un-appropriated profits at the beginning of the year	(3,620)	(5,319,740)
Increase in profits for the year	(6,757)	1,077,447
Decrease in un-appropriated profits at the end of the year	(10,377)	(4,242,293)

- b) In respect of companies holding financial assets due from the Government of Pakistan ('GoP') in respect of circular debt, SECP through SRO 1784(I)/2024 dated November 04, 2024 has notified that the requirements contained in IFRS 9 with respect to application of Expected Credit Losses ('ECL') method shall not be applicable on such financials assets for the financial years ending on or before December 31, 2025 and that such companies shall follow relevant requirements of International Accounting Standard ('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. Moreover, the Group has not assessed the impact of ECL in respect of such financial assets on its consolidated financial statements for the year beginning on July 1, 2025 since its trade debts stand nil as at June 30, 2025.

2.2.3 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, 2025 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 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, 2025 as explained in note 2.2.2 (b) above.

3 BASIS OF MEASUREMENT

- 3.1 These consolidated financial statements have been prepared under historical cost convention except certain retirement benefits obligations have been measured at present value and certain financial instruments measured at fair value.

3.2 Critical accounting estimates and judgements

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and the items which are more likely to be materially adjusted due to the estimates and assumptions turning out to be wrong. Detailed information about these estimates and judgements is included in other notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

Useful lives, residual values and recoverable amount of property, plant and equipment - notes 4.3.1 and 5.1

Provision for taxation - notes 4.2, 8 and 26

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

4.1 Principles of consolidation

a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group. The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group;
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests ('NCI') in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Group.

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in consolidated statement of profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in consolidated statement of comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in consolidated statement of comprehensive income are reclassified to consolidated statement of profit or loss.

4.2 Taxation

Income tax expense comprises current and deferred tax. Income tax is recognised in the consolidated statement of profit or loss except to the extent that relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current

The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to profit for the year if enacted or substantively enacted at the end of the reporting period in accordance with the prevailing law for taxation of income, after taking into account tax credits, rebates and exemptions, if any. Management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that the tax authorities will accept an uncertain tax treatment. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The profits and gains of the Group derived from electric power generation are exempt from tax in terms of Clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001, subject to the conditions and limitations provided therein.

Under clause 11A of Part IV of the Second Schedule to the Income Tax Ordinance, 2001, the Group is also exempt from levy of minimum tax on 'turnover' under section 113 of the Income Tax Ordinance, 2001. However, full provision is made in the consolidated statement of profit or loss on income from sources not covered under the above clauses at current rates of taxation after taking into account, tax credits and rebates available, if any.

Deferred

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised. Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority.

Deferred tax on temporary differences relating to the power generation operations of the Group has not been provided in these consolidated financial statements as the Group's management believes that the temporary differences will not reverse in the foreseeable future due to the fact that the profits and gains of the Group derived from electric power generation are exempt from tax subject to the conditions and limitations provided for in terms of clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001.

Deferred tax liability for all taxable temporary differences associated with investments in subsidiaries are recognised, except to the extent that both of the following conditions are satisfied:

- a) the Parent Company is able to control the timing of the reversal of the temporary difference; and
- b) it is probable that the temporary difference will not reverse in the foreseeable future.

Group taxation

In September 2021, SECP registered a Group comprising of AEL and its wholly owned subsidiary, Power Management Company (Private) Limited, and designated the Group for Group Taxation under section 59AA of the Income Tax Ordinance, 2001. Consequently, the Group is taxed as one fiscal unit from the tax year 2022 and onwards. Further, as per clause 103A of the Second Schedule to the Income Tax Ordinance, 2001, any income derived from inter-corporate dividend within the group companies entitled to group taxation under section 59AA of the Income Tax Ordinance, 2001 is exempt from tax subject to the condition that return of the Group has been filed for the tax year.

4.3 Property, plant and equipment

4.3.1 Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and any identified impairment loss. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The cost of an item of plant and machinery is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Group and the cost of such item can be measured reliably.

Recognition of the cost in the carrying amount of an item of plant and machinery ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

The cost of plant and machinery includes:

- a) its purchase price including import duties, non-refundable purchase taxes after deducting trade discounts and rebates; and
- b) any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Exchange differences arising on foreign currency loans contracted under the IA with GoP are capitalized in the cost of plant and machinery as referred to in note 4.18(b) to these consolidated financial statements.

Depreciation on all operating fixed assets of the Group are charged to consolidated statement of profit or loss by using the straight line method so as to write off the depreciable amounts of an asset over its estimated useful life at the annual rates mentioned in note 5.1 after taking into account their residual values.

The assets' residual values and useful lives are reviewed, at each financial year end, and adjusted if impact on depreciation is significant. AEL's estimate of the residual value of its operating fixed assets during the previous year was adjusted as explained in note 3.2.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount as explained in note 4.5 to these consolidated financial statements.

Subsequent costs incurred to replace a component of an item of plant and equipment is capitalized and the asset so replaced is retired. Other subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to consolidated statement of profit or loss during the period in which they are incurred.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as an income or expense.

4.3.2 Capital work-in-progress

Capital work-in-progress is stated at cost less any identified impairment loss. All expenditure connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to operating fixed assets as and when these are available for use.

4.3.3 Major spare parts and stand-by equipment

Major spare parts and stand-by equipment qualify as property, plant and equipment when an entity expects to use them for more than one year. Transfers are made to relevant operating fixed assets category as and when such items are available for use.

4.4 Intangible assets

Expenditure incurred to acquire Enterprise Resource Planning ('ERP') system and other softwares has been capitalized as an intangible asset and stated at cost less accumulated Amortisation and any identified impairment loss. Costs associated with maintaining ERP are recognised as an expense as incurred. Intangible assets are amortised using the straight line method over a period of three years.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (as explained in note 4.5 to these consolidated financial statements).

4.5 Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to Amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets [cash-generating units ('CGUs')]. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

4.6 Stores, spares and loose tools

Stores, spares and loose tools except for those in transit are valued principally at cost less provision for obsolescence, if any. Cost of stores, spares and loose tools other than chemicals and lubricants is determined under weighted average basis, whereas the cost of chemicals and lubricants is determined on first-in-first-out ('FIFO') basis. Stores, spares and loose tools in transit are stated at cost. Cost comprises of invoice value and other charges paid there-on up to the reporting date. For items which are slow moving and/or identified as obsolete, adequate provision is made for any excess book value over estimated realisable value. The Group reviews the carrying amount of stores, spares and loose tools on a regular basis and provision is made for obsolescence.

The operation and maintenance contractor of RPPL as referred to in note 8 is responsible to replenish mandatory stores and spares as used by RPPL.

4.7 Inventory of fuel oil

Inventories except for those in transit are valued principally at the lower of cost and net realizable value. Cost is determined on FIFO basis. Materials in transit are stated at cost comprising of invoice value plus other charges paid thereon. Net realizable value is determined on the basis of estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

If the expected net realisable value is lower than the carrying amount, a write-down is recognised for the amount by which the carrying amount exceeds its net realisable value.

4.8 Financial assets

4.8.1 Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value [either through comprehensive income ('OCI') or through profit or loss]; and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ('FVOCI').

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

4.8.2 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

4.8.3 Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ('FVPL'), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- i) **Amortised cost:** Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method, except for delayed payment markup accrued on amounts due under the PPAs which is included in revenue. Any gain or loss arising on derecognition is recognised directly in consolidated statement profit or loss. Impairment losses are presented as separate line item in the statement of profit or loss.
- ii) **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss. Interest income from these financial assets is included in other income using the effective interest rate method. Impairment expenses are presented as separate line item in the consolidated statement of profit or loss.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in the consolidated statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

4.8.4 Impairment of financial assets other than those due from the Government of Pakistan

The Group assesses on a forward-looking basis, the expected credit losses ('ECL') associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group applies general 3-stage approach for loans, deposits and other receivables and bank balances i.e. to measure ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition.

Following are the financial assets that are subject to the ECL model:

- Long term security deposits
- Long term loans to employees
- Other receivables and
- Bank balances.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information (adjusted for factors that are specific to the counterparty, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate). As for the exposure at default for financial assets, this is represented by the assets' gross carrying amount at the reporting date. Loss allowances are forward looking, based on 12 month expected credit losses where there has not been a significant increase in credit risk rating, otherwise allowances are based on lifetime expected losses. The Group considers that a financial asset other than those due from the Government of Pakistan, is in default when a contractual payment is 90 days past due. The definition is based on the Group's internal credit risk management policy.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group recognizes an impairment gain or loss in the consolidated statement of profit or loss for financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of counterparty's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

4.9 Financial liabilities

All financial liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities at amortised cost are initially measured at fair value less transaction costs. Financial liabilities at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed on consolidated profit or loss.

Financial liabilities, other than those at fair value through profit or loss, are subsequently measured at amortised cost using the effective yield method. Gain and losses are recognized in the consolidated statement of profit or loss, when the liabilities are derecognized as well as through effective interest rate amortization process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the consolidated statement of profit or loss.

4.10 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated financial statements only when there is a legally enforceable right to set off the recognized amount and the Group intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

4.11 Financial assets due from the Government of Pakistan

Financial assets due from the Government of Pakistan in respect of circular debt include trade debts, contract assets and other receivables due from CPPA under the PPA that also includes accrued amounts. The Group applies requirements of IAS 39 in respect of these financial assets to recognize provision for impairment. Accordingly, the same continue to be reported as per the following accounting policy:

A provision for impairment is established when there is objective evidence that the Group will not be able to collect all the amount due according to the original terms of the receivable.

The Group assesses at the end of each reporting period whether there is objective evidence that the financial asset is impaired. The financial asset is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss. When the financial asset is uncollectible, it is written off against the provision. Subsequent recoveries of amounts previously written off are credited to the consolidated statement of profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of profit or loss.

4.12 Trade debts

Trade debts are amounts due from CPPA in the ordinary course of business. They are generally due for settlement as referred to in note 4.19 and therefore are all classified as current. Trade debts are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components when they are recognised at fair value. The Group holds the trade debts with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using effective interest method, less provision for impairment.

4.13 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Short term borrowings from banking Companies are also included in cash and cash equivalent if it is repayable on demand and forms an integral part of the Group's cash management. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

4.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in consolidated statement profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in consolidated profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

4.15 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognised in consolidated statement of profit or loss in the period in which they are incurred.

4.16 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in ordinary course of business from suppliers. Trade and other payables are presented as current liabilities unless payment is not due within twelve months after the reporting period. Trade and other payables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method.

4.17 Provisions

Provisions for legal claims and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

4.18 Foreign currency transactions and translation

a) Functional and presentation currency

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates (the functional currency). The consolidated financial statements are presented in Pak Rupees, which is the Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into Pak Rupees using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of profit or loss except for exchange differences related to foreign currency loans obtained for the acquisition, development and construction of qualifying assets which are capitalized over the period of the IAs in accordance with SRO 986(I)/2019 dated September 2, 2019 (previously SRO 24(I)/2012) of the SECP.

4.19 Revenue recognition

Revenue is recognised when (or as) the Group satisfies a performance obligation by transferring a promised good or service (i.e. an asset) to a customer and control either transfers over time or at a point of time. An asset is transferred when (or as) the customer obtains control of that asset and thus has the ability to direct the use and obtain the benefits from the good or service.

Revenue on account of energy purchase price and capacity purchase price is recognised by AEL based on Net Electric Output ('NEO') delivered to CPPA (at a point in time). Capacity and energy revenue is recognised based on the rates determined under the mechanism laid down in the PPA.

Revenue on account of energy purchase price by RPPL is recognised based on NEO delivered to CPPA (at a point in time) whereas capacity purchase price is recognised based on the capacity made available to CPPA (over time). Capacity and Energy revenue is recognised based on the rates determined under the mechanism laid down in the PPAs. RPPL is not entitled to Capacity Purchase Price revenue during the OFME period, instead, the term of PPA is extended.

Revenue on account of delayed payment markup on amounts due under the PPAs, is accrued on a time proportion basis by reference to the amount outstanding and the applicable rate of return under the PPAs.

For AEL, the invoices are generally raised on a monthly basis and are due after 15 days from acknowledgement by CPPA.

For RPPL, invoices for fuel cost component of the energy purchase price are raised on a weekly basis and are due after three days from acknowledgement by CPPA. The remaining invoice for energy purchase price is raised on a monthly basis. Monthly invoices for energy purchase price are raised on the first of the following month while the monthly invoices for capacity purchase price are raised at any time following the tenth day of such month. These invoices are due after twenty five days from acknowledgement by CPPA.

4.20 Dividend and appropriation to / from reserves

Dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are declared and other appropriations are recognised in the period in which these are approved by the Board of Directors.

4.21 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, if any.

4.22 Employee benefits

4.22.1 Short term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

4.22.2 Post employment benefits

a) Defined benefit plans

i) Un-funded gratuity plan

The Group operates an un-funded gratuity scheme for all permanent employees of AEL according to the terms of employment, subject to a minimum qualifying period of service and provision is made annually to cover the obligations under the scheme. These benefits are calculated with reference to last drawn salaries and prescribed qualifying periods of service of the employees. The management considers that the valuation by an independent actuary is not expected to result in a significant deviation from the management's estimation.

ii) Funded gratuity plan

The Group maintains an approved gratuity fund for all permanent employees of RPPL. Provisions are made in the consolidated financial statements to cover obligations on the basis of actuarial valuations carried out annually. The most recent actuarial valuation was carried out as at June 30, 2024 using the "Projected Unit Credit Method".

The actual return on plan assets represents the difference between the fair value of plan assets at the beginning of the year and as at the end of the year after adjustments for contributions made by the Group as reduced by benefits paid during the year.

The amount recognised in the consolidated statement of financial position represents the present value of the defined benefit obligation as reduced by the fair value of the plan assets.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the year in which they arise. Past service costs are recognised immediately in the consolidated statement of profit or loss. The significant assumptions used for actuarial valuation are stated in note 15.3.2.

b) Defined contribution plan - provident fund

The Group operates a recognized contributory provident fund for all eligible employees of RPPL. Equal monthly contributions are made, both by the Group and the employees, to the fund at the rate of 9 percent of the basic salary subject to completion of minimum qualifying period of service as determined under the rules of the fund. The Group has no further payment obligations once the contributions have been paid. Obligations for contributions to the defined contribution plan are recognised as an expense in the consolidated statement of profit or loss as and when incurred.

