



ANNUAL REPORT

2026

ALTERN ENERGY LIMITED



Altern Energy Limited

Annual Report 2026

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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. Saqib Sajjad	Director
Mr. Muhammad Saqlain Arshad	Independent Director
Mr. Syed Rizwan Ali Shah	Director
Mr. Umer Shehzad Sheikh	Chief Executive (Deemed Director)

AUDIT COMMITTEE

Mrs. Aliya Saeeda Khan	(Independent Director – Chairperson)
Mr. Farooq Nazir	
Mr. Syed Rizwan Ali Shah	

HUMAN RESOURCE & REMUNERATION COMMITTEE

Mr. Farooq Nazir	Chairman
Mrs. Mehreen Dawood	
Mr. Syed Rizwan Ali Shah	

CHIEF FINANCIAL OFFICER

Mr. Sohail Abid

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
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,

After serving the nation with affordable and clean electricity, the power project of the Company has reached the stage of its closure. Your Company has been facing operational and financial challenges ever since its operations were converted into RLNG from indigenous gas by SNGPL in 2017-18. The Company witnessed sharp decline in dispatch from NPCC, which resulted in loss of capacity revenue having a Power Purchase Agreement ("PPA") on take-and-pay basis with the off-taker, CPPA. Despite facing challenges in meeting its contractual commitments, Altern being a responsible corporate citizen remained resilient and committed to its national, legal, and contractual obligations.

During the last few years, the main contribution in maintaining Altern's financial viability had been dividend income from its subsidiary, Roush (Pakistan) Power Limited ("RPPL"). However, in 2024, 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 these Agreements. As per the terms of the NSA, 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 was no longer possible for the Company to meet its fixed costs in view of no operational revenue in future as well as no inflow of dividend income from RPPL. Accordingly, your Company after obtaining requisite approval from the shareholders of the Company, submitted a request for the early termination / retirement of its PPA, IA and the Guarantee. On April 30, 2026, the Company entered into a Termination Agreement whereby its PPA, IA, the Guarantee and the Gas Supply Agreement have been terminated. The Company had submitted a request for cancellation of the Generation License with NEPRA, which has granted its approval on 28th August 2026.

I would like to appreciate the overall performance of the Board during this year despite multiple challenges faced by the Company. They have provided strategic direction to the management and have always been available for guidance. I would also like to extend my appreciation to AEL's management and employees for their continued perseverance and fortitude to keep this organization afloat and ready to face business challenges. Thank you for your trust, confidence, and commitment.

Lahore September 01, 2026


Faisal Dawood
Chairman

چئیرمین کا پیغام

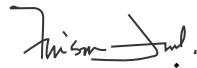
معزز اسٹیک ہولڈرز،

سستی اور صاف بجلی کے ساتھ قوم کی خدمت کرنے کے بعد کمپنی کا پاور پروجیکٹ بند ہونے کے مرحلے پر پہنچ گیا ہے۔ آپ کی کمپنی کو آپریشنل اور مالی چیلنجوں کا سامنا پڑا جب سے اس کے آپریشنز کو SNGPL نے 2017-18 میں مقامی گیس سے RLNG میں تبدیل کیا تھا۔ کمپنی نے NPCC سے ڈسپنچ میں تیزی سے کمی دیکھی، جس کے نتیجے میں آف ٹیکر، CPPA کے ساتھ ٹیک اینڈ پے کی بنیاد پر پاور پراجیکٹ ایگریمنٹ ("PPA") ہونے کی وجہ سے آمدنی کا نقصان ہوا۔ اپنے معاہدے کے وعدوں کو پورا کرنے میں چیلنجوں کا سامنا کرنے کے باوجود، Altern ایک ذمہ دار کارپوریٹ شہری ہونے کے ناطے اپنی قومی، قانونی اور معاہدہ کی ذمہ داریوں کے لیے پرعزم رہا۔

پچھلے کچھ سالوں کے دوران، Altern مالی استحکام کو برقرار رکھنے میں اہم شراکت اس کے ذیلی ادارے روش (پاکستان) پاور لمیٹڈ ('RPPL') سے ڈیوڈنڈ کی آمدنی تھی۔ تاہم، 2024 میں، RPPL سے حکومت پاکستان نے اس کے PPA، نفاذ کے معاہدے ("IA") اور حکومت پاکستان کی طرف سے جاری کردہ گارنٹی ("گارنٹی") کے خاتمہ کیلئے رابطہ کیا، اس کے بعد RPPL نے ایک مذاکراتی تصفیہ کے معاہدے پر دستخط کیے ("NSA")، ان معاہدوں کے خاتمے کے لیے۔ NSA کی شرائط کے مطابق، اس نے اپنا پاور جنریشن کمپلیکس 31 دسمبر 2024 تک حکومت پاکستان کے نامزد ادارے نیشنل پاور پارکس مینجمنٹ کمپنی لمیٹڈ ("NPPMCL") کے حوالے کر دیا۔ اب، RPPL بجلی پیدا کرنے اور فروخت کرنے کے لیے کمپلیکس کا مالک نہیں ہے۔

مذکورہ بالا کے پیش نظر، کمپنی کے لیے مستقبل میں آپریشنل ریونیو نہ ہونے کے ساتھ ساتھ RPPL سے ڈیوڈنڈ کی آمدنی میں کمی کے پیش نظر اپنے مقررہ اخراجات کو پورا کرنا اب ممکن نہیں رہا۔ اس کے مطابق، آپ کی کمپنی کے حصص یافتگان سے مطلوبہ منظوری حاصل کرنے کے بعد، ان کے PPA، IA اور گارنٹی کی جلد ختم/ریٹائرمنٹ کے لئے ایک درخواست جمع کرائی 30 اپریل، 2026 کو، کمپنی نے ایک ٹرمینیشن معاہدہ کیا جس کے تحت اس کا PPA، IA، گارنٹی اور گیس سپلائی کا معاہدہ ختم کر دیا گیا ہے۔ کمپنی نے NEPRA کے ساتھ جنریشن لائسنس کی منسوخی کی درخواست جمع کرائی تھی، جس نے 28 اگست، 2026 کو اس کی منظوری دے دی ہے۔

میں، کمپنی کو درپیش متعدد چیلنجوں کے باوجود اس سال کے دوران بورڈ کی مجموعی کارکردگی کو سراہنا چاہوں گا۔ انہوں نے انتظامیہ کو اسٹریٹجک سمت فراہم کی ہے اور ہمیشہ رہنمائی کے لیے دستیاب رہے ہیں۔ میں، AEL کی انتظامیہ اور ملازمین کی مسلسل استقامت کے لیے اس تنظیم کو رواں دواں رکھنے اور کاروباری چیلنجوں کا سامنا کرنے کے لیے تیار رہنے کے لیے اپنی تعریف بھی کرنا چاہوں گا۔ آپ کے اعتماد، اعتماد اور عزم کے لئے آپ کا شکریہ۔


فیصل داؤد

چئیرمین - آلٹرن انرجی لمیٹڈ

لاہور

تاریخ: 01 ستمبر، 2026

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, 2026.

GENERAL

Principal Activities:

The principal objective of the Company is to set up an industrial undertaking for electricity generation and to generate and sell electricity to Central Power Purchasing Agency (Guarantee) Limited ("CPPA"), as per the regulatory framework. 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 67.31% shares (2025: 59.98% shares) of Rousch (Pakistan) Power Limited ("RPPL").

MATERIAL INFORMATION

- The Company had set up a gas fired power plant having an installed capacity of 32 Mega Watts (2025: 32 Mega Watts) near Fateh Jang, Punjab. The Company had entered into a Power Purchase Agreement ("PPA") with its sole customer, CPPA, for thirty years, which commenced from June 6, 2001, ending on June 6, 2031. Given continued operational losses suffered by the Company as a result of no dispatch demand from the off-taker during the past several years, during the previous fiscal year 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 with CPPA, (ii) the Implementation Agreement entered 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, the 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 Agreements with CPPA and Private Power and Infrastructure Board ("PPIB").

Subsequent to the consent of all the relevant stakeholders, the Federal Cabinet granted its approval for the early termination of the Agreements. Accordingly, on April 30, 2026, the Company has executed an instrument titled "Termination Agreement" ("TA"), with the Islamic Republic of Pakistan ("GOP") and CPPA. Pursuant to the TA, the following instruments stand terminated:

- i. the Implementation Agreement dated July 19, 1995, executed with the GOP;
 - ii. the Guarantee issued by the Government of Pakistan;
 - iii. the Power Purchase Agreement dated September 18, 1995, executed with CPPA.
- As a part of the TA, the Company has foregone the claim of PKR 40 Million pertaining to RLNG differential pricing receivable from CPPA.
 - The Company has also signed a Termination Agreement dated April 30, 2026, with Sui Northern Gas Pipelines Limited ("SNGPL"). Pursuant thereto, the Gas Supply Agreement dated August 03, 2007, executed between AEL and SNGPL, stands terminated and the bank guarantee in favour of SNGPL has been with-drawn.
 - Subsequent to the Termination of these agreements, the Company had submitted a request for early cancellation of the Generation License No. IPGL/021/2004, dated September 22, 2004, with National Electric Power Regulatory Authority ("NEPRA"). Subsequent to the reporting period, NEPRA has cancelled the Generation License vide its letter no. NEPRA/DG(Lic)/LAG-21/8074 dated August 28, 2026.
 - In view of the foregoing, the power generation equipment installed at the Complex are surplus and are no longer required. Accordingly, in order to protect the value of shareholders, the Board of directors has authorised management to explore the options for disposal of sizeable portion of fixed assets including land, building and power generation equipments along with spare parts inventory.

GOING CONCERN ASSUMPTION

As a result of no generation revenue during the past few years, the major income to support the operations of the Company has been dividends from the subsidiary, 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 conditions indicate a material uncertainty on the Company's ability to continue as a going concern. However, these financial statements have been prepared on going concern basis due to the following:

- Based on RPPL's cash flow projections, RPPL is expected to generate sufficient returns from its investments to provide the Company with a regular dividend income stream. This income is expected to support the Company in meeting its projected expenditures, including potential tax contingencies.
- Management is implementing a cost-optimisation plan in accordance with the Board of Directors' guidance. The measures include, among others, workforce rationalisation where appropriate and reductions in overheads and other operating expenses.

FINANCE

During the year under review, the Company's turnover was Rs. 34.2 million (2025: nil) and operating costs were Rs. 134.3 million (2025: Rs. 96.4 million), resulting in a gross loss of Rs. 100 million as against a gross loss of Rs. 96.4 million in the corresponding last year. The Company incurred an unconsolidated net loss of Rs. 227 million, resulting in loss per share of Rs. 0.63 as compared to the corresponding year's net profit of Rs. 5,786.9 million and Earnings Per Share ("EPS") of Rs. 15.93. The net profit for the previous year includes dividend income from the subsidiary, PMCL, amounting to Rs. 5,864.3 million.

Consolidated financial statements combine the performance of the Company and its wholly owned subsidiary, PMCL, and its subsidiary, RPPL. Your Company's consolidated loss attributable to the equity holders of Altern Energy Limited for the year under review were Rs. 1,073.2 million, resulting in a loss per share of Rs. 2.95 as compared to consolidated loss of Rs. 4,557.3 million and loss per share of Rs. 12.5 in the corresponding last year.

DIVIDEND DISTRIBUTION

Keeping in view the liquidity position of the Company, the Board of Directors did not recommend dividend distribution during the year under review.

OPERATIONS

The net generation of your plant during the year under review was nil since no dispatch demand was received from the off taker. 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 working condition.

SUBSIDIARY REVIEW

During 2024, RPPL was approached by the Government of Pakistan for early retirement /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"). Subsequent to approval from all stakeholders, 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. Accordingly, RPPL handed over the Complex to the Government of Pakistan's designated entity National Power Parks Management Company Limited ("NPPMCL"). Resultantly, RPPL no longer owns the Complex to generate and sell electricity to CPPA.