4.22.3 Other long term employee benefit obligations - accumulating compensated absences

AEL provides for accumulating compensated absences of its employees in accordance with respective entitlement on cessation of service. The annual leaves can be encashed at the time the employee leaves AEL on the basis of the latest gross salary. Annual leaves will be accumulated for a maximum of twenty two days. Annual leaves in excess of maximum balance shall automatically lapse. The management considers that the valuation by an independent actuary is not expected to result in a significant deviation from the management's estimation.

4.23 Contingent liabilities

A contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

4.24 Contract asset and contract liability

A contract asset is recognised for the Group's right to consideration in exchange for goods or services that it has transferred to a customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Group presents the amount as a contract asset, excluding any amounts presented as a receivable.

A contract liability is recognised for the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration, or the Group has a right to an amount of consideration that is unconditional (i.e. a receivable), before the Group transfers a good or service to the customer, the entity shall present the contract as a contract liability when the payment is made or the payment is due (whichever is earlier).

4.25 Leases

The Group is the lessee:

At inception of a contract, the Group assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments include fixed payments, variable lease payments that are based on an index or a rate amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option, less any lease incentives receivable. The extension and termination options are incorporated in determination of lease term only when the Group is reasonably certain to exercise these options.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the consolidated statement of profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right-of-use asset is depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Payments associated with short-term leases and all leases of low-value assets are recognised on a straight-line basis as an expense in consolidated profit or loss. Short-term leases are leases with a lease term of 12 months or less without a purchase option.

When there is a change in scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease, it is accounted for as a lease modification. The lease modification is accounted for as a separate lease if modification increases the scope of lease by adding the right to use one or more underlying assets and the consideration for lease increases by an amount that is commensurate with the stand-alone price for the increase in scope adjusted to reflect the circumstances of the particular contracts, if any. When the lease modification is not accounted for as a separate lease, the lease liability is remeasured and corresponding adjustment is made to right-of-use asset.

4.26 Earnings per share

The Group presents basic and diluted earnings per share ('EPS') data for its ordinary shares. Basic EPS is calculated by dividing the consolidated profit or loss attributable to ordinary shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the consolidated profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

4.27 Rounding of amounts

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

	Note	2025 (Rupees in thousand)	2024
5 PROPERTY, PLANT & EQUIPMENT			
Operating fixed assets		336,030	10,475,681
Major spare parts and stand-by equipment		2,692	2,692
		338,722	10,478,373

5.1 Operating fixed assets

Operating fixed assets		2025						
		COST		ACCUMULATED DEPRECIATION AND IMPAIRMENT				
		Annual rate of depreciation	Cost as at July 1, 2024	Additions / (disposals) during the year (Rupees in thousand)	Cost as at June 30, 2025	Balance as at July 1, 2024	Depreciation charge / (disposal) for the year (Rupees in thousand)	Balance as at June 30, 2025
Freehold land	0% to 10.81%	59,413	- (54,559)	4,854	44,105	515 (44,620)	-	4,854
Buildings on freehold land	3.33% to 10.81%	1,937,328	- (1,815,881)	121,447	1,562,035	19,993 (1,477,466)	104,562	16,885
Plant and machinery	3.33% to 20%	42,132,313	28,740 (40,889,263)	1,271,790	32,244,092	478,832 (31,755,803)	967,121	304,669
Improvements on leasehold land	10%	2,141	- (2,141)	-	1,872	13 (1,885)	-	-
Electric equipment	10%	4,618	-	4,618	3,019	476	3,495	1,123
Furniture and fixtures	20%	7,193	- (7,028)	165	5,032	448 (5,315)	165	-
Computers and office equipment	10% to 50%	48,119	1,594 (42,449)	7,264	38,631	1,969 (34,436)	6,164	1,100
Vehicles	20%	46,451	6,937 (44,457)	8,931	32,380	3,344 (34,193)	1,531	7,400
Capital spares	3.33% to 10.81%	547,299	- (547,299)	-	378,027	8,154 (386,181)	-	-
		44,784,875	37,271 (43,403,077)	1,419,068	34,309,193	513,744 (68,629)	1,083,038	336,030

2024

	COST		ACCUMULATED DEPRECIATION AND IMPAIRMENT			
	Annual rate of depreciation	Cost as at July 1, 2023	Additions / (disposals) during the year (Rupees in thousand)	Cost as at June 30, 2024	Depreciation	
					Balance as at July 1, 2023	charge / (disposal) for the year (Rupees in thousand)
					Balance as at June 30, 2024	Carrying value as at June 30, 2024
Freehold land	0% to 10.81%	59,413	-	59,413	42,554	1,552
Buildings on freehold land	3.33% to 10.81%	1,937,328	-	1,937,328	1,507,426	54,609
Plant and machinery (note 5.1.4)	3.33% to 20%	42,131,339	974	42,132,313	30,835,222	1,408,870
Improvements on leasehold land	10%	2,141	-	2,141	1,827	45
Electric equipment	10%	3,273	1,345	4,618	2,779	240
Furniture and fixtures	20%	6,769	424	7,193	4,014	1,018
Computers and office equipment	10% to 50%	44,523	3,954 (358)	48,119	35,055	3,912 (336)
Vehicles	20%	52,759	2,186 (8,494)	46,451	37,388	3,486 (8,494)
Capital spares	3.33% to 10.81%	547,299	-	547,299	353,375	24,652
		44,784,844	8,883 (8,852)	44,784,875	32,819,640	1,498,384 (8,830)

5.1.1 The depreciation charge for the year has been allocated as follows:

Direct costs

Administrative expenses

5.1.2 The cost of fully depreciated assets which are still in use as at June 30, 2025 is Rs 259,475 million (2024: Rs 313,370 million).

5.1.3 Freehold land represents an area having cost of Rs 54,566 million measuring 1,045 Kanals and 12 Marlas in Tehsil Mian Channu, situated at Mouza Battian, District Khanewal, which has been transferred to the GoP under the PPA as stated in note 1.2. Another area having cost of Rs 0.2 million measuring 6 Kanals and 18 Marlas, situated at Pind Bageval, Tehsil and District Islamabad and another area measuring 224 Kanals and 19 Marlas, situated at Tehsil Fateh Jang, District Attock. Since the land situated in Islamabad and Fateh Jang will not be transferred to the power purchaser at the end of the PPAs, therefore, it is not depreciated and is carried at its cost.

2025
(Rupees in thousand)

2024
(Rupees in thousand)

21
22

507,928
5,055
1,489,684
8,700
1,498,384

5.1.4 Management has reviewed the business performance of the AEL's Power Generation operations during the year and an assessment has been made in respect of triggering events as specified by IAS 36, 'Impairment of Assets' applicable to the assets relating to the AEL's Power Generation operations at a CGU level. Based on the following indicators applicable to the AEL's Power Generation CGU, an impairment test has been carried out by the management:

- Significant change in the technological and economic conditions;
- Decrease in the economic performance of the AEL's Power Generation operations; and
- Forecast operating losses and net cash outflows for the AEL's Power Generation operations.

Power Generation CGU comprises property, plant and equipment, intangible assets and stores and spares. The recoverable amount of the CGU has been determined based on the higher of 'fair value less costs of disposal' and 'value in use'. Management involved an independent expert (professional valuer) to materially assess the 'fair value less costs of disposal' while the 'value in use' has been determined by management through discounted cash flow method. Based on the above, the 'fair value less costs of disposal' has been determined as higher of the two and consequently, has been used as the recoverable amount of the CGU. Since the recoverable amount of the CGU is higher than its carrying amount, therefore, no impairment loss is required to be recognised during the year in these consolidated financial statements.

5.1.5 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. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. Fair value is determined on the basis of objective evidence at each reporting date.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between Levels 1 and 2 and Levels 2 and 3 during the year and there were no changes in valuation techniques during the years.

Valuation techniques and key assumptions used to determine level 2 and level 3 fair values

The fair value measurement of AEL's Power Generation CGU is categorised within the levels 2 and 3 of fair value hierarchy as stated below. The Group obtained independent valuation for AEL's freehold land, building on freehold land and plant and machinery.

Level 2 fair value of AEL's freehold land has been derived using a comparable transactions approach. Sale prices of comparable land in close proximity are adjusted for differences in key attributes such as location and size of the property. The most significant input into this valuation approach is price per kanal or acre.

Level 3 fair value of AEL's building on freehold land has been determined using a depreciated replacement cost approach, whereby, current cost of construction of a similar building in a similar location has been adjusted using a suitable depreciation rate and forced sale factor to arrive at present market value. Higher, the estimated cost of construction of a new building, higher the fair value. Further, higher the depreciation rate, the lower the fair value of the building.

Level 3 fair value of AEL's plant and machinery has been determined using a depreciated replacement cost approach, whereby, the assets' purchase costs have been adjusted using suitable inflation, exchange rate fluctuation, level of technology, obsolescence, depreciation on account of normal wear and tear and forced sale factors to arrive at present market value. The higher the cost of acquisition of similar plant and machinery, higher the fair value of plant and machinery. Further, higher the depreciation rate, the lower the fair value of plant and machinery.

Costs of disposal of AEL's plant and machinery have been determined on the basis of estimate of installation cost of similar plant and machinery.

- 5.1.6** According to the SRO 986(I)/2019 dated September 2, 2019 (Previously SRO 24(I)/ 2012) issued by the SECP [as fully explained in note 4.18(b) to these consolidated financial statements], the Group is allowed to capitalize exchange difference arising on outstanding amounts of foreign currency loans contracted under the Implementation Agreement with Government of Pakistan until the date of expiry of such IA's. The exchange differences capitalised are amortised over the remaining useful life of plants. Had the Group followed IAS 21, 'The Effects of Changes in Foreign Exchange Rates', the effect on the consolidated financial statements would be as follows:

Statement of financial position

Decrease in the carrying amount of property, plant and equipment and un-appropriated profit as at June 30

2025 (Rupees in thousand)	2024
(24,597.00)	(3,688,727)

Statement of financial position

Decrease in cost of sales

Decrease in profit for the year

4,100	622,697
4,100	622,697

- 5.1.7** Disposals made during the year amounts to Rs. 43,403 million (2024: 8.85 Million)

Particulars	Mode of disposal	Cost	Carrying Amount	Sale Proceeds	Gain / (loss) on disposal	Particulars of the purchaser
-----Rupees in thousand-----						
<u>Vehicle</u>						
Fortuner	Bidding	7,360	3,770	10,169	6,399	M/s Mehboob motors
Toyota Hilux	Bidding	7,734	4,769	6,886	2,117	Muhammad Altaf
Hiace Mid Roof Dual	Bidding	4,678	936	5,154	4,218	Khurram Ayub
Suzuki Bolan	Bidding	372	-	270	270	Muhammad Ishfaq
The Complex *	NSA	43,382,933	9,652,448	-	(9,652,448)	Government of Pakistan
Total		43,403,077	9,661,923	22,479	(9,639,444)	

* The Complex comprises freehold land, buildings on freehold land, plant and equipment, furniture and fixtures, and capital spares. The breakup value of the individual assets has not been considered, as the transfer was executed as a single transaction under the NSA at negotiated terms.

- 5.2** This amount is net of provision for impairment amounting to Rs 2.114 million (2024: Rs 2.114 million).

	Note	2025 (Rupees in thousand)	2024
6 INTANGIBLE ASSETS			
These represent computer software and ERP systems capitalised.			
Cost			
Opening balance		30,779	30,603
Additions / (deletion) during the year		(4,037)	176
Closing balance		26,742	30,779
Amortization			
Opening balance		20,995	17,355
Charge for the year		5,641	3,640
Closing balance		26,636	20,995
Net book value as at June 30		106	9,784
Annual amortisation rate		33%	33%

- 6.1** The amortisation charge for the year has been allocated to administrative expenses as referred to in note 22.
- 6.2** ERP system has been implemented by Descon Corporation (Private) Limited, a related party (on the basis of common directorship), under Service Level Agreement with the Group.
- 6.3** The cost of fully amortised intangible assets still in use as at June 30, 2025 is Rs 8.766 million (2024: Rs 12.93 million).

	Note	2025 (Rupees in thousand)	2024
7 LONG TERM LOAN TO EMPLOYEES - SECURED			
Loans to employees	7.1	4,158	2,903
Current portion shown under current assets	10	(4,158)	(915)
		-	1,988

- 7.1** This includes interest free motor vehicle loans given to employees. The Group contributes 80% of the cost of the vehicle which is recoverable in 60 equal monthly instalments from the employee in accordance with the Group's policy. These loans were secured against registration of cars in the name of RPPL and against the accumulated provident fund balance of the relevant employee.

The above loans have not been carried at amortized cost as the effect of discounting was not considered material.

	Note	2025 (Rupees in thousand)	2024
8 STORES, SPARES AND LOOSE TOOLS			
Spares		69,792	755,987
Stores		-	20,312
Less: Impairment		(30,001)	(40,115)
		39,791	736,184

- 8.1** Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.
- 8.2** RPPL has entered into a NSA with the GoP, whereby plant (the complex), together with stores, spares, loose tools, and fuel inventory, was transferred to the designated entity National Power Parks Management Company Limited.

	Note	2025 (Rupees in thousand)	2024
9 TRADE DEBTS - SECURED			
Considered good		-	14,229,704
Considered doubtful		-	952,557
Impairment		-	(952,557)
		-	14,229,704

- 9.1** The Company has entered into a NSA (the Agreement) as stated in note 1.2 to these financial statements whereby it was agreed that following earlier termination of the PPA, the Power Purchaser would pay all outstanding receivables by December 31, 2024. The Company has also agreed to waive off all of its rights or claims relating to delayed payment markup. During the year, the Company has received Rs. 15,649 million as a full and final settlement from CPPA. Accordingly, delayed payment markup amounting to Rupees 1,180 million has been written off in these financial statements (Note 24).