During the year under review, RPPL reported a net profit of Rs. 338 million (EPS of Rs. 0.39) as compared to a net loss of Rs. 7,872 million (loss per share of Rs. 9.13) incurred during the corresponding previous year. The loss during the previous year was mainly due to the write-off of assets in the books after signing of the NSA and handing over the Complex to NPPMCL.

RISK MANAGEMENT

At Altern Energy Limited, the Board has an overall responsibility for overseeing the Company's risk management process. These processes, which are documented and regularly reviewed, are designed to safeguard assets and address the risks faced by the Company, including the possible impact on business continuity. Any identified risk that could potentially affect the achievement of strategic, operational, financial and/or compliance objectives are promptly reported to the Board and Senior Management for timely action. The Company continues to employ a robust Enterprise Risk Management framework to ensure the proactive identification and assessment of risks. All highlighted risks are prioritised according to their impact and likelihood of occurrence, 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 33 of the annual audited unconsolidated financial statements of the Company.

CORPORATE & FINANCIAL REPORTING FRAMEWORK

The Company upholds the highest standards of corporate governance. 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 2017 have been followed in the preparation of financial statements, and any departure therefrom has been adequately disclosed and explained.
- e. The Company's 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. Statements regarding the following are annexed or disclosed in the notes to the financial statements:
 - i. Key operational and financial data of the last six years.
 - ii. Pattern of shareholding.
 - iii. Trading in shares of the Company by its directors, CEO, CFO, and Company Secretary.
- i. 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.

Composition of Board

The Board of Directors review 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 existing Board was elected at an extraordinary general Meeting of the shareholders of the Company on 31st December 2025. Following the election, the total number of directors are eight (8) including the Chief Executive who is a deemed director as per the following composition:

Male	6
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. Syed Rizwan Ali Shah
5		Mr. Saqib Sajjad
6	Independent Directors	Mrs. Aliya Saeeda Khan
7		Mr. Muhammad Saqlain Arshad
8	Executive Executive) Director (Chief	Mr. Umer Shehzad Sheikh

Changes to the Board

- On September 02, 2025, Mr. Shah Muhammad Chaudhry resigned from his position as a director and the member of the Audit Committee and the Human Resource & Remuneration Committee of the Company. Mr. Abdul Sohail was appointed as a Director of the Company in place of Mr. Shah Muhammad Chaudhry, for the balance unexpired term.
- The newly elected Board appointed Mr. Faisal Dawood as the Chairman.

Meetings of the Board

- During the year under review, seven (07) 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.
- The "close period" prior to the announcement of interim / final results, was determined and the business decisions which may materially affect the market price of the Company were determined and intimated to the directors and the Stock Exchange. Material / price-sensitive information was promptly intimated to the shareholders through the Stock Exchange.

Committees of the Board

The Board has established two committees to assist it in carrying out fiduciary responsibilities. Independent or non-executive directors chair these Committees. These committees are as follows:

Boards' Audit Committee ("BAC")

The Board of Directors is responsible for overall governance and oversight of the Company's strategy, policies, and performance. To ensure effective oversight of fiduciary responsibilities, the Board has delegated additional responsibilities to the Boards' Audit Committee in accordance with requirements of the listed Companies (Code of Corporate Governance Regulations), 2019. The BAC oversees the Company's internal control framework, ensuring that identified risks are mitigated to safeguard the Company's interests. Further, the Committee reviews the quarterly and annual performance of the Company, including its financial position and cashflows.

The Terms of Reference of the BAC have been defined in light of the guidelines of the Regulations. The Head of Internal Audit serves as Secretary to the 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.

Subsequent to the election of Directors on 31st December 2025, the Board of Directors constituted the BAC comprising of three (3) members as follows:

Mrs. Aliya Saeeda Khan	(Independent Director) – Chairperson
Mr. Farooq Nazir	(Non-Executive Director) - Member
Mr. Syed Rizwan Ali Shah	(Non-Executive Director) - Member

Human Resource & Remuneration Committee ("HRRC")

The HRRC is authorised by the Board to review and recommend key human resource and remuneration policies, including major terms of employment and compensation plans for employees. The head of Human Resources acts as the Secretary of the HRRC and convenes the HRRC meetings. The CEO attends the HRRC meeting by invitation. The HRRC meets once during the year under review.

Subsequent to the election of Directors on 31st December 2025, the Board of Directors constituted the HRRC comprising of three (3) members as follows:

Mr. Farooq Nazir	(Non-Executive Director) - Chairman
Mrs. Mehreen Dawood	(Non-Executive Director) - Member
Mr. Syed Rizwan Ali Shah	(Non-Executive Director) - Member

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	7 out of 7	N/A	N/A
2	Mr. Farooq Nazir	7 out of 7	4 out of 4	1 out of 1
3	Mrs. Mehreen Dawood	7 out of 7	N/A	N/A
4	Mr. Salih Merghani	1 out of 3	N/A	N/A
5	Mrs. Aliya Saeeda Khan	7 out of 7	2 out of 2	N/A
6	Mr. Syed Rizwan Ali Shah	7 out of 7	4 out of 4	1 out of 1
7	Mr. Abdul Sohail	1 out of 1	N/A	N/A
8	Mr. Saqib Sajjad	3 out of 4	N/A	N/A
9	Mr. Muhammad Saqlain Arshad	3 out of 4	N/A	N/A
10	Mr. Shah Muhammad Chaudhry	1 out of 1	1 out of 1	1 out of 1
11	Mr. Umer Shehzad Sheikh	7 out of 7	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 Head of internal audit directly reports to the Audit Committee. The internal audit function conducts reviews of the financial, operational and compliance controls, and reports on the findings to the Audit Committee.

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 a 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

Seven out of eight directors on the Board have obtained certificates of Directors' training programs from SECP-approved institutes and the remaining one director shall obtain the required qualification in due course. All directors are fully conversant with their duties and responsibilities as Directors.

Directors' Remuneration

As required by the Regulations, the Company has approved a formal policy for the remuneration of Directors. The fee payable to non-executive and independent directors for participating the meetings of the Board and its committees, are determined by the Board. Comprehensive disclosure of remuneration paid to Directors, and the Chief Executive has been provided in Note 31 of the annual audited unconsolidated financial statements.

Evaluation of Performance of the Board of Directors

As required by the Regulations, the Board has formulated an in-house mechanism with the support of the Company Secretary to conduct evaluation of the performance of its members, the Board as a whole, and its committees. As a part of the process, the Company circulates an 'evaluation questionnaire' to all the directors independently and each director is required to perform the evaluation and provide feedback. Upon receiving feedback from all directors, the Company Secretary compiles a report summarising results and recommendations. The report is then shared with the Chairman enabling him to discuss the results and findings along with an appropriate action plan with each member of the Board, if required. No significant departure from the Act, the Regulations, and the policies & procedures was found during the review conducted in 2026.

RELATED PARTY TRANSACTIONS

As required by the Act and the regulations, the Board has approved and implemented a Policy for related party transactions, which requires that the Company shall conduct all transactions with related parties in the ordinary course of business on an arm's length basis. The policy specifies that all transactions entered into with related parties shall require Boards' approval on recommendation from the Audit Committee of the Board. 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, 2026, 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.

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, 2026, and shall retire at the end of the upcoming Annual General Meeting of the Company.

The present auditors, being eligible, have offered themselves for reappointment. They have confirmed having achieved a satisfactory rating under the Quality Control Review Programme of the Institute of Chartered Accountants of Pakistan. As suggested by the Audit Committee, the Board of Directors has recommended 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, 2027, subject to the approval of shareholders in the Annual General Meeting.

FUTURE OUTLOOK

During the previous year, as a result of the negotiations between public and private sector IPPs and the Government of Pakistan, tariffs of various IPPs were reduced and the Agreements of some IPPs were terminated. 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 NPPMCL. Resultantly, RPPL will no longer be able to generate operational 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 zero dispatch from the off-taker during the last many years. During the previous fiscal year, upon approval from the shareholders, the Company submitted request for early termination / retirement of its Agreements with the Government. In April 2026, the Company signed termination Agreements whereby the PPA, the IA, the Gop Guarantee and the GSA have been terminated. The management is engaged with NEPRA for cancellation of the generation license. Once this process is completed, your Board will evaluate future course of action. In the meanwhile, the Company remains a going concern supported by the dividend income from RPPL.

ACKNOWLEDGEMENT

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



Umer Shehzad Sheikh
Chief Executive

Date: September 01, 2026
Place: Lahore.

On Behalf of the Board



Farooq Nazir
Director

شیر ہولڈرز کے لئے ڈائریکٹرز کی رپورٹ

ہم زیر دستخط، بورڈ آف ڈائریکٹرز کے لئے اور اس کی جانب سے، آلٹرن ایز جی لمیٹڈ (کمپنی) کی سالانہ رپورٹ پیش کرتے ہیں، جس میں 30 جون، 2026 کو ختم ہونے والے مالی سال کے لئے ڈائریکٹرز کی رپورٹ کے ساتھ، سالانہ آڈٹ شدہ کنسولیڈیٹڈ مالیاتی بیانات اور سالانہ آڈٹ شدہ غیر متفقہ مالیاتی بیانات شامل ہیں۔

جنرل

پرنسپل سرگرمیاں

کمپنی کا بنیادی مقصد ریگولیٹری فریم ورک کے مطابق بجلی کی پیداوار کے لیے ایک صنعتی ادارہ قائم کرنا اور سینٹرل پاور پراجیکٹس ایجنسی (گارنٹی) لمیٹڈ ("CPPA") کو بجلی پیدا کرنا اور فروخت کرنا ہے۔ کمپنی بجلی کی پیداوار میں مصروف دیگر کمپنیوں میں بھی براہ راست اور بالواسطہ سرمایہ کاری کرتی ہے، جیسا کہ اس رپورٹ کے ساتھ منسلک غیر مربوط مالیاتی بیانات کے نوٹ 7 میں تفصیل سے بتایا گیا ہے۔

گروپ کی ساخت:

کمپنی پاور مینجمنٹ کمپنی (پرائیویٹ) لمیٹڈ ("PMCL") (ایک خاص مقصد کی گاڑی) کے 100% حصص کی مالک ہے، جس کے نتیجے میں روش (پاکستان) پاور لمیٹڈ ("RPPL") کے 67.31% حصص (59.98% : 2025 حصص) ہیں۔

اہم معلومات:

کمپنی نے فتح جنگ، پنجاب کے قریب 32 میگا واٹس (32 میگا واٹس : 2025) کی نصب صلاحیت کے ساتھ گیس سے چلنے والا پاور پلانٹ قائم کیا تھا۔ کمپنی نے اپنے واحد صارف CPPA کے ساتھ تیس سال کے لیے پاور پراجیکٹ ایگریمنٹ ("PPA") کیا تھا، جو 6 جون 2001 سے شروع ہوا، جو 6 جون 2031 کو ختم ہوگا۔ گزشتہ کئی سالوں کے دوران آف ٹیکر کی جانب سے ڈسپنچ ڈیمانڈ نہ ہونے کے نتیجے میں کمپنی کو مسلسل آپریشنل نقصانات کے پیش نظر، پچھلے مالی سال کے دوران 17 اپریل 2025 کو، کمپنی کے شیر ہولڈرز نے بورڈ آف ڈائریکٹرز کی تجویز کو منظوری دی۔ CPPA کے ساتھ داخل کردہ پاور پراجیکٹ ایگریمنٹ ("PPA") کے جلد ختم ہونے کے لیے۔ (ii) حکومت پاکستان ("IA") کی جانب سے اسلامی جمہوریہ پاکستان کے صدر کے ساتھ عمل درآمد کا معاہدہ، اور (iii) حکومت پاکستان کی طرف سے جاری کردہ گارنٹی ("گارنٹی")، (IA، PPA اور گارنٹی کو اس کے بعد اجتماعی طور پر "معاہدے" کہا جاتا ہے)۔ اس کے بعد، 09 مئی، 2025 کو، کمپنی نے CPPA اور پرائیویٹ پاور اینڈ انفراسٹرکچر بورڈ ("PPIB") کے ساتھ معاہدوں کو جلد ختم کرنے / ریٹائرمنٹ کی درخواست جمع کرائی۔