- 9.2** The reconciliation of provision for impairment is as follows:

Opening balance		(952,557)	(201,686)
Provision recognized during the year - net	9.3	-	(750,871)
Written off during the year		952,557	-
Closing balance		-	(952,557)

- 9.3** This amount was provided for on the basis that it might not be recoverable as established from the past trend that the delayed payment mark-up on disputed invoices was not acknowledged by the off-taker (CPPA). In the light of NSA, and receipt of all outstanding receivables at negotiated amounts, provision of impairment has been adjusted.

10 LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

Advances			
- To suppliers		691	110,222
- To employees		200	2,151
		891	112,373
Balances with statutory authorities:			
- Sales Tax receivable	10.1	1,325,619	1,412,327
- Receivable against Workers' Welfare Fund (WWF)	10.2 & 10.3	122,717	122,717
		1,448,336	1,535,044
Claims receivable from CPPA as pass through items:			
- Workers' Profit Participation Fund	10.4	-	288,959
- Punjab Workers' Welfare Fund	10.5	-	115,528
		-	404,487
Prepayments	10.6	3,402	150,795
Other receivables	10.7	121,434	82,311
Current portion of long term loan to employees - secured	7	4,158	915
		1,578,221	2,285,925

- 10.1** In September 2021, the taxation officer rejected the Group's sales tax refund application of Rs 202.870 million on the pretext of apportionment of the input tax claim to capacity purchase price which is not subject to sales tax, similar to the matters disclosed in note 19.1.10 to these consolidated financial statements. The Group filed an appeal against the decision of the taxation officer before the Commissioner Inland Revenue - Appeals ['CIR(A)'] which was rejected through an order issued in February 2022. The Group had filed an appeal before the Appellate Tribunal Inland Revenue ('ATIR') against the order of the CIR(A) in November 2022, which is not scheduled for hearing yet.
- 10.2** This includes WWF contribution amounting to Rs 37.229 million (2024: Rs 37.229 million) based on accounting profit for tax year 2014 paid under protest after demand by taxation authorities. Since the provisions of WWF were not applicable to the Company in the light of Supreme Court's decision, CPPA has not acknowledged this amount as a valid pass through item under the PPA. Therefore, the Group has filed for a refund from the taxation authorities. The Group has not made any provision against the recoverable amount as the management is confident that the ultimate outcome of the matter would be in favour of the Group, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.
- 10.3** For the tax years 2009, 2010, 2011, 2012 and 2013, an aggregate demand of Rs 325.59 million on account of WWF was raised by the tax authorities, of which Rs 84.348 million was paid by the Group. However, the matter was decided in favour of the Group by the Supreme Court of Pakistan through order dated September 27, 2016, holding charge of WWF post 2008 amendments in the WWF Ordinance as void ab initio. Further, appeal effect orders were issued by the tax authorities dated November 03, 2017 for tax years 2011 and 2012 and January 25, 2018 for tax year 2013, respectively, assessing WWF refund of Rs 84.348 million. Refund cheques against the demand paid have not been issued yet. Further, the tax authorities levied WWF on interest income consequent to the appeal effect orders of the ATIR for tax years 2012 and 2015 (Rs 1.53 million and Rs 5.3 million for tax years 2012 and 2015 respectively). The Group has filed reference application against ATIR orders and obtained stay against recovery of Rs 6.83 million.

Based on the advice of the Group's tax advisor and the decision of the Honourable Supreme Court, the management believes that there are meritorious grounds to defend the Group's stance in respect of this matter. Consequently, no provision has been made in these consolidated financial statements.

			2025	2024
			(Rupees in thousand)	
10.4	Workers' profit participation fund	Note		
	Opening balance		288,959	370,421
	Accrued for the year		-	288,820
			288,959	659,241
	Transfer to trade debts	10.4.1	(288,959)	(370,282)
	Closing balance		-	288,959
10.4.1	Under Part III of Schedule 6 of the PPA with CPPA, payments to Workers' profit participation fund and Punjab Workers' Welfare Fund are recoverable from CPPA as a pass-through item. The amounts are transferred to trade debts upon issuance of invoice.			
10.5	Punjab Workers' Welfare Fund			
	Opening balance		115,528	148,113
	Accrued for the year		-	115,528
			115,528	263,641
	Transfer to trade debts	10.5.1	(115,528)	(148,113)
	Closing balance		-	115,528

10.5.1 The amounts are transferred to trade debts upon issuance of invoice.

10.6 This includes prepayment in respect of ERP annual support services cost made to Descon Corporation (Private) Limited, a related party on the basis of common directorship, aggregating to Rs 0.058 million (2024: Rs 0.829 million).

10.7 This includes an amount of Rs 41.842 million (2024: Rs 41.842 million) and Rs 1.2 million (2024: Rs 1.2 million) deposited with Bank Alfalah Limited as 100% margin against the letter of guarantee in favour of the Director, Excise and Taxation, Karachi and Pakistan State Oil Company Limited respectively as disclosed in note 19.1.18.

	Note	2025 (Rupees in thousand)	2024
11	SHORT TERM INVESTMENTS		
Term deposit receipt (TDR)	11.1	-	5,519
Mutual Funds - FVTPL:	11.2		
- NBP Income Fund Cash Plan - II			
Nil units (2024: 3,143,564,376 units)		-	3,010,655
- NBP Islamic Daily Dividend Fund			
4,806 units (2024: 8,904,650 units)		48	89,046
- NBP Money Market Fund			
831,869,528 units (2024: 32,851,239 units)		8,345,980	328,782
- HBL Asset Management Limited			
5,563,983 units (2024: Nil)		575,052	-
		8,921,080	3,434,002

11.1 This pertains to 100% margin deposited against bank guarantee issued as disclosed in point (ii) of note 19.1.18. This represents investment in term deposit receipt with Habib Metro Bank Limited having maturity of one year, carrying mark-up at the rate of 19%-21% per annum.

These investments carry mark-up at rate of 18.9%-21.3% per annum.

	2025 (Rupees in thousand)	2024
12	BANK BALANCE	
Cash at bank:-		
Current accounts	181,926	111,120
Saving accounts	4,382	440,958
	186,308	552,078

12.1 These carry mark-up at the rates ranging from 9.5% to 19.0% per annum (2024: 16.5% to 23.41% per annum).

13 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2025 (No. of Shares)	2024		2025 (Rupees in thousand)	2024
359,480,000	359,480,000	Ordinary Shares of Rs. 10/- each fully paid in cash	3,594,800	3,594,800
3,900,000	3,900,000	Ordinary Shares of Rs. 10/- each issued for consideration other than cash	39,000	39,000
363,380,000	363,380,000		3,633,800	3,633,800

13.1 As at June 30, 2025, 211,397,063 (2024: 211,397,063) ordinary shares which represent 58.18% (2024: 58.18%) of the share capital of AEL are held by DEL Power (Private) Limited.

13.2 A Share Purchase Agreement ('SPA') was signed by and among Crescent Steel and Allied Products Limited ('CSPL') and Shakarganj Mills Limited (collectively referred to as "Sellers"), and Descon Engineering Limited ("Buyer") on August 28, 2006. The SPA defines the rights and privileges of the parties to this Agreement. Major rights and responsibilities under the SPA include; numbers of directors on the Board, minimum amount of shareholding in paid-up capital of AEL and the Right of First Offer over the shares that are or shall be held by other shareholders, should any of them wish to sell or dispose of their shares subject to any conditions laid down in the SPA.

14 This reserve can be utilised by the Group only for the purposes specified in Section 81 of the Act.

	Note	2025 (Rupees in thousand)	2024
15 EMPLOYEE BENEFIT OBLIGATIONS			
Unfunded			
Gratuity	15.1	10,294	9,136
Accumulated compensated absences	15.2	489	418
		10,783	9,554
Funded			
Gratuity	15.3	4,358	6,282
		15,141	15,836
15.1 Gratuity - unfunded			
Opening liability		9,136	7,449
Provision for the year		2,170	1,687
Payments during the year		(1,012)	-
Closing liability		10,294	9,136
15.2 Accumulated Compensated Absences			
Opening liability		418	364
Provision for the year		135	54
Payments during the year		(64)	-
Closing liability		489	418

15.3 Gratuity - Funded:

The latest actuarial valuation of gratuity scheme of RPPL was carried out as at June 30, 2025 under the projected unit credit method as per the requirements of IAS 19, the details of which are as follows:

15.3.1 Net defined benefit obligation

The amounts recognized in consolidated statement of financial position are as follows:

Present value of defined benefit obligation	25,259	49,694
Fair value of plan assets	(20,901)	(43,412)
Net liability as at year end	4,358	6,282

15.3.2 Acturial Assumption

	(Percentage)	
Valuation discount rate - per annum	11.75%	14.75%
Expected rate of increase in salaries - per annum	11.75%	14.75%
Mortality rates	SLIC (2001-05)-1	SLIC (2001-05)-1
Duration of plan (years)	4.37	6.96

	Note	2025 (Rupees in thousand)	2024
15.3.3 Movement in net defined benefit obligation:			
Net liability at beginning of the year		6,282	8,358
Current service cost		(684)	5,555
Net interest on defined benefit obligation		7,662	6,653
Return on plan asset during the year		(6,736)	(5,313)
Charged to consolidated statement of profit or loss		242	6,895
Total remeasurements for the year recognised to consolidated other comprehensive income		1,350	(3,414)
Contributions made by the Group during the year		(3,516)	(5,557)
Net liability at the end of the year		4,358	6,282
15.3.4 Movement in present value of defined benefit obligation is as follows:			
Present value of defined benefit obligation as at beginning of the year		49,694	39,011
Current service cost		(684)	5,555
Interest cost		7,662	6,653
Remeasurement loss / (gain) on obligation		1,215	(1,525)
Benefits paid to out-going members during the year		(32,628)	-
Present value of defined benefit obligation		25,259	49,694
15.3.5 Movement in the fair value of plan assets			
Opening fair value of plan assets		43,412	30,653
Interest income on plan assets		6,736	5,313
Remeasurement (loss) / gain on fair value of plan assets		(135)	1,889
Benefits paid during the year		(32,628)	-
Contributions made during the year		3,516	5,557
Closing fair value of plan assets		20,901	43,412
15.3.6 Amounts recognised in the consolidated statement of profit or loss			
Current service cost		(684)	5,555
Interest cost		7,662	6,653
Interest income on plan assets		(6,736)	(5,313)
Net interest cost		926	1,340
		242	6,895
15.3.7 Total remeasurements (credited)/charged to consolidated other comprehensive income			
Actuarial (gain) / loss from changes in financial assumptions		(54)	3,342
Experience adjustments		1,269	(4,867)
		1,215	(1,525)
Remeasurements on fair value of plan assets		135	(1,889)
		1,350	(3,414)

15.3.8 Composition of fair value of plan assets

	2025		2024	
	(Rupee in thousand)	Percentage	(Rupee in thousand)	Percentage
Term deposit receipts	-	-	17,691	41%
Cash and cash equivalents (after adjusting current liabilities)	214	1%	1,172	3%
Mutual funds	20,694	99%	24,549	56%
	20,908	100%	43,412	100%

15.3.9 The Group faces the following risks on account of gratuity:

Final salary risk (linked to inflation risk) – the risk that the final salary at the time of cessation of service is greater than the assumed salary. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Demographic risks:

- **Mortality risk** – the risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

- **Withdrawal risk** – the risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

- **Investment risk** – the risk of the investment underperforming and being not sufficient to meet the liabilities.

15.3.10 The sensitivity analysis (+/- 100 bps) on the defined benefit obligation to changes in the weighted principal assumptions is:

Changes in Assumptions		Impact on defined benefit obligation	
		Increase in assumption	Decrease in assumption
		(Rupees in thousand)	
Discount rate	1%	(1,054)	1,162
Salary growth rate	1%	1,033	(954)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognized within the consolidated statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

15.3.11 Maturity analysis

The weighted average duration of the defined benefit obligation is 4.37 years (2024: 6.96 years). The expected maturity analysis of undiscounted gratuity plan is as follows:

	Less than a year	Between 1 - 2 years	Between 3 - 5 years	Over 5 years	Total
	(Rupee in thousand)				
June 30, 2025	<u>8,229</u>	<u>934</u>	<u>27,117</u>	<u>6,193</u>	<u>42,473</u>
June 30, 2024	<u>1,739</u>	<u>11,526</u>	<u>34,869</u>	<u>50,386</u>	<u>98,520</u>

		2025 (Rupees in thousand)	2024
16 DEFERRED TAXATION	Note		
Liability for deferred tax represents temporary difference relating to: Taxable undistributed earnings of subsidiary	16.1 & 16.2	<u>324,162</u>	<u>1,024,431</u>
16.1	This represents deferred tax liability recognised on RPPL's undistributed earnings which if paid out as dividend, would be subject to tax in the hand of recipient.		
	Note	2025 (Rupees in thousand)	2024
16.2 The gross movement in deferred tax liability during the year is as follows:			
Opening balance		<u>1,024,431</u>	1,162,357
Credited to consolidated statement of profit or loss		<u>(700,269)</u>	(137,926)
Closing balance		<u>324,162</u>	<u>1,024,431</u>
17 TRADE AND OTHER PAYABLES			
Payable to SNGPL		-	349
Payable to CPPA for gas efficiency and import of energy		-	42,917
Other creditors and accrued liabilities	17.1	<u>139,647</u>	165,452
Withholding income tax payable		<u>322</u>	1,769
Withholding sales tax payable		<u>397</u>	575
Provision of guarantee issued	17.2	<u>6,842</u>	6,842
Punjab Workers' welfare fund	17.3	<u>24</u>	115,528
Others		<u>86,690</u>	220,857
		<u>233,922</u>	<u>554,289</u>
17.1	This includes following amounts payable to related parties:		
Descon Engineering Limited		<u>1,655</u>	1,654
Descon Power Solutions (Private) Limited		-	62,791
Descon Corporation (Private) Limited		<u>302</u>	5,691
Inspectest (Private) Limited		-	173
		<u>1,957</u>	<u>70,309</u>

- 17.2** The Group has filed an appeal against the judgment of a single judge of the Sindh High Court to challenge the levy and collection of infrastructure fee/cess imposed through the Sindh Finance (Amendment) Ordinance, 2001 on the movement of goods entering or leaving the province from or for outside the country.

The Sindh High Court by its orders dated February 20, 1997, March 26, 2001 and November 11, 2003 granted the stay on levy of this fee/cess on the condition that the Group will furnish bank guarantee of equivalent amount till the final decision is made by the Court. Accordingly, the Group had arranged bank guarantees of Rs 64.95 million in favour of Director Excise and Taxation, Karachi and made full provision in the financial statements up to June 30, 2010. During the year 2008, the Honourable Sindh High Court in its decision dated September 17, 2008 declared the imposition of levy of infrastructure fee/cess on import of material before December 28, 2006 as void and invalid, and ordered the guarantees to be returned and encashed. However, the levy imposed with effect from December 28, 2006 was declared to be legal and valid. The Government of Sindh has filed the appeal before the Supreme Court of Pakistan against the order of High Court of Sindh. The Group has also filed an appeal before the Supreme Court of Pakistan against the Sindh High Court's decision of imposition of levy after December 28, 2006. During the year ended June 30, 2011, the Supreme Court of Pakistan ordered to agitate this matter before High Court of Sindh. The High Court by consent of the Excise and Taxation department has passed an order whereby it has mainly ordered to discharge any bank guarantee furnished for consignments cleared up to December 27, 2006 and any guarantee for consignment cleared after December 27, 2006 shall be encashed to the extent of 50% and a bank guarantee for remaining amount will be kept alive till the future disposal of litigations. For future consignments, goods will be cleared after 50% of the disputed amount has been paid by the respondents and bank guarantee of balance of 50% has been furnished. Accordingly, the Group has made provision of Rs 6.842 million (2024: Rs 6.842 million) being 50% of disputed amount i.e. Rs 13.684 million.

17.3 Punjab Workers' Welfare fund

Note

	2025 (Rupees in thousand)	2024
Opening balance	115,528	148,113
Provision for the year	1,366	115,528
	116,894	263,641
Payment made during the year	(116,870)	(148,113)
Closing balance	24	115,528

18 DIVIDEND PAYABLE

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

	2025 (Rupee in thousand)	2024
Siemens Project Ventures GmbH	23,883	2,241,959
Saudi Arabian Construction & Repair Company Limited	571,044	88,306
	594,927	2,330,265

19. CONTINGENCIES AND COMMITMENTS
2025 2024
(Rupees in thousand)
19.1 Contingencies

19.1.1 In financial year 2014, the taxation authorities issued a show cause notice for Rs 157 million on account of input sales tax alleged to be wrongly claimed for the tax periods July 2009 to June 2013. The tax department is of the view that input tax paid by the Group should be split among taxable and non-taxable supplies. The Group based on a legal advice, is of the view that component of capacity revenue is not considered value of supply and rule of apportionment is not applicable in case of Independent Power Producers ('IPPs') for the reason that the ultimate product is electrical energy, which is taxable. The Group submitted reply in respect of the show cause notice, which was rejected by the taxation authorities and a demand for the above mentioned amount was raised. Aggrieved by this order, the Group preferred an appeal before the Commissioner Inland Revenue (Appeals) [CIR(A)], wherein relief sought was not provided. Consequently, Group filed an appeal with Appellate Tribunal Inland revenue ('ATIR') against the demand which was also rejected. The Group preferred an appeal before the Lahore High Court ('LHC') which granted stay to the Group after payment of Rs 10.12 million against the total demand of Rs 157 million. The LHC vide its judgement dated October 31, 2016 decided the case in favour of the Group and the deposit amounting to Rs 10.2 million was refunded to the Group. The tax department has challenged the decision of the LHC before Supreme Court of Pakistan on February 4, 2017 and has also preferred an intra court appeal in LHC against such order which are pending adjudication. Since, the case has already been decided in Group's favour on merits by LHC, no provision for this amount has been made in these unconsolidated financial statements, inter alia on the basis of the advice of the Group's legal counsel.

157,000
157,000

19.1.2 In respect of tax years 2010, 2011, 2012 and 2013, the Additional Commissioner Inland Revenue ('ACIR') raised demands aggregating Rs 9.30 million under section 122(5A) of the Income Tax Ordinance, 2001 which mainly related to subjecting capacity price to minimum taxation under section 113 of the Income Tax Ordinance, 2001. The Group preferred an appeal before CIR(A) against the impugned tax demand who decided the appeal in favour of the Group thereby deleting the alleged tax demand. The tax department has filed an appeal before the ATIR against the order of CIR(A) on November 3, 2016 and the case is pending for adjudication. The Group has not made any provision against the above demand as the case has already been decided in Group's favour on merits by CIR(A) and the management is confident that the ultimate outcome of the appeal would be in favour of the Group, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.

9,300
9,300

19.1.3 The taxation authorities in pursuance of show cause notice under sections 114/182 of the Income Tax Ordinance, 2001 for imposition of penalty for late filing of return for tax year 2014, issued an Order thereby creating demand amounting to Rs 16.84 million. Aggrieved with the said Order, the Group preferred an appeal before CIR(A), wherein relief sought was not provided. Being aggrieved with the Order of CIR(A), the Group preferred an appeal before ATIR on May 7, 2018, wherein relief sought was also not provided. Being aggrieved with Order of ATIR the Group has filed an Appeal with the LHC and the case is pending adjudication. The Group has not made any provision against the above demand as the management is confident that the ultimate outcome of the appeal would be in favor of the Group, inter alia based on the advice of the tax consultant and the relevant law and facts.

16,840
16,840

19.1.4 In respect of tax year 2015, the Additional Commissioner (Audit), Inland Revenue ['AC(A)IR'] passed an amended assessment order under section 122(5A) of the Income Tax Ordinance, 2001, creating income tax demand amounting to Rs 81.60 million which mainly related to denying the claim of exemption of dividend income from wholly owned subsidiary on account of non-filing of group tax return for the said tax year. The Group being aggrieved of the said order filed appeal before CIR(A) who through order dated April 16, 2018, accepted all the contentions of the Group except for the taxation of dividend income thereby reducing the demand to Rs 68.33 million. On April 18, 2018, the Group filed an appeal before ATIR against the CIR(A)'s order. ATIR through order dated July 15, 2020 decided the appeal in favour of the Group and thereby deleting the alleged tax demand. Against the ATIR's order, the tax department has filed an appeal before the LHC on October 26, 2020 and the case is pending adjudication.

In addition to the above, being aggrieved with the Order of the CIR(A) on the issues which were decided in favour of the Group such as addition of fixed assets, gain on sale of scrap, minimum tax liability on capacity payments and supplemental charges, the tax department preferred an Appeal before the ATIR. On April 18, 2025, the ATIR while accepting the tax department's stance annulled the Order passed by the CIR(A) and restored the Order passed by the assessing officer. Being aggrieved with the Order of the ATIR, the Group has filed an Appeal before the Honorable Lahore High Court and the case is pending adjudication.

The Group has not made any provision against the above as the management is confident that the ultimate outcome of the appeal would be in favour of the Group, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.

2025 **2024**
(Rupees in thousand)

81,600

68,330

19.1.5 In respect of tax year 2016, the AC(A)IR passed an amended assessment order under section 122(5A) of the Income Tax Ordinance, 2001, creating income tax demand amounting to Rs 150.97 million which mainly related to taxability of dividend income from wholly owned subsidiary on accrual basis. The Group, being aggrieved of the said order, filed an appeal before CIR(A) who through order dated April 16, 2018, accepted all the contentions of the Group except the taxation of dividend income thereby reducing the demand to Rs 147.52 million. On April 18, 2018, the Group filed an appeal before the ATIR against the CIR(A)'s order. ATIR through order dated July 15, 2020 decided the appeal in favour of the Group and thereby deleting the alleged tax demand. Against the ATIR's order, the tax department filed an appeal before the LHC on October 26, 2020 and the case is pending adjudication. In addition to the above, being aggrieved with the Order of the CIR(A) on the issues which were decided in favour of the Group such as addition of fixed assets, gain on sale of scrap, minimum tax liability on capacity payments and supplemental charges, the tax department preferred an Appeal before the ATIR. On April 18, 2025, the ATIR while accepting the tax department's stance annulled the Order passed by the CIR(A) and restored the Order passed by the assessing officer. Being aggrieved with the Order of the ATIR, the Group has filed an Appeal before the Honorable Lahore High Court and the case is pending adjudication.

The Group has not made any provision against the above as the management is confident that the ultimate outcome of the appeal would be in favour of the Group, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.

150,970

147,520

		2025 (Rupees in thousand)	2024
19.1.6	Based on a legal opinion, management believes that the Group is not an 'establishment' as it does not employ any worker within the meaning of the Punjab Workers' Welfare Fund Act, 2019 (the 'Act'), and therefore the provisions of the Act are not applicable to the Group. The Group had filed a civil suit before the Civil Court, Lahore, which is pending adjudication, seeking a declaration that the Act does not apply to the Group. During the year, the Group received PWWF notices for Tax Years 2022, 2023, and 2024 and, through its legal counsel, responded to these notices. The matter has been decided in the Group's favour, with the liability determined based only on NTR income, as explained in Note 24.	-	166,596
19.1.7	In respect of tax year 2019, the ACIR passed an Order under section 122(5) of the Income Tax Ordinance, 2001, creating income tax demand amounting to Rs. 30.99 million which mainly relates to chargeability of Super Tax under section 4(b) of the Income Tax Ordinance, 2001. Aggrieved with the said Order, the Group filed an appeal before the CIR (A), where the relief was not granted. Aggrieved with the Order of CIR(A), the Group preferred an Appeal before the ATIR. On August 24, 2024, the ATIR has passed an Order thereby deciding the case in favour of the Group. Against the ATIR's order, the tax department filed an appeal before the LHC and the case is pending adjudication. Management is confident that the ultimate outcome of the appeal would be in favour of the Group, inter alia on the basis of the advice of the tax consultant and the relevant law and facts.	30,990	30,990
19.1.8	In respect of tax year 2022, the DCIR passed an Order under section 4C of the Income Tax Ordinance, creating a demand of Rs. 293.17 million. Aggrieved with the said Order, the Group preferred an Appeal before the CIR(A), where the relief was not granted on January 8, 2024. The Group has filed an Appeal with ATIR within legal timelines. The Group has not made any provisions against the said tax demand as the management is confident that the ultimate outcome of the Appeal would be in favour of the Group, inter alia on the basis of the advice of the tax consultant and the relevant laws and facts.	293,174	293,174
19.1.9	On September 27, 2022, the DCIR issued a show cause notice under section 4B of the Income Tax Ordinance, 2001 for alleged non-payment of Super Tax by the Group in respect of tax year 2018 mainly on account of dividend income. The Group explained its position in various hearings before the taxation authorities, however, the tax authorities issued a Demand Notice on December 2, 2022 requiring the Group to pay Super Tax amounting to Rs 93.184 million. Aggrieved with the Order of taxation officer, the Group filed an appeal on December 31, 2022 before the CIR(A) where the case is pending for adjudication. The Group has not made any provision against the above demand as the management is confident that the ultimate outcome of the appeal would be in favour of the Group, inter alia on the basis of the advice of the tax consultant and the relevant laws and facts.	93,184	93,184
19.1.10	In November 2012, the tax authorities raised a demand of Rs 2,026 million on account of input sales tax along with default surcharge and penalty alleging non-apportionment of input tax to revenue representing Capacity Purchase Price for the period July 2007 to June 2011. The demand was upheld through order of ATIR dated December 13, 2013 and the matter is now pending before the IHC on reference application filed by the Group. The IHC also suspended order of the ATIR while deciding the petition for		

stay against tax recovery filed by the Group. The IHC had reserved its judgement in this case on the hearing dated February 2, 2021. However, the judgement was not announced due to dissolution of the bench of IHC. During the current year, the last hearing of this case was held on September 27, 2023 wherein no proceedings took place. The next date of hearing is awaited.

Furthermore, in October 2013, the tax authorities issued show cause notice for sales tax demand of Rs 675 million along with default surcharge and penalty on the same matter for the period July 2011 to June 2012. On petition filed by the Group, the IHC directed the assessing officer to decide the case of the Group in line with the expected judgment of the IHC on the same matter. Similar demands aggregating Rs 1,384 million along with default surcharge and penalty for the period July 2012 to June 2014 were remanded back to the taxation officer by the CIR(A) with the same directions through orders in appeal dated August 17, 2015 and May 09, 2016 respectively in these consolidated financial statements.

Similarly, in June 2022, the taxation officer issued an ex-parte order adjudging sales tax demand of Rs 129.59 million along with default surcharge and penalty in the matter of alleged inadmissible claim of input tax in sales tax return filed with the Federal Board of Revenue for the tax period July 2016 to June 2017. The Group challenged the said order by filing an appeal to the CIR(A) in July 2022 who remanded the matter back to the taxation officer for re-assessment. In June 2025, the taxation officer initiated the assessment proceedings which have been duly responded to by the Group, which are pending decision.

As the matter of apportionment of input sales tax is common to the power generation industry, it is likely to be decided by the Islamabad High Court by taking up all related appeals jointly. Based on the opinions of the Group's legal counsels as well as in the view of the latest favourable decision on a similar issue in a parallel case by the Lahore High Court, a favourable outcome is expected and no provision in this regard has been made in these financial statements.

4,214,590

4,214,590

19.1.11 For tax years 2011, 2012 and 2014, the tax authorities raised an aggregate demand of Rs 191.39 million subjecting Capacity Purchase Price [CPP] to minimum tax under section 113 of the Income Tax Ordinance, 2001. The CIR(A) deleted the demand for tax year 2012 while the matter was remanded back by CIR(A) to the taxation officer for tax years 2011 and 2014 through orders dated April 05, 2016 and July 14, 2016 respectively. On Group's appeal, the ATIR decided the matter in favour of the Group for the tax year 2014 whereas the appeal for the tax year 2011 is pending decision.

Similarly, for tax year 2019, the tax authorities issued Notice in respect of applicability of provisions of section 113 of the Income Tax Ordinance on consideration related to CPP under section 122(9) of the Ordinance. In June 2025, the Group has responded to the Notice. The Taxation officer, while not agreeing with the Group's stance, has raised a demand of Rs. 1956.52 million under section 122(5A) of the Ordinance. The Group has filed appeal with the CIR(A) and the matter is pending for adjudication.