تمام متعلقہ اسٹیک ہولڈرز کی رضامندی کے بعد، وفاقی کابینہ نے معاہدوں کو جلد ختم کرنے کی منظوری دے دی۔ اس کے مطابق، 30 اپریل 2026 کو، کمپنی نے اسلامی جمہوریہ پاکستان ("GOP") اور CPPA کے ساتھ "ٹرینیشن ایگریمنٹ" ("TA") کے عنوان سے ایک معاہدہ تیار کیا ہے جس کے مطابق، درج ذیل معاہدے ختم ہو گئے ہیں۔

i۔ 19 جولائی، 1995 کو عمل درآمد کا معاہدہ جو کہ GOP کے ساتھ عمل میں آیا،

ii۔ حکومت پاکستان کی طرف سے جاری کردہ گارنٹی۔

iii۔ پاور پراجیکٹ ایگریمنٹ مورخہ 18 ستمبر، 1995 جو کہ CPPA کے ساتھ عمل میں آیا۔

- TA کے ایک حصے کے طور پر، کمپنی نے CPPA سے وصول کی جانے والی RLNG تفریق قیمتوں سے متعلق 40 ملین روپے کے دعوے کو ترک کر دیا ہے۔
- کمپنی نے سوئی ناردرن گیس پائپ لائنز لمیٹڈ ("SNGPL") کے ساتھ 30 اپریل، 2026 کو ختم کرنے کے معاہدے پر بھی دستخط کیے ہیں۔ اس کے مطابق، AEL اور SNGPL کے درمیان 03 اگست، 2007 کو گیس سپلائی کا معاہدہ ختم ہو گیا اور SNGPL کے حق میں بینک گارنٹی کو واپس کر دیا گیا ہے۔

- ان معاہدوں کے خاتمے کے بعد، کمپنی نے نیشنل الیکٹرک پاور ریگولیٹری اتھارٹی ("NEPRA") کے ساتھ 22 ستمبر، 2004 کو جزییشن لائسنس نمبر DG/NEPRA 2004/021/IPGL کی جلد منسوخ کی درخواست جمع کرائی تھی۔ رپورٹنگ کی مدت کے بعد، NEPRA نے اپنے خط نمبر LAG/21-8074 مورخہ 28 اگست 2026 کے ذریعے جزییشن لائسنس منسوخ کر دیا ہے۔
- مذکورہ بالا کے پیش نظر، کمپلیکس میں نصب بجلی پیدا کرنے والے آلات اضافی ہیں اور اب ان کی ضرورت نہیں ہے۔ اس کے مطابق، شیئر ہولڈرز کی قدر کے تحفظ کے لیے، بورڈ آف ڈائریکٹرز نے انتظامیہ کو اسپتیر پارٹس کی انویسٹری کے ساتھ زمین، عمارت اور بجلی پیدا کرنے کے ساز و سامان سمیت مقررہ اثاثوں کے بڑے حصے کو بیچنے کیلئے خریدار تلاش کرنے کا اختیار دیا ہے۔

تشویش کے مفروضے کی طرف جانا:

پچھلے کچھ سالوں کے دوران کوئی جزییشن ریویو نہ ہونے کے نتیجے میں، کمپنی کے آپریشنز کو سپورٹ کرنے کے لیے بڑی آمدنی ذیلی ادارے RPPL سے منافع رہی ہے۔ جیسا کہ آنے والے پیراگراف میں ذکر کیا گیا ہے، RPPL نے اپنا پاور جزییشن کمپلیکس حکومت کے حوالے کر دیا ہے اور اب وہ CPPA کو بجلی پیدا اور فروخت نہیں کر سکتا۔ یہ حالات کمپنی کی جاری تشویش کے طور پر جاری رکھنے کی صلاحیت پر مادی غیر یقینی صورتحال کی نشاندہی کرتے ہیں۔ تاہم، یہ مالیاتی بیانات مستقل چلتے رہنے کی بنیاد پر تیار کیے گئے ہیں۔

RPPL سے توقع کی جاتی ہے کہ وہ آپ کی کمپنی کو باقاعدہ ڈیویڈنڈ آمدنی کا سلسلہ فراہم کرنے کے لیے اپنی سرمایہ کاری سے کافی منافع پیدا کرے گا۔ یہ آمدنی توقع ہے کہ کمپنی اپنے متوقع اخراجات بشمول مکمل ٹیکس بنگامی حالات کو پورا کرنے میں مدد کرے گی۔

مینجمنٹ بورڈ آف ڈائریکٹرز کی رہنمائی کے مطابق لاگت کی اصلاح کے منصوبے کو نافذ کر رہی ہے۔ ان اقدامات میں، دوسروں کے علاوہ، جہاں مناسب ہو افرادی قوت کی معقولیت اور اوور ہیڈز اور دیگر آپریٹنگ اخراجات میں کمی شامل ہے۔

فنانس:

زیر جائزہ سال کے دوران، کمپنی کا کاروبار 34.2 ملین روپے (2025: صفر) روپے تھا اور آپریٹنگ اخراجات 134.3 ملین (96.4 ملین روپے: 2025) تھے، جس کے نتیجے میں 100 ملین روپے کا مجموعی نقصان ہوا جبکہ گزشتہ سال کمپنی کو 227 ملین روپے کا غیر مستحکم خالص نقصان ہوا، جس کے نتیجے میں فی حصص 0.63 روپے کا نقصان ہوا، جس میں اسی سال کے خالص منافع 5,786.9 روپے ملین اور کمائی فی شیئر ("EPS") 15.93 روپے رہی، پچھلے سال کے خالص منافع میں ذیلی ادارے PMCL سے ڈیویڈنڈ کی آمدنی شامل ہے، جس کی رقم 5,864.3 ملین روپے ہے۔