2025 2024
(Rupees in thousand)

Based on advice of the Group's tax advisor and the favourable decision of ATIR as well as IHC in a parallel case on the said issue, the management believes that there are meritorious grounds to defend the Group's stance in respect of this matter. Consequently, no provision has been made in these financial statements.

60,460 60,460

19.1.12 The tax authorities levied WWF amounting to Rs. 178.02 million for the tax years 2009 and 2010. The appeals filed by the Group were accepted by the CIR(A) who set-aside the demands and remanded the matter to Taxation Officer. The Group and the tax authorities filed appeals to the ATIR against the decision of the CIR(A). Subsequent to the reporting period, on July 07, 2025, ATIR(A) has remanded back the case to the taxation officer to follow the decision of the Supreme Court of Pakistan for calculation of charge of WWF. Based on the advice of the tax advisor, the management believes that there are meritorious grounds to support the Group's stance in respect of this matter. Consequently, no provision for this amount has been made in these financial statements.

178,020 178,020

19.1.13 The tax authorities amended the assessments for tax years 2005 to 2010 by disallowing the tax depreciation on operating fixed assets and its set-off against interest income. An aggregate tax demand of Rs 76.40 million was raised for these years. The appeals filed by the Group were accepted by the CIR(A) through order dated March 21, 2012, who set-aside the demand to the extent of disallowance of depreciation and remanded the matter to the taxation officer while accepting the Group's position on set off of unabsorbed depreciation against interest income. Both the Group and the tax authorities filed appeals to the ATIR on May 22, 2012 and May 23, 2012 respectively on this matter. On tax department's appeal, the ATIR has decided the matter in favour of the Group. On Group's appeal, the ATIR has remanded back the matter of adjustment of carried forward of unabsorbed depreciation to the taxation officer. A favourable outcome is expected in view of decision of the ATIR in a parallel case, therefore, no provision for the demand amount has been made in these financial statements.

76,400 76,400

19.1.14 For the tax periods from July 2013 to June 2014, the tax authorities raised sales tax demand of Rs 344.4 million along with default surcharge and penalty alleging shortfall in sales tax pertaining to Gas Infrastructure Development Cess. On appeal filed by the Group with CIR(A), the matter was remanded back to the taxation officer for re-adjudication. This is pending finalization, while the Group as well as the tax department have filed appeals to the ATIR against the decision of the CIR(A). This matter will be decided by the ATIR after decision on the matter of apportionment by the Islamabad High Court as mentioned in note 19.1.1 above as both proceedings were taken up together in the tax audit. Based on the advice of the Group's tax advisor, the management believes that there are meritorious grounds to support the Group's stance in respect of this matter. Consequently, no provision for this amount has been made in these financial statements.

344,400 344,400

19.1.15 On June 28, 2025, for the tax year 2019, the tax authorities raised income tax with-holding demand of Rs. 6.35 million along with default surcharge of Rs. 4.57 million under section 161(1) of the Income Tax Ordinance, 2001. On 24 July 2025, the Group has filed an appeal before the CIR(A). Based on the advice of the Group's tax advisor, the management believes that there are meritorious grounds to support the Group's stance in respect of this matter. Consequently, no provision for this amount has been made in these financial statements.

10,920 -

19.1.16 The Group uses canal water for its plant for which it has an agreement with the Irrigation Department, Sahiwal, Government of the Punjab. Irrigation Department has levied canal water charges on maximum intake basis (7 Cusec) whereas the Group is of the view that canal water should be charged on actual consumption basis (3.62 Cusec) which is as per the terms of the Agreement. In order to resolve the issue, Arbitrator [Superintendent Engineer ('SE') Irrigation Department] was appointed who decided the case against the Group. The Group, aggrieved by this decision, filed an appeal in the Civil Court who referred the matter to SE Irrigation Department, Sahiwal on September 9, 2015, for re-arbitration. The Arbitrator decided the case against the Group on July 6, 2019. The Group filed an appeal before the Civil Court Khanewal and the matter is pending adjudication. On April 20, 2024, the Civil Judge disposed off Group's Petition on technical grounds. Aggrieved with the Order of the Civil Judge, the Group has filed a writ Petition at the LHC, Multan Bench and the matter is pending adjudication.

Furthermore, the Irrigation Department made an exorbitant increase in water charges for usage of non-agriculture canal water from Rs 8.65 per 1,000 cft to Rs 100 per 1,000 cft. The Company along with other companies in the industry filed a Petition in the Lahore High Court on January 17, 2018, against this exorbitant increase in canal water charges. The Court has issued a stay order and asked the department to issue a notification after an agreement with the concerned parties. On 27-03-2018, the Lahore High Court set aside the notification for the enhancement of water charges, which had been challenged by the Irrigation Department through an Intra-Court Appeal. However, on 19-06-2025, the Division Bench of the Lahore High Court set aside the Single Bench order dated 27-03-2018 and upheld the notification in favor of the Irrigation Department.

On January 07, 2021, the Executive Engineer, Khanewal Division (Irrigation Department) raised a Demand Notice amounting to Rs 116.7 million for canal water charges up to December 2020. The Group paid Rs 12.80 million against the above demands and does not agree with the remaining amount levied by the Irrigation Department on the basis of the matter explained above. On January 15, 2021, Additional District Judge, Khanewal returned Group's Appeal for injunction order on account of matter being beyond jurisdiction of the Additional District Judge. On February 02, 2021, the Group filed an appeal at the Lahore High Court, Multan Bench for stay order to restrain the Irrigation Department against suspension of water supply. On February 03, 2021, the Lahore High Court Multan bench granted stay in favour of the Group and directed the Irrigation Department not to disconnect the water supply. On 14-05-2025, the Lahore High Court, Multan Bench, remanded the case back to the Additional District Judge, Khanewal, with directions to decide the matter on merit. On January 12, 2022, the Group received a letter from Executive

2025 2024
(Rupees in thousand)

Engineer ('XEN'), Khanewal to deposit water charges including effluent charges amounting to Rs 131.943 million and then on January 07, 2023, the Group received another letter from XEN to deposit revised water charges including effluent charges amounting to Rs 147.972 million. The Group paid Rs. 0.215 million against the canal water charges on March 11, 2024, which it deemed appropriate as per the provisions of the Agreement. On March 28, 2024, the Group received another letter from the XEN to deposit Rs. 176.3 million against the canal water charges at revised rates. The Group has not made payment against the said demand based on the matter explained above. In pursuance of the Lahore High Court Division Bench order dated 19-06-2025, the XEN Irrigation, Khanewal, raised a demand of Rs.192.4 million on 01-07-2025 for the deposit of the outstanding amount. The demand was issued on the basis of the said judgment, and a copy of the order dated 19-06-2025 was enclosed with the demand notice. The Group is in the process of filing an Appeal with the Supreme Court against the decision of the LHC.

Based on the advice of the Group's legal counsel, the management is of the view that there are meritorious grounds available to defend the Group's position in the above matters, hence, no provision has been made in these consolidated financial statements.

192,400

165,000

19.1.17 On the dispute pertaining to a portion of land situated inside the plant owned by Government of Punjab which has been claimed by a local person, the Group after knowing the factual position started paying rent of the land to District Revenue Authority as tenant and applied to the Board of Revenue, Punjab (BOR) for sale of the said piece of land to the Group. The BOR directed the local authorities for the sale of land, but local authorities demanded exorbitant price. The Group filed an application dated January 01, 2010 to the Assistant Commissioner (AC), Kabirwala, for cancellation of the said transfers but no action was taken on it. On April 28, 2011, the Group filed an application to the Government for deciding its application dated April 30, 2004 for review of price determined by it. However, the Deputy Secretary (Colonies), Board of Revenue, issued a letter on May 30, 2011 wherein the Group was asked to pay the price within two (2) months. Aggrieved, the Group filed a writ petition before the Honorable Lahore High Court, Multan Bench (the LHC). The LHC through its order dated December 06, 2021, disposed of the writ petition and directed the Member, Board of Revenue, Lahore (MBR), with the direction to treat it as a grievance petition and to decide it on merit in accordance with law after providing proper right of hearing to the Group.

On May 11, 2022, the MBR through its Order declined the Group's request for review of the price of land and directed the Commissioner - Multan Division to decide the case as per merit and the prevailing Government policy. A review application before the MBR has been filed and the matter is pending adjudication. On 08-04-2025, the Member, Board of Revenue, decided the case and dismissed the review application. Consequently, the earlier order dated 11-05-2022, passed by his predecessor, stands upheld, directing that the land in question be sold through open auction.

As the land is no longer in the utility of the Group subsequent to the Termination of the PPA and handing over of the Complex to the Government, the Group believes that this case is no longer required to be pursued.

15,000

15,000

	2025 (Rupees in thousand)	2024
19.1.18 The Group has issued following guarantees in favour of:		
i) Bank guarantees have been issued in favour of the Director, Excise and Taxation, Karachi.	41,842	41,842
ii) Bank guarantee has been issued to Collector of Customs.	-	5,519
iii) Standby letter of credit issued in favour of SNGPL against gas supply.	4,981,492	4,981,492
iv) A banking company has issued a guarantee on behalf of the Company in favour of SNGPL as security to cover natural gas/RLNG supply for which payments are made in arrears. The guarantee, which expired on June 14, 2025, was renewed on July 14, 2025, and is now valid until September 14, 2025, and remains renewable.	532,680	532,680
v) A bank guarantee favouring Pakistan State Oil Company Limited ('PSO') against fuel supply.	1,200	1,200

19.2 Commitments

19.2.1 Commitments in respect of capital and revenue expenditure

- i) RPPL had an agreement with Descon Power Solutions (Private) Limited, a related party by virtue of common directorship, for the Operations and Maintenance ("O&M") of the power plant. The agreement, originally intended for a period of eight years from July 1, 2017 to June 30, 2025 as per the O&M Agreement dated July 27, 2017, was terminated effective December 31, 2024. Notice of termination was served on November 29, 2024. As per the terms of agreement, the Company was required to pay a monthly fixed O&M fee, subject to annual adjustments based on an indexation mechanism to account for inflation.
- ii) RPPL had a Long Term Maintenance Service Agreement ("LTMSA") with Siemens Energy Global GmbH & Co. KG (formerly operating as Siemens Open Consortium, comprising Siemens Gas and Power GmbH & Co. KG) and Siemens Pakistan Engineering Company Limited, effective from June 29, 2017. Pursuant to a Novation Agreement dated April 20, 2020, all rights, obligations, and liabilities under the LTMSA were transferred from Siemens Energy Global GmbH & Co. KG to Siemens Gas and Power GmbH & Co. KG. As per the terms of the agreement, the LTMSA was originally intended to remain effective for each gas turbine until the later of: (a) completion of 111,000 equivalent operating hours ("EOHs") or eight scheduled outages per gas turbine, and (b) May 31, 2027. However, the agreement was mutually terminated effective December 31, 2024.

Under the LTMSA, RPPL was required to pay a monthly fixed fee, subject to annual indexation to reflect inflation, as per the mechanism specified in the agreement. In addition, a fixed annual payment was also payable by RPPL under the LTMSA.

19.2.2 Letters of credit and bank guarantees

The letter of credit stood at Rs. 31.47 million (2024: Rs. 51.59 million), while bank guarantees issued amounted to Rs. 43.04 million (2024: Rs. 43.04 million). These facilities are secured by a lien on bank deposits.

19.2.3 Standby letter of credit

The facility for standby letter of credit from a commercial bank amounts to Rs 5,000 million (2024: Rs 5,000 million). The amount utilised as at June 30, 2025 was Rs 4,981 million (2024: Rs 4,981 million). The facility is secured against first ranking pari passu charge over fixed assets other than land and building by way of hypothecation and assignment of RPPL's EPP receivables in favour of the lender.

	Note	2025 (Rupees in thousand)	2024
20 REVENUE - NET			
Energy purchase price - gross		2,227,776	350,061
Sales tax		(339,830)	(53,399)
Energy purchase price - net		1,887,946	296,662
Capacity purchase price		5,682,752	8,213,456
Delayed payment markup		399,379	1,092,346
		7,970,077	9,602,464

			2025	2024
			(Rupees in thousand)	
21	DIRECT COSTS	Note		
	RLNG cost		2,013,961	286,247
	Operation and maintenance costs		1,216,133	856,247
	Depreciation on operating fixed assets		507,928	1,489,684
	Stores, spares and loose tools consumed		43,887	126,761
	Lube oil consumed		50	788
	Repairs and maintenance		15,251	100,132
	Termination cost under various contracts		18,976	-
	Entertainment		3,528	-
	Insurance		125,609	226,151
	Purchase of energy		151,277	387,370
	Salaries, benefits and other allowances	21.1	41,522	40,769
	Traveling & conveyance		1,350	544
	Licensing fee		29,749	44,846
	Electricity duty		137	156
	Coloney maintenance		8,263	24,644
	Communication		2,991	8,469
	Vehicle maintenance		1,563	2,201
	Liquidated damages		78	-
	Security expenses		12,310	11,631
	Miscellaneous expenses		373	7,715
	Rent, rates and taxes		1,629	-
			4,196,565	3,614,355
21.1	Salaries and other benefits include Rs 0.70 million (2024: Rs 1.37 million) in respect of provident fund contribution by the Group			
22	ADMINISTRATIVE EXPENSES			
	Salaries, benefits and other allowances	22.1	174,604	116,965
	Director's meeting fee	29.1	1,625	2,725
	Information technology and ERP related cost	22.2	30,449	30,286
	Legal and professional expenses		105,478	83,894
	Depreciation on operating fixed assets		5,055	8,700
	Traveling and conveyance		14,158	23,690
	Rent, rates and taxes	22.4	16,413	16,056
	Utilities		1,791	1,593
	Repair and maintenance		107	182
	Communication		2,011	990
	Printing, stationery and advertisement		2,469	4,083
	Auditors remuneration	22.3	8,008	7,341
	Fee and subscription		2,757	2,365
	Entertainment		1,093	2,689
	Amortization of intangible assets	6	5,641	3,639
	Vehicle maintenance		2,036	2,032
	Professional tax		200	200
	Insurance		3,237	6,284
	Provision for doubtful debts		-	750,871
	Bad debts written off		1,137	-
	Miscellaneous		1,862	4,113
			380,131	1,068,698

22.1 This includes Rs 4.38 million (2024: Rs 4.55 million) in respect of provident fund contribution by the Company and gratuity expense amounting to Rs 2.48 million (2024: Rs 8.63 million).

22.2 This represents charges in respect of ERP annual support services rendered by Descon Corporation (Private) Limited, a related party on the basis of common directorship.

	Note	2025 (Rupees in thousand)	2024
22.3 Auditor's remuneration			
The Charges for professional services (exclusive of sales tax) consists of the following in respect of the auditor's services for:			
Statutory audits		5,628	5,036
Half yearly review		470	407
Certifications required by various regulations		530	630
Reimbursement of expenses		700	618
Special audit of consolidated financial statements		450	450
Group audit services		230	200
		8,008	7,341

22.4 This includes lease rentals of Rs 3.62 million (2024: Rs 3.43 million) and Rs 2.08 million (2024: Rs 3.01 million) in respect of property leased from Descon Corporation (Private) Limited and Descon Engineering Limited, related parties on the basis of common directorship, respectively.

	Note	2025 (Rupees in thousand)	2024
23 OTHER INCOME			
Profit on bank deposit		53,042	778,241
Income on short term investment		205,937	163,300
Fair value gain on short term investment		824,824	1,354
Gain on disposal of operating fixed assets		31,297	7,454
Scrap sales		-	741
Provisions and unclaimed balances written back		4,163	7,029
Miscellaneous		4	5,602
		1,119,267	963,721

24 OTHER EXPENSES			
Donations	24.1	1,500	12,319
Workers' Welfare Fund		1,366	-
Advances written off		4,621	-
Exchange loss		15,738	3,054
Long term security deposits write-off		231	-
Write off of fixed and current assets		12,024,907	-
		12,048,363	15,373

24.1 In the current year, a donation was made to the Lahore University of Management Sciences, whereas in the prior year, the donation was made to Rural Health Centre - Abdul Hakim, Special Education Centre Mian Chanu - Khanewal, Post office Abdul Hakim, Government Girls High School - Abdul Hakim, Government Special Education Center - Khanewal, Vocational Training Institute - Abdul Hakeem and Lahore University of Management Sciences. None of the directors or their spouses hold any interest in the donee.

25	FINANCE COST	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
	Bank charges		914	3,771
	Markup on short term borrowings - secured		36,600	855
	Bank guarantee commission		54,076	28,807
	Lender fees and charges		14,239	22,599
	Lender related costs-others		489	975
			106,318	57,007
26	TAXATION - INCOME TAX AND FINAL TAX			
	Final tax		581,122	152,022
	Income tax			
	Current - For the year		184,479	489,681
	- Prior years		-	-
			184,479	489,681
	Deferred	16.2	(700,269)	(137,926)
			65,332	503,777
26.1	Relationship between tax income and accounting profit	Note	2025 (Rupees in thousand)	2024 (Rupees in thousand)
	Profit before income tax and final tax		(7,642,033)	5,810,752
	Tax at the applicable rate of 29% (2024: 29%) under the Income Tax Ordinance, 2001		(2,216,190)	1,685,117
	Tax effect of:			
	- Amounts that are exempt as referred to in note 4.2		2,472,155	(1,455,306)
	- Inadmissible electric power generation expenses and other non-deductible amounts		42,671	42,448
	- Super tax		-	75,810
	- Income taxable under different rate		(41,141)	(94,233)
	- Recognition of deferred tax on undistributed reserves of subsidiary		(700,269)	(137,926)
	- Items subject to final tax regime		508,106	387,867
			2,281,522	(1,181,340)
			65,332	503,777
26.2	The Group along with certain related companies had obtained certificate of registration and designation letter of a group from SECP on June 5, 2015 and September 9, 2016, respectively, and the same were registered as a Group with SECP under the Group Companies Registration Regulations, 2008 to avail group relief under section 59B of the Income Tax Ordinance, 2001. At the time of registration of the Group, inter-corporate dividend PMCL was exempt from tax for companies entitled for group relief under Clause 103A of Part I of the Second Schedule to the Income Tax Ordinance, 2001. However, subsequent to the registration of the Group, this clause was amended through Finance Act, 2016 and the exemption in respect of inter-corporate dividend was withdrawn. The Group is of the view, that since the Group had been registered as a Group before the amendment in law, the Group remains entitled for such exemption. Based on the advice of the Group's legal advisor, management believes that there are meritorious grounds to defend its case in the courts of law with the taxation authorities. Consequently, no provision of Rs 436.58 million (2024: Rs 436.58 million) for tax on dividend income received from PMCL for the tax years 2017 and 2018 has been recognized in these consolidated financial statements.			

27	CASH GENERATED FROM OPERATIONS	Note	2025 (Rupees in thousand)	2024
	Profit before income tax and final tax		(7,642,033)	5,810,752
	Adjustment for non-cash charges and other items:			
	-Depreciation on operating fixed assets		512,983	1,498,384
	-Profit on short term investments		(205,937)	(92,442)
	-Property, plant & equipment written off		9,656,485	-
	-Stores, spares & fuel inventory written off		1,138,280	-
	-Long term security deposits written off		232	-
	-Gain on disposal of operating fixed assets		(31,297)	(7,454)
	-Provision for employee retirement benefits		2,548	8,636
	-Liabilities no longer payable written back		(4,159)	(7,029)
	-Advances written off		3,447	-
	-Amortization on intangible assets		5,641	3,639
	-Exchange loss		15,738	3,054
	-Finance cost		106,318	57,007
	-Provision for bad debts		1,137	750,871
	-Profit on bank deposits		(53,042)	(778,241)
			11,148,374	1,436,425
	Profit before working capital changes		3,506,341	7,247,177
	Effect on cashflow due to working capital changes:			
	Current assets			
	Decrease / (increase) in stores, spares and loose tools		101	(42,921)
	Decrease in trade debts		14,228,567	344,214
	Decrease / (increase) in advances, prepayments, and other receivables		705,092	(302,100)
			14,933,760	(807)
	Current liabilities			
	Decrease in trade and other payables		(354,779)	(1,279,805)
	Cash generated from operations		18,085,322	5,966,565
28	CASH AND CASH EQUIVALENTS			
	Bank balances		186,308	552,078
	Short term investments		8,921,080	3,434,002
			9,107,388	3,986,080

29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

- 29.1 The aggregate amounts charged in these consolidated financial statements for remuneration and certain benefits to Chief Executive, Directors and Executives are as follows:

	Executives	
	2025 (Rupee in thousand)	2024
Managerial remuneration (including performance bonus)	49,219	74,611
Contribution to provident fund	3,366	5,571
Gratuity fund	3,116	5,159
House rent, utilities and other allowances	3,407	21,354
	59,108	106,695
Number of persons	4	10

29.3 During the year the Group paid meeting fee amounting to Rs. 1.625 million (2024: Rs. 2.725 million) to its two non-executive (independent) directors.

The investments by the provident fund in collective investment schemes, listed equity and debt securities have been made in accordance with the provisions of section 218 of the Act and the conditions specified thereunder.

32 FINANCIAL RISK MANAGEMENT

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.

The Group's overall risk management procedures to minimise the potential adverse effects of financial market on the Group's performance are as follows:

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss, without taking into account the fair value of any collateral. Credit risk mainly arises from deposits with banks, trade and other receivables. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economics, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

The management assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by Board. The utilization of these credit limits is regularly monitored. For banks and financial institutions, only independently rated parties with a strong credit rating are accepted.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2025	2024
	(Rupee in thousand)	
Long term security deposits	376	608
Trade debts - secured	-	14,229,704
Other receivables	1,578,221	487,713
Short term investments	8,921,080	3,434,002
Bank balances	186,308	552,078
	10,685,985	18,704,105
As of June 30, age analysis of trade debts was as follows:		
Neither past due nor impaired	-	2,432,523
Past due but not impaired		
- 1 to 30 days	-	1,094,216
- 31 to 120 days	-	3,491,636
- 121 to 360 days	-	2,739,855
- above 360 days	-	4,471,474
	-	11,797,181
Past due and impaired		
- 1 to 30 days	-	-
- 31 to 120 days	-	-
- 121 to 360 days	-	-
- above 360 days	-	952,557
	-	952,557
Less: Impairment	-	(952,557)
	-	14,229,704

(ii) Credit quality of major financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rate:

	Rating		Rating Agency	2025	2024
	Short term	Long term		(Rupee in thousand)	
Short term investments					
NBP Money Market Fund	-	AA(f)	PACRA	8,345,980	328,782
NBP Islamic Daily Dividend Fund	-	AA+(f)	PACRA	48	89,046
NBP Cash Plan - II	-	AM1	PACRA	-	3,010,655
HBL Asset Management Limited		AA+(f)	VIS	575,052	-
Term deposit receipt (TDR)	-	-	-	-	5,519
				8,921,080	3,434,002
	Rating		Rating Agency	2025	2024
	Short term	Long term		(Rupee in thousand)	
Bank balances					
MCB Bank Limited	A1+	AAA	PACRA	2,067	2,035
The Bank of Punjab	A1+	AA+	PACRA	4,295	4,295
Habib Bank Limited	A1+	AAA	VIS	793	126
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	138,187	4,514
Faysal Bank Limited	A1+	AA	PACRA	-	140
Askari Bank Limited	A1+	AA+	PACRA	-	7
National Bank of Pakistan	A1+	AAA	PACRA	1,618	435,812
Bank Alfalah Limited	A1+	AAA	PACRA	36,795	100,027
Bank Islami Limited	A1	AA-	PACRA	-	105
Standard Chartered Bank Limited	A1+	AAA	PACRA	2,553	5,017
				186,308	552,078

The Group's sole customer is CPPA. The credit risk on trade debts from CPPA is managed by a guarantee from the Government of Pakistan under the IA and by continuous follow-ups for release of payments from CPPA. Cash is held only with reputable banks with high quality external credit enhancements. The Group establishes a provision for doubtful debts that represents its estimate of incurred losses in respect of trade debts, if required. Due to the Group's long standing business relationships with these counter-parties and after giving due consideration to their strong financial standing, management does not expect non-performance by these counterparties on their obligations to the Group. Accordingly, the credit risk is minimal.

(iii) Impairment of financial assets other than those due from the Government of Pakistan

The Group's financial assets, other than those due from the Government of Pakistan, are subject to the ECL method. While bank balances, long term security deposits and other receivables are subject to the ECL method of IFRS 9, the identified impairment loss as at June 30, 2025 was immaterial and hence, has not been accounted for.

b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the Group's business, the Group manages liquidity risk by maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

Management monitors the forecasts of the Group's cash and cash equivalents (note 28) on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the Group. These limits vary by location to take into account the liquidity of the market in which the Group operates. In addition, the Group's liquidity management policy involves projecting cash flows in each quarter and considering the level of liquid assets necessary to meet its liabilities, monitoring reporting date liquidity ratios against internal and external regulatory requirements, and maintaining debt financing plans.

The Group's financial liabilities are due to mature within one year and the carrying amounts are equal to the total contractual cashflows.

The Group closely monitors its liquidity and cash flow position. The liquidity risk is managed by using a financial model and a continuous follow-up for collecting receivables from CPPA and managing debt repayments on due dates, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. However, under current circular debt issue faced by the power sector, the Group is significantly exposed to liquidity risk.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of the financial instrument may fluctuate as a result of changes in market interest rates or the market price due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities, liquidity in the market etc. The Group is exposed to interest rate risk and currency risk only as there are no investments in equity instruments traded in the market at the reporting date.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Majority of the interest rate exposure arises on balances in savings accounts, term deposit receipts, overdue trade debts and short term borrowings. The Group has no significant long term interest-bearing assets. The interest rate profile of the Group's interest-bearing financial instruments at the reporting date was as under:

	2025 (Rupee in thousand)	2024
Fixed rate instruments:		
Financial assets		
Term deposit receipt	-	5,519
	-	5,519
Financial liabilities	-	-
Net exposure	-	5,519
Variable rate instruments:		
Financial assets		
Trade debts - overdue	-	11,797,181
Bank balances - saving accounts	4,382	440,958
Financial liabilities	-	-
Net exposure	-	12,238,139

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect consolidated statement of profit or loss or equity.

Cash flow sensitivity analysis for variable rate instruments

If interest rates on variable rate financial instruments, at the year end date, fluctuates by 1% higher/lower with all other variables held constant, profit for the year would have been Rs 74.487 million (2024: Rs 155.984 million) higher/lower mainly as a result of higher/lower net interest income on floating rate instruments.

(ii) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial asset or a liability will fluctuate due to a change in foreign exchange rates. It arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

Exposure to currency risk

The Group is exposed to currency risk arising mainly from United States Dollar ('USD') and Euro.

The Group's exposure to foreign currency risk at the reporting date was as follows:

	2025		
	Translated in Rupees	US Dollars	Euro
	(Amounts in thousand)		
Trade and other payables and accrued liabilities	130,875	106	303
Net liability exposure	130,875	106	303
	2024		
	Translated in Rupees	US Dollars	Euro
	(Amounts in thousand)		
Trade and other payables and accrued liabilities	(139,380)	(305)	(183)
Net liability exposure	(139,380)	(305)	(183)

Foreign exchange risk in USD is mitigated by the indexation mechanism for tariff available under PPA.

The following significant exchange rates were applied during the year:

	Reporting date rate		Average rate	
	2025	2024	2025	2024
US Dollars	283.76	278.37	281.07	282.64
Euro	332.66	297.69	315.18	305.98

Sensitivity analysis

At June 30, 2025, if the Rupee had weakened/strengthened by 10% against the USD with all other variables held constant, the impact on post tax profit for the year would have been Rs. 3.008 million (2024: Rs. 8.490 million) lower/higher mainly as a result of exchange loss/gain on translation of USD denominated financial instruments.

At June 30, 2025, if the Rupee had weakened/strengthened by 10% against the Euro with all other variables held constant, the impact on post tax profit for the year would have been Rs. 10.08 million (2024: Rs. 5.447 million) lower/higher mainly as a result of exchange loss/gain on translation of Euro denominated financial instruments.