بجلی مالیاتی بیانات کمپنی اور اس کی مکمل ملکیتی ذیلی کمپنی PMCL اور اس کے ذیلی ادارے RPPL کی کارکردگی کو یکجا کرتے ہیں۔ زیر جائزہ سال کے لیے AEL کے ایکویٹی ہولڈرز سے منسوب آپ کی کمپنی کا مجموعی نقصان 1,073.2 روپے تھا جس کے نتیجے میں 2.83 روپے فی حصص کا نقصان ہوا، جبکہ 4,557.3 ملین روپے کے مجموعی نقصان کے مقابلے میں پچھلے سال کے اسی عرصہ میں فی حصص 12.5 روپے کا نقصان شامل ہے۔

ڈیویڈنڈ کی تقسیم:

کمپنی کی لیکویڈیٹی پوزیشن کو مد نظر رکھتے ہوئے، بورڈ آف ڈائریکٹرز نے زیر جائزہ سال کے دوران ڈیویڈنڈ کی تقسیم کی سفارش نہیں کی۔

آپریٹرز:

زیر جائزہ سال کے دوران آپ کے پلانٹ کی خالص جزییشن صفر تھی کیونکہ آف ٹیکر سے ڈسپینج ڈیمانڈ موصول نہیں ہوئی تھی۔ ان ادوار کے دوران جب پلانٹ غیر فعال تھا، اسے انجنوں اور متعلقہ آلات کی کام کرنے کی حالت کی حفاظت کے لیے پرزوریشن موڈ میں رکھا گیا تھا۔ سال کے دوران، دیگر تمام طے شدہ اور احتیاطی دیکھ بھال

کی سرگرمیاں ہماری تکنیکی ٹیم نے اور یجنل ایکوپمنٹ مینوفیکچررز (OEM) کی سفارشات پر کامیابی کے ساتھ انجام دیں۔ ہمیں یقین ہے کہ تمام انجن اور ان کے معاون آلات کام کرنے کی حالت میں ہیں۔

ذیلی جائزہ:

2024 کے دوران، RPPL سے حکومت پاکستان نے ابتدائی ریٹائرمنٹ/پاور پرچیز ایگریمنٹ ("PPA") کے خاتمے کے لیے رابطہ کیا جو سنٹرل پاور پرچیزنگ ایجنسی (گارنٹی) لمیٹڈ ("CPPA") کے ساتھ کیا گیا، نفاذ کا معاہدہ ("IA") اسلامی جمہوریہ پاکستان کے صدر کے ساتھ داخل ہوا، اور اسلامی جمہوریہ پاکستان کی طرف سے جاری کردہ گارنٹی ("the guaranteed") معاہدے ("NSA") کی شرائط کے مطابق، CPPA نے 31 دسمبر، 2024 تک RPPL کو متفقہ بقایا وصولیوں کی نفاذ کی۔ اس کے مطابق، RPPL نے کمپلیکس کو حکومت پاکستان کے نامزد ادارے نیشنل پاور پارکس مینجمنٹ کمپنی لمیٹڈ ("NPPMCL") کے حوالے کر دیا۔ نتیجتاً، RPPL اب CPPA کو بجلی پیدا کرنے اور فروخت کرنے کے لیے کمپلیکس کا مالک نہیں ہے۔

زیر جائزہ سال کے دوران، RPPL نے 338 ملین روپے (Rs. 0.39 EPS) کا خالص منافع رپورٹ کیا۔ جب کہ پچھلے سال کے دوران 7,872 ملین روپے کے خالص نقصان (فی حصص روپے کا نقصان -9.13) ہوا۔ پچھلے سال کے دوران ہونے والا نقصان بنیادی طور پر NSA پر دستخط کرنے اور کمپلیکس کو NPPCL کے حوالے کرنے کے بعد کتابوں میں اثاثوں کی تحریک کی وجہ سے تھا۔

رиск مینجمنٹ:

Altern Energy Limited میں، بورڈ کی کمپنی کے رиск مینجمنٹ کے عمل کی نگرانی کی مجموعی ذمہ داری ہے۔ یہ عمل، جن کا دستاویزی اور باقاعدگی سے جائزہ لیا جاتا ہے، اثاثوں کی حفاظت اور کمپنی کو درپیش خطرات سے نمٹنے کے لیے بنائے گئے ہیں، بشمول کاروباری تسلسل پر ممکنہ اثرات کوئی بھی شناخت شدہ خطرہ جو ممکنہ طور پر اسٹریٹجک، آپریشنل، مالیاتی اور/یا تعمیل کے مقاصد کے حصول کو متاثر کر سکتا ہے، بروقت کارروائی کے لیے بورڈ اور سینئر مینجمنٹ کو فوری طور پر اطلاع دی جاتی ہے۔ کمپنی خطرات کی فعال شناخت اور تشخیص کو یقینی بنانے کے لیے ایک مضبوط انٹرپرائز رиск مینجمنٹ فریم ورک کو استعمال کرنا جاری رکھے ہوئے ہے۔ تمام نمایاں خطرات کو ان کے اثرات اور وقوع پذیر ہونے کے امکانات کے مطابق ترجیح دی جاتی ہے، اور اس کے مطابق اصلاحی اقدامات وضع کیے جاتے ہیں۔

کمپنی کی سرگرمیاں اسے مختلف خطرات سے دوچار کرتی ہیں، جیسے آپریشنل خطرات اور مالی خطرات، جو مختلف سطحوں کی غیر یقینی صورتحال سے مشروط ہیں۔ مالیاتی رиск مینجمنٹ کا انکشاف کمپنی کے سالانہ آڈٹ شدہ غیر مستحکم مالیاتی بیانات کے نوٹ 33 میں کیا گیا ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک:

کمپنی کا رپورٹنگ گورننس کے اعلیٰ ترین معیارات کو برقرار رکھتی ہے۔ کمپنی کے ڈائریکٹرز اور انتظامیہ کمپنیز ایکٹ، 2017 ("ایکٹ") کی دفعات کے مطابق اپنی ذمہ داریوں سے پوری طرح واقف ہیں۔ کمپنی نے لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 ("the Regulations") کے ساتھ ساتھ پاکستان اسٹاک ایکسچینج ریگولیشنز (PSX "ریگولیشنز") کی تمام اہم ضروریات کی تعمیل کی ہے۔ ڈائریکٹرز حوالہ کردہ ضوابط کی تعمیل میں درج ذیل کی تصدیق کرتے ہیں:

اے۔ مالیاتی بیانات اس پرنٹس کے ساتھ، کمپنی کی انتظامیہ کی طرف سے تیار کیے گئے، اس کے حالات، اس کے کاموں کے نتائج، نقد بہاؤ، اور ایکویٹی میں

تبدیلیوں کو کافی حد تک پیش کرتے ہیں۔

بی۔ کمپنی کے اکاؤنٹ کی مناسب کتابیں رکھی گئی ہیں۔

- سی۔ مالیاتی بیانات کی تیاری میں مناسب اکاؤنٹنگ پالیسیاں مستقل طور پر لاگو ہوتی رہی ہیں، اور مالیاتی بیانات میں اکاؤنٹنگ پالیسیوں میں تبدیلیوں کا انکشاف کیا گیا ہے۔ اکاؤنٹنگ کے تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔
- ڈی۔ بین الاقوامی مالیاتی رپورٹنگ کے معیارات ("IFRS") جیسا کہ پاکستان میں لاگو ہوتا ہے اوکینیز ایکٹ 2017 کے تقاضوں پر مالیاتی بیانات کی تیاری میں عمل کیا گیا ہے، اور اس سے نکلنے والے کسی بھی چیز کو مناسب طریقے سے ظاہر اور وضاحت کی گئی ہے۔
- ای۔ کمپنی کا اندرونی کنٹرول کا نظام ڈیزائن میں درست ہے اور اسے مؤثر طریقے سے نافذ اور مانیٹر کیا گیا ہے۔
- ایف۔ کمپنی کی جاری تشویش کے طور پر جاری رکھنے کی صلاحیت کے بارے میں کوئی خاص شکوک و شبہات نہیں ہیں۔
- جی۔ کارپوریٹ گورننس کے بہترین طریقوں سے کوئی اہم علیحدگی نہیں ہوئی ہے جیسا کہ ضوابط اور فہرست سازی کے ضوابط میں تفصیل سے بتایا گیا ہے۔ اور
- ایچ۔ مندرجہ ذیل سے متعلق بیانات کو نوٹوں میں مالیاتی طور پر منسلک یا ظاہر کیا جاتا ہے۔

بیانات:

- i۔ گزشتہ چھ سالوں کے اہم آپریشنل اور مالیاتی اعداد و شمار۔
- ii۔ شیئر ہولڈنگ کا پٹرن۔
- iii۔ کمپنی کے حصص میں اس کے ڈائریکٹرز، سی ای او، سی ایف او، اور کمپنی سیکرٹری کے ذریعے تجارت۔
- i۔ جہاں ٹیکس، ڈیوٹی، لیویز، اور چارجز کی وجہ سے کوئی بھی قانونی ادائیگی بقیہ ہے، رقم، ایک مختصر تفصیل اور اس کی وجوہات کے ساتھ، مالیاتی بیانات میں ظاہر کی جاتی ہے۔

بورڈ کی تشکیل:

بورڈ آف ڈائریکٹرز کمپنی کے تمام اہم معاملات کا جائزہ لیتے ہیں۔ ان میں کمپنی کی اسٹریٹجی سمیت، اس کی پالیسیاں اور طریقہ کار کا فریم ورک، سالانہ کاروباری منصوبے اور اہداف، اور قرض لینے اور سرمایہ کاری کے فیصلے شامل ہیں۔ موجودہ بورڈ کا انتخاب 31 دسمبر، 2025 کو کمپنی کے شیئر ہولڈرز کی ایک غیر معمولی جنرل میٹنگ میں کیا گیا۔ انتخابات کے بعد، ڈائریکٹرز کی کل تعداد آٹھ (8) ہے جس میں چیف ایگزیکٹو بھی شامل ہے جو درج ذیل کمپوزیشن کے مطابق ڈیہڈ ڈائریکٹر ہیں۔

مرد 6
عورت 2

بورڈ کی درجہ بندی اس طرح کی گئی ہے

نمبر شمار	کیٹگری	نام
1	غیر ایگزیکٹو ڈائریکٹرز	جناب فیصل داؤد (چیئر مین)
2	غیر ایگزیکٹو ڈائریکٹرز	مسز مہرین داؤد
3	غیر ایگزیکٹو ڈائریکٹرز	جناب فاروق نذیر
4	غیر ایگزیکٹو ڈائریکٹرز	جناب سید رضوان علی شاہ
5	غیر ایگزیکٹو ڈائریکٹرز	جناب ثاقب سجاد
6	آزاد ڈائریکٹرز	مسز عالیہ سعیدہ خان
7	آزاد ڈائریکٹرز	جناب محمد ثقلین ارشد
8	ایگزیکٹو ڈائریکٹر (چیف ایگزیکٹو)	جناب عمر شہزاد شیخ

بورڈ میں تبدیلیاں:

02 ستمبر، 2025 کو، جناب شاہ محمد چوہدری نے بطور ڈائریکٹر اور آڈٹ کمیٹی اور کمپنی کی انسانی وسائل اور معاوضے کی کمیٹی کے رکن کے عہدے سے استعفیٰ دے دیا۔ جناب عبدالسہیل کو بقیہ مدت کے لیے جناب شاہ محمد چوہدری کی جگہ کمپنی کا ڈائریکٹر مقرر کیا گیا تھا۔ نو منتخب بورڈ نے جناب فیصل داؤد کو چیئر مین مقرر کیا۔

بورڈ کے اجلاس:

زیر جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز کے سات (07) اجلاس منعقد ہوئے۔ بورڈ کے اجلاسوں کے نوٹس/ایجنڈوں کو پیشگی، فوری طور پر، اور قابل اطلاق قوانین کی تعمیل میں بھیج دیا گیا تھا۔

سال کے دوران منعقد ہونے والے بورڈ کے تمام اجلاسوں نے حاضری کی کم از کم کورم کی ضروریات کو عبور کر لیا، جیسا کہ قابل اطلاق ضوابط کے مطابق ہے۔ کمپنی سیکرٹری بورڈ کے سیکرٹری کے طور پر کام کرتا ہے۔ اجلاسوں کے دوران بورڈ کی طرف سے کیے گئے تمام فیصلوں کو کمپنی سیکرٹری کے زیر انتظام میٹنگوں کے منٹس میں دستاویزی شکل دی گئی تھی اور توثیق کے لیے تمام ڈائریکٹرز کو مناسب طریقے سے بھیج دیا گیا تھا اور بعد میں بورڈ کے اجلاسوں میں ان کی منظوری دی گئی تھی۔ عبوری/حتمی نتائج کے اعلان سے پہلے "قریبی مدت" کا تعین کیا گیا تھا اور کاروباری فیصلے جو کمپنی کی مارکیٹ قیمت کو مادی طور پر متاثر کر سکتے ہیں، کا تعین اور ان کا تعین ڈائریکٹرز اور اسٹاک ایکسچینج کو کیا گیا تھا۔ مواد/ قیمت کے لحاظ سے حساس معلومات کو فوری طور پر اسٹاک ایکسچینج کے ذریعے شیئر ہولڈرز کو مطلع کیا گیا۔

بورڈ کی کمیٹیاں:

بورڈ نے دو کمیٹیاں قائم کی ہیں تاکہ اس کی مخلصانہ ذمہ داریوں کو نبھانے میں مدد کی جاسکے۔ آزاد یا غیر ایگزیکٹو ڈائریکٹران کمیٹیوں کی سربراہی کرتے ہیں۔ یہ کمیٹیاں درج ذیل ہیں:

بورڈ آف ڈائریکٹرز کی کمیٹی ("BAC"):

بورڈ آف ڈائریکٹرز کمپنی کی حکمت عملی، پالیسیوں اور کارکردگی کی مجموعی حکمرانی اور نگرانی کا ذمہ دار ہے۔ وفاداری کی ذمہ داریوں کی موثر نگرانی کو یقینی بنانے کے لیے، بورڈ نے درج کمپنیوں (کوڈ آف کارپوریٹ گورننس ریگولیشنز)، 2019 کی ضروریات کے مطابق بورڈ کی آڈٹ کمیٹی کو اضافی ذمہ داریاں سونپی ہیں۔ BAC کمپنی کے اندرونی کنٹرول فریم ورک کی نگرانی کرتا ہے، اس بات کو یقینی بناتا ہے کہ کمپنی کے مفادات کے تحفظ کے لیے شناخت شدہ خطرات کو کم کیا جائے۔ مزید، کمیٹی کمپنی کی سہ ماہی اور سالانہ کارکردگی کا بشمول اس کی مالی حالت اور کیش فلو کا جائزہ لیتی ہے۔

BAC کے حوالہ کی شرائط کو ضوابط کے رہنما خطوط کی روشنی میں بیان کیا گیا ہے۔ انٹرئل آڈٹ کا سربراہ کمیٹی کے سیکرٹری کے طور پر کام کرتا ہے اور اس کے تمام اجلاس بلاتا ہے۔ چیف فنانشل آفیسر دعوت کے ذریعے آڈٹ 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/ایجنڈوں کو پہلے سے، وقت پر، اور قابل اطلاق قوانین کی تعمیل میں بھیج دیا گیا۔ 31 دسمبر، 2025 کو ڈائریکٹرز کے انتخاب کے بعد، بورڈ آف ڈائریکٹرز نے BAC تشکیل دیا جس میں تین (3) اراکین شامل تھے۔

مسز عالیہ سعیدہ خان	(آزاد ڈائریکٹر) - چیئر پرسن
جناب فاروق نذیر	(نان ایگزیکٹو ڈائریکٹر) - ممبر
جناب سید رضوان علی شاہ	(نان ایگزیکٹو ڈائریکٹر) - ممبر

انسانی وسائل اور معاوضے کی کمیٹی ("HRRC"):

HRRC کو بورڈ کی طرف سے انسانی وسائل، بشمول ملازمین کے لیے ملازمت کی اہم شرائط اور معاوضے کے منصوبے اور معاوضے کی کلیدی پالیسیوں کا جائزہ لینے

اور تجویز کرنے کا اختیار حاصل ہے، HR کا سربراہ HRRC کے سیکرٹری کے طور پر کام کرتا ہے اور HRRC کے اجلاس بلاتا ہے۔ سی ای او دعوت کے ذریعے HRRC کے اجلاس میں شرکت کرتا ہے۔ HRRC کا اجلاس سال کے دوران ایک بار ہوتا ہے۔

جائزہ:

31 دسمبر، 2025 کو ڈائریکٹرز کے انتخاب کے بعد، بورڈ آف ڈائریکٹرز نے HRRC تشکیل دیا جس میں تین (3) اراکین شامل تھے

جناب فاروق نذیر (نان ایگزیکٹو ڈائریکٹر) - چیئرمین
مسز مہرین داؤد (نان ایگزیکٹو ڈائریکٹر) - ممبر
جناب سید رضوان علی شاہ (نان ایگزیکٹو ڈائریکٹر) - ممبر

بورڈ اور کمیٹی کے اجلاسوں میں ڈائریکٹرز کی حاضری

نمبر شمار	نام	بورڈ آف ڈائریکٹرز کے اجلاس	آڈٹ کمیٹی اجلاس	HR