(iii) Other price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is not exposed to equity price risk since there are no investments in equity instruments traded in the market at the reporting date. The Group is also not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices. The Group has investment in mutual funds that are carried at fair value through profit or loss ('FVPL'). Therefore, the Group is exposed to other price risk due to macroeconomic factors.

The Group has investment in mutual funds that are carried at fair value through profit or loss ('FVPL'). Therefore, the Group is exposed to other price risk due to macroeconomic factors.

As at June 30, 2025, if the market value of Group's investment in units held in mutual funds had been 10% higher/lower, with all other variables held constant, the impact would have been as follows:

	Impact on Profit for the year	
	2025	2024
	(Rupee in thousand)	
NBP Money Market Fund	834,598	32,878
NBP Islamic Daily Dividend Fund	5	8,905
NBP Cash Plan - II	-	301,066
HBL Asset Management Limited	57,505	-
	892,108	342,849

The Group is not exposed to commodity price risk since it does not hold any financial instrument based on commodity prices.

32.2 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 maximise 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 Group's assets and liabilities that are measured at fair value:

	Level 1	Level 2	Level 3	Total
As at June 30, 2025				
<i>Recurring fair value measurements</i>				
Assets - Short term investments	8,921,080	-	-	8,921,080
Liabilities	-	-	-	-
As at June 30, 2024				
<i>Recurring fair value measurements</i>				
Assets - Short term investments	3,434,002	-	-	3,434,002
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 year. The Group's policy is to recognise 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 analysed 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.

32.3 Financial instruments by categories

	At fair value through profit or loss	Financial assets at amortised cost	Total
	(Rupee in thousand)		
As at June 30, 2025			
<i>Assets as per statement of financial position</i>			
Long term security deposits	-	376	376
Long term loans to employees	-	-	-
Trade debts - secured	-	-	-
Loans and other receivables	-	125,592	125,592
Short term investments	8,921,080	-	8,921,080
Bank balance	-	186,308	186,308
	8,921,080	312,276	9,233,356
As at June 30, 2024			
<i>Assets as per statement of financial position</i>			
Long term security deposits	-	608	608
Long term loans to employees	-	1,988	1,988
Trade debts - secured	-	14,229,704	14,229,704
Loans and other receivables	-	487,713	487,713
Short term investments	3,434,002	-	3,434,002
Bank balances	-	552,078	552,078
	3,434,002	15,272,091	18,706,093

Liabilities as per statement of financial position

	Financial liabilities at amortised cost	
	2025	2024
	(Rupee in thousand)	
Trade and other payables	233,179	436,417
Accrued markup on short term borrowings - secured	-	822
Unclaimed dividend	5,347	6,264
Dividend Payable	594,927	2,756,986
	833,453	3,200,489

32.4 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and lenders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

Consistent with others in the industry and the requirements of the lenders, the Group monitors the capital structure on the basis of gearing ratio. This ratio is calculated as net debt divided by total equity (as shown in the statement of financial position). Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and bank balances and liquid investments.

The gearing ratios as at June 30, 2025 and 2024 were as follows:

	2025	2024
	(Rupee in thousand)	
Borrowings (including accrued markup thereon)	-	822
Less: Bank balances	186,308	552,078
Short term investments	8,921,080	3,434,002
	9,107,388	3,986,080
(Negative net debt)/net debt	(9,107,388)	(3,985,258)
Total equity	9,897,358	27,794,315
Gearing ratio	-92.0%	-14.3%

In accordance with the terms of agreements with the lenders, the Group is required to comply with certain covenants. The Group has complied with these covenants throughout the reporting period.

32.5 Offsetting financial assets and financial liabilities

There are no significant financial assets and financial liabilities that are subject to offsetting, enforceable master netting arrangements and similar agreements.

33. TRANSACTION WITH RELATED PARTIES

The related parties comprise the holding company of AEL, ultimate parent, subsidiaries and associates of holding company and ultimate parent, group companies, related parties on the basis of common directorship, key management personnel of the Group and its holding company and post-employment benefit plans (Gratuity Fund and Provident Fund). Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. The Group in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables. Related party transactions have been disclosed in respective notes in these consolidated financial statements other than the following:

Relationship with the Group Companies	Nature of transactions	2025 (Rupees in thousand)	2024
(i) Holding Company			
DEL Power (Private) Limited	Dividends paid	3,297,794	2,434,501
(ii) Other related parties			
<i>On the basis of common directorship</i>			
Descon Engineering Limited	Supply of spares and services	15,255	32,076
	Common costs charged to the Group	37,195	5,349
Descon Power Solutions (Private) Limited	Operations & maintenance	693,788	645,268
	Purchase of spare parts	2,000	2,348
	Common costs charged to the Group	3,122	1,038
Descon Corporation (Private) Limited	Supply of spares and services	-	68,653
	Common costs charged to the Group	63,176	1,834
	Building rent	707	647
Descon Holdings (Private) Limited	Dividends paid	468	342
Other related parties			
Saudi Arabian Construction & Repair Company Limited	Dividends paid	88,306	-
Crescent Steel & Allied Products Limited	Dividends paid	734,424	698,619
Siemens (Pakistan) Engineering Company Limited	Purchase of goods and services	235,294	64,979
	Long term maintenance services	269,106	8,339
(iii) Key management personnel - note 33.2			
	Short term employee benefits	46,840	7,259
	Post employment benefits	5,443	1,521

- 33.1** 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.
- 33.2** This represents remuneration of Chief Executive and certain benefits paid to non-executive Directors disclosed in note 29.1 to these consolidated financial statements and dividend paid to a non-executive Director.
- 33.3** The related parties with whom the Group had entered into transactions or had arrangements/agreements in place along with their basis of relationship with the Group and percentage of shareholding in the Parent Company are as follows:

ALTERN ENERGY LIMITED

Name	Relationship	Percentage of shareholding of
DEL Power (Private) Limited	Holding Company	58.18%
DEL Processing (Private) Limited	Ultimate Parent	Nil
Descon Engineering Limited	Common directorship	Nil
Descon Power Solutions (Private) Limited	Common directorship	Nil
Descon Corporation (Private) Limited	Common directorship	Nil
Inspectest (Private) Limited	Common directorship	Nil
Saudi Arabian Construction & Repair Company Limited	Other related party	17.05%
Crescent Steel and Allied Products Limited	Other related party	5.74%
Descon Holdings (Private) Limited	Group company	0.008260%
Mr. Faisal Dawood	Director	0.006190%
Mrs. Mehreen Dawood	Director	0.000138%
Mr. Farooq Nazir	Director	0.000138%
Mrs. Aliya Saaeda Khan	Director	0.000138%
Mr. Shah Muhammad Chaudhry	Director	0.000138%
Mr. Salih Merghani	Director	Nil
Mr. Syed Rizwan Ali Shah	Director	0.000138%
Mr. Umer Shehzad Sheikh	Chief Executive	Nil

34 PLANT CAPACITY AND ACTUAL GENERATION

		2025	2024
Installed capacity	MWh	250,356	3,710,356
Practical maximum output	MWh	1,068,318	3,256,318
Actual energy delivered	MWh	62,000	9,710.00

Practical maximum output for the power plant is computed taking into account all the scheduled outages and OFME days. Actual output is dependent on the load demanded by CPPA, the plant availability and mean-site conditions.

35 EARNINGS PER SHARE - BASIC AND DILUTED

35.1 Earnings per share - Basic

(Loss) / Profit for the year attributable to			
Owners of the Parent Company	(Rupees in thousand)	(4,557,349)	3,085,244
Average ordinary shares	(Number)	363,380,000	363,380,000
(Loss) / Earnings per share	(Rupees)	(12.54)	8.49

35.2 Earnings per share - Diluted

A diluted earnings per share has not been presented as the Group does not have any convertible instruments in issue as at June 30, 2025 and June 30, 2024 which would have any effect on the earnings per share if the option to convert is exercised.

36 INTEREST IN OTHER ENTITIES

36.1 Subsidiaries

The Group's principal subsidiaries as at June 30, 2025 and June 30, 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group		Ownership interest held by non- controlling interests		Principal objective
		2025	2024	2025	2024	
Power Management Company (Private) Limited	Lahore, Pakistan	100%	100%	0%	0%	Invest, manage, operate, run, own and build power projects, intermediate holding company of RPPL
Rousch (Pakistan) Power Limited	Islamabad, Pakistan	59.98%	59.98%	40.02%	40.02%	Generate and supply electricity to CPPA-G

36.2 Non-controlling interest

Set out below is summarised financial information for a subsidiary "Rousch (Pakistan) Power Limited" that has non-controlling interest that is material to the Group. The amounts disclosed for the subsidiary is before inter-company eliminations:

	2025 (Rupees in thousand)	2024
Summarised consolidated statement of financial position		
Current assets	8,979,771	21,053,807
Current liabilities	(163,195)	(3,199,157)
Current net assets	8,816,576	17,854,650
Non-current assets	6,585	10,137,926
Non-current liabilities	(4,358)	(6,282)
Non-current net assets	2,227	10,131,644
Net assets	8,818,803	27,986,294
Accumulated non-controlling interest	3,529,938	11,200,008

Summarised consolidated statement of comprehensive income

	2025 (Rupees in thousand)	2024
Revenue - net	7,970,077	9,602,464
(Loss)/ profit for the year	(7,870,537)	5,552,106
Other comprehensive (loss) / income for the year	(1,350)	3,414
Total comprehensive (loss) / income for the year	(7,871,887)	5,555,520
(Loss) / profit attributable to non-controlling interests	(3,150,016)	2,221,731
Other comprehensive (loss) / income attributable to non-controlling interests	(540)	1,366
Dividends provided for non-controlling interests	4,519,514	3,450,010

Summarised consolidated statement of cashflows

Net cash inflow from operating activities	17,821,316	6,472,820
Net cash inflow from investing activities	185,982	2,865
Net cash outflow from financing activities	(13,939,058)	(5,952,892)
Net increase in cash and cash equivalents during the year	4,068,240	522,793

36.3 Transactions with non-controlling interests

There was no transaction with non-controlling interests during the year ended June 30, 2025.

37 CORRESPONDING FIGURES

Certain corresponding figures have been rearranged and/or reclassified, wherever necessary, for the purpose comparison and better presentation. However, no significant reclassification has been made in these consolidated financial statements.

38 DATE OF AUTHORISATION

These consolidated financial statements were authorised for issue by the Board of Directors of the Group Company in their meeting held on September 01, 2025.


Chief Executive


Chief Financial Officer


Director

SIX YEAR PERFORMANCE

Financial Year ending June 30	2025	2024	2023	2022	2021	2020
	----- (Rupees In Thousand) -----					
Despatch (MWH)	-	-	-	-	12,403	3,728
Revenue	-	-	17,457	1,058	204,104	116,802
Direct Costs	96,393	93,364	83,003	103,285	247,449	167,863
Gross Profit/ (Loss)	(96,393)	(93,364)	(65,546)	(102,227)	(43,345)	(51,061)
Net Profit/ (Loss)	5,786,902	4,336,312	(72,858)	6,615,965	(84,315)	1,689,621
Total Assets	4,476,490	3,887,009	3,980,293	4,216,135	4,170,710	4,317,833

PATTERN OF SHAREHOLDING

FORM 20

THE COMPANIES ACT, 2017
(Section 227(2)(f))
PATTERN OF SHAREHOLDING

1.1 Name of the Company

ALTERN ENERGY LIMITED

2.1. Pattern of holding of the shares held by the shareholders as at

30-06-2025

2.2 No. of Shareholders	From	To	Total Shares Held
495	1	100	19,364
565	101	500	195,542
504	501	1,000	452,346
1239	1,001	5,000	3,537,372
477	5,001	10,000	3,791,886
192	10,001	15,000	2,424,804
140	15,001	20,000	2,570,447
86	20,001	25,000	2,043,961
44	25,001	30,000	1,240,055
32	30,001	35,000	1,050,963
40	35,001	40,000	1,534,295
24	40,001	45,000	1,031,910
41	45,001	50,000	2,031,622
21	50,001	55,000	1,106,712
19	55,001	60,000	1,113,752
10	60,001	65,000	639,699
13	65,001	70,000	887,186
9	70,001	75,000	663,197
11	75,001	80,000	858,163
4	80,001	85,000	330,800
9	85,001	90,000	796,574
3	90,001	95,000	277,531
21	95,001	100,000	2,095,017
3	100,001	105,000	306,407
1	105,001	110,000	105,500
4	110,001	115,000	457,500
2	115,001	120,000	240,000
2	120,001	125,000	248,632
1	125,001	130,000	130,000
4	135,001	140,000	552,907
3	140,001	145,000	429,612
2	145,001	150,000	300,000
2	150,001	155,000	305,500
1	155,001	160,000	156,779
2	160,001	165,000	324,001
2	170,001	175,000	345,000
2	180,001	185,000	369,089
1	185,001	190,000	187,724
6	195,001	200,000	1,199,000
3	200,001	205,000	605,693
1	205,001	210,000	207,513
1	220,001	225,000	225,000
1	225,001	230,000	230,000
2	230,001	235,000	465,150
1	240,001	245,000	245,000
2	245,001	250,000	500,000
1	255,001	260,000	255,181

2.2 No. of Shareholders	From	To	Total Shares Held
1	270,001	275,000	275,000
3	295,001	300,000	895,499
1	310,001	315,000	313,800
1	320,001	325,000	320,200
1	330,001	335,000	332,000
1	340,001	345,000	341,474
1	350,001	355,000	354,000
1	365,001	370,000	369,000
1	370,001	375,000	370,716
1	375,001	380,000	376,479
2	395,001	400,000	797,500
2	400,001	405,000	800,942
1	430,001	435,000	434,000
1	470,001	475,000	475,000
1	495,001	500,000	500,000
2	595,001	600,000	1,198,000
1	610,001	615,000	613,500
1	635,001	640,000	639,481
1	660,001	665,000	661,000
1	670,001	675,000	670,800
1	695,001	700,000	700,000
1	735,001	740,000	738,529
1	815,001	820,000	815,136
1	945,001	950,000	950,000
1	1,130,001	1,135,000	1,130,523
1	1,575,001	1,580,000	1,577,000
1	1,735,001	1,740,000	1,738,488
1	3,000,001	3,005,000	3,003,425
1	3,245,001	3,250,000	3,250,000
1	5,445,001	5,450,000	5,447,864
1	20,840,001	20,845,000	20,840,256
1	61,965,001	61,970,000	61,968,939
1	211,395,001	211,400,000	211,397,063
4087			363,380,000

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	25,000	0.0069%
2.3.2 Associated Companies, undertakings and related parties. (Parent Company)	211,427,063	58.1835%
2.3.3 NIT and ICP	0	0.0000%
2.3.4 Banks Development Financial Institutions, Non Banking Financial Institutions.	0	0.0000%
2.3.5 Insurance Companies	0	0.0000%
2.3.6 Modarabas and Mutual Funds	0	0.0000%
2.3.7 Shareholders holding 10% or more	273,366,002	75.2287%
2.3.8 General Public		
a. Local	62,320,135	17.1501%
b. Foreign	3,550	0.0010%
2.3.9 Others (to be specified)		
- Joint Stock Companies	26,896,784	7.4018%
- Foreign Companies	62,707,468	17.2567%

Altern Energy Limited.
CATEGORIES OF SHAREHOLDERS
As On 30th June, 2025

ONLY FOR INFORMATION
NOT FOR PRINTING

S. No.	NAME	HOLDING	% AGE
<u>DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN</u>			
1	MR. FAISAL DAWOOD (CDC)	22,500	0.0062
2	MR. FAROOQ NAZIR (CDC)	500	0.0001
3	MR. SHAH MUHAMMAD CHAUDHARY (CDC)	500	0.0001
4	SYED RIZWAN ALI SHAH (CDC)	500	0.0001
5	MST. ALIYA SAEEDA KHAN (CDC)	500	0.0001
6	MRS. MEHREEN DAWOOD	500	0.0001
7	MR. SALAIH MARGHANI	0	0.0000
		25,000	0.0069
<u>ASSOCIATED COMPANIES, UNDERTAKING & RELATED PARTIES</u>			
1	DEL POWER (PRIVATE) LIMITED (CDC)	211,397,063	58.1752
2	DESCON HOLDINGS (PVT) LIMITED.(CDC)	30,000	0.0083
		211,427,063	58.1835
<u>NIT & ICP</u>			
		0	0.0000
<u>FINANCIAL INSTITUTION</u>			
		0	0.0000
<u>MODARABAS & MUTUAL FUNDS</u>			
		0	0.0000
<u>PENSION FUNDS</u>			
		0	0.0000
<u>INSURANCE COMPANIES</u>			
		0	0.0000
<u>JOINT STOCK COMPANIES</u>			
1	OCTAGON INTERNATIONAL (PVT) LIMITED	1,000	0.0003
2	AHSAM SECURITIES (PRIVATE) LIMITED (CDC)	10,000	0.0028
3	BROADAXIS TECHNOLOGIES (PRIVATE) LIMITED (CDC)	15,000	0.0041
4	AMER SECURITIES (PVT.) LIMITED (CDC)	5,447,864	1.4992
5	ASDA SECURITIES (PVT.) LTD. (CDC)	50,000	0.0138
6	CRESCENT STEEL AND ALLIED PRODUCTS LTD. (CDC)	20,840,256	5.7351
7	DARSON SECURITIES (PRIVATE) LIMITED (CDC)	50,000	0.0138
8	ELAHI CAPITAL (PRIVATE) LIMITED (CDC)	821	0.0002
9	HIGH LAND SECURITIES (PRIVATE) LIMITED (CDC)	4,000	0.0011
10	K & I GLOBAL CAPITAL (PRIVATE) LIMITED (CDC)	2,456	0.0007
11	MAAN SECURITIES (PRIVATE) LIMITED (CDC)	100,000	0.0275
12	MAPLE LEAF CAPITAL LIMITED (CDC)	1	0.0000
13	MRA SECURITIES LIMITED - MF (CDC)	49,500	0.0136
14	NCC - PRE SETTLEMENT DELIVERY ACCOUNT (CDC)	12,481	0.0034
15	RAO SYSTEMS (PVT.) LTD. (CDC)	10,000	0.0028
16	SAPPHIRE HOLDING LIMITED (CDC)	50,500	0.0139
17	SARFRAZ MAHMOOD (PVT) LTD. (CDC)	500	0.0001
18	SHAFFI SECURITIES (PVT) LIMITED (CDC)	2,000	0.0006
19	SPINZER EQUITIES (PRIVATE) LIMITED (CDC)	30,000	0.0083
20	TRUST SECURITIES & BROKERAGE LIMITED - MF (CDC)	60,000	0.0165
21	ALLIANCE INVESTMENT MANAGEMENT LIMITED (CDC)	100,000	0.0275
22	M&M FUSION (PRVATE) LIMITED (CDC)	405	0.0001
23	PAKISTAN RESOURCES DEVELOPMENT SERVICES (PRIVATE) LIMITED (CDC)	60,000	0.0165
		26,896,784	7.4018

FOREIGN COMPANY

1	SAUDI ARABIAN CONSTRUCTION & REPAIR CO. LTD.	61,968,939	17.0535
2	ACADIAN PRINTIER MARKETS EQUITY FUND (CDC)	738,529	0.2032
		62,707,468	17.2567

OTHERS

	0	0.0000
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SHARES HELD BY THE GENERAL PUBLIC (FOREIGN):

	3,550	0.0010
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SHARES HELD BY THE GENERAL PUBLIC (LOCAL):

	62,320,135	17.1501
	62,323,685	17.1511

TOTAL: **363,380,000** **100.0000**

SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL
S. No. Name

1	DEL POWER (PRIVATE) LIMITED (CDC)	211,397,063	58.1752
2	SAUDI ARABIAN CONSTRUCTION & REPAIR CO. LTD.	61,968,939	17.0535
		273,366,002	75.2287

SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL
S. No. Name

1	DEL POWER (PRIVATE) LIMITED (CDC)	211,397,063	58.1752
2	SAUDI ARABIAN CONSTRUCTION & REPAIR CO. LTD.	61,968,939	17.0535
3	CRESCENT STEEL AND ALLIED PRODUCTS LTD. (CDC)	20,840,256	5.7351
		294,206,258	80.9638

During the financial year the trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows

S. No.	Name	Sale	Purchase
1	MR. SHAH MUHAMMAD CHAUDHARY (CDC)	284,000	0

ALTERN ENERGY LIMITED
Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2025

Sr. No.	Name	No. of Shares Held	Percentage
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Associated Companies, Undertakings and Related Parties (Name Wise Detail):

1	DEL POWER (PRIVATE) LIMITED (CDC)	211,397,063	58.1752
2	DESCON HOLDINGS (PVT) LIMITED.(CDC)	30,000	0.0083

Mutual Funds (Name Wise Detail)

- -

Directors and their Spouse and Minor Children (Name Wise Detail):

1	MR. FAISAL DAWOOD (CDC)	22,500	0.0062
2	MR. FAROOQ NAZIR (CDC)	500	0.0001
3	MR. SHAH MUHAMMAD CHAUDHARY (CDC)	500	0.0001
4	SYED RIZWAN ALI SHAH (CDC)	500	0.0001
5	MST. ALIYA SAEEDA KHAN (CDC)	500	0.0001
6	MRS. MEHREEN DAWOOD	500	0.0001
7	MR. SALAIH MARGHANI	-	0.0000

Executives:

- -

Public Sector Companies & Corporations:

- -

Banks, Development Finance Institutions, Non Banking Finance

- 0.0000

Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:

Shareholders holding five percent or more voting interest in the listed company (Name Wise Detail)

1	DEL POWER (PRIVATE) LIMITED (CDC)	211,397,063	58.1752
2	SAUDI ARABIAN CONSTRUCTION & REPAIR CO. LTD.	61,968,939	17.0535
3	CRESCENT STEEL AND ALLIED PRODUCTS LTD. (CDC)	20,840,256	5.7351

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

S.No	NAME	SALE	PURCHASE
1	MR. SHAH MUHAMMAD CHAUDHARY (CDC)	0	284,000

ALTERN ENERGY LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 31st Annual General Meeting (“AGM”) of Altern Energy Limited (the 'Company') will be held on Monday, October 27, 2025, at 10:00 a.m. at the registered office of the Company at Descon Headquarters, 18-Km Ferozepur Road, Lahore, to transact the following business:

ORDINARY BUSINESS:

1. To confirm the minutes of the last Extraordinary General Meeting of the Company held on April 17, 2025.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended 30th June 2025, together with the reports of Directors' and Auditors' thereon, together with the Annual Audited Consolidated Financial Statements of the Company for the year ending 30th June 2025, together with the report of the Auditors' thereon.
3. To appoint the External Auditors of the Company for the ensuing year and fix their remuneration. The present auditors, M/s Grant Thornton Anjum Rahman, Chartered Accountant, have retired and, being eligible, have offered themselves for re-appointment as Auditors of the Company for the year ending on 30 June 2026.
- 4.. To transact any other business with the permission of the Chair.

By Order of the Board of Directors

Place : Lahore
October 05, 2025.

Salman Ali
Company Secretary

NOTES:

Circulation of Annual Report through QR Code and through Web link

In accordance with the Section 223 of the Companies Act, 2017 and pursuant to SRO 389(I)/2023 dated 21 March 2023 of the Securities & Exchange Commission, the Company has obtained Shareholders' approval in the Annual General Meeting of the Company held on October 26, 2023 to circulate the Annual Report of the Company to Members through QR enabled Code and Web link. The Annual Report is available through the following QR Code and Web link.



http://www.descon.com/en/AEL_Accounts_2025.pdf

Participation in the AGM Proceedings via the Video Conference Facility

Shareholders interested in attending the meeting through video conferencing are requested to email the following information with the subject “Registration for 31st Annual General Meeting,” along with a valid copy of their CNIC, to shareholders@descon.com. Video link and login credentials will be shared with ONLY those Members whose email, containing particulars (i.e., Name, Folio No, CNIC No. / NTN) is received from the official Email ID, at least 48 hours before the AGM.

Closure of Share Transfer Books

The Share Transfer Books of the Company will be closed from 21-10-2025 to 27-10-2025 (both days inclusive). Transfers received at the Corplink (Pvt.) Limited, 1-K, Commercial Model Town Lahore, the close of business on 20-10-2025 will be treated in time for the purpose of the above entitlement of final cash dividend.

For Attending the Meeting

In case of individuals, the Account Holders or sub-account holders and/or the persons whose securities are in a group account and their registration details are uploaded as per the Regulations, shall authenticate their identity by showing original CNIC or original passport at the time of attending the meeting.

In the case of a corporate entity, the Board of Directors' Resolution/Power of Attorney with the specimen signature of the nominee shall be produced (if it has not been provided earlier) at the time of attending the meeting.

Proxy

A member authorized to attend and vote at this Annual General Meeting is entitled to appoint a Proxy to attend, speak, and vote in his place at the Meeting. A 'Proxy Form' appointing a proxy must be deposited at the Registered Office of the Company, at least 48 hours before the time of the meeting, along with a copy of the CNIC of the Proxy. In case of a corporate entity, the Board of Directors' resolution/power of attorney with the specimen signature of the nominee, along with his/her copy of CNIC, shall be provided at least 48 hours before the time of the meeting. The Form of Proxy in English and Urdu is attached in the Annual Report and should be witnessed by two persons whose names, addresses, and CNIC Numbers should be mentioned on the Proxy Forms. The Form of Proxy is also available on the Company's website (www.descon.com).

Updating of Particulars

The Shareholders are requested to promptly notify any change in their address, if any, to the Company's Share Registrar. In case of a corporate entity, the shareholders are requested to promptly notify a change in their particulars of their authorized representative, if applicable.

Submission of Copies of Valid CNIC Not Provided Earlier

Individual Shareholders are once again reminded to submit a copy of their valid CNIC (if not provided earlier) to the Company's Share Registrar. In case of non-availability of a valid copy of the Shareholders' CNIC in the records of the Company, the Company shall withhold the Dividend under the provisions of Section 243 of the Companies Act, 2017.

Conversion of Physical Shares into Book-Entry Form (i.e., CDC Account)

Section 72 of the Companies Act, 2017, requires all listed companies to replace the shares held in physical form with the shares to be issued in Book-Entry Form within four (04) years from the date of the promulgation of the Companies Act 2017. Pursuant to the SECP letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021, the Company is following up with all shareholders holding shares in physical form with the request to convert their shares to Book-Entry Form in order to comply with the provisions of the Companies Act, 2017. Shareholders are again requested to contact the Company's Share Registrar to understand and complete the process of conversion of shares held in physical form into the Book-Entry Form.

Distribution of Annual Report and Notice of Meetings through Email (Optional)

Pursuant to the provisions of section 223(6) of the Companies Act, 2017, the companies are permitted to circulate their Annual Audited Financial Statements, along with the Auditor's Report, Directors' Report, etc. ("Annual Report") and the Notice of AGM ("Notice"), to their shareholders by email. The Annual Report of the Company for the year ended June 30, 2025, is also available on the Company's website.



Form of Proxy

Altern Energy Limited

IMPORTANT

This form of proxy, in order to be effective, must be deposited duly completed, at the Company's registered office at Descon Headquarters, 18-KM, Ferozepur Road, Lahore not less than 48 hours before the time of holding the meeting. A Proxy must be member of the Company. Signature should agree with the specimen register with the Company. Please quote registered Folio / CDC Account numbers.

OR

Shareholder Folio No.

CDC Participant I.D.No.

& Sub Account No.

I/We _____

of _____

being a member of Altern Energy Limited entitled to vote and holder _____

of _____

ordinary shares, hereby appoint Mr./Mrs./Mst. _____

of _____

Who is also a member of the Company, as my/our proxy in my / our absence to attend and vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held at Descon Headquarters, 18km, Ferozepur Road, Lahore on Monday, October 27, 2025 at 10:00 am and at any Adjournment there of.

As witness my / our hand this _____ day of _____ 2025.

Signed by the said _____ in the presence of _____

(Member's Signature)

Place _____

Date _____

Affix Rs. 5/
Revenue Stamp which
must be cancelled
either by signature over
it or by some other
means

(Witness's Signature)



















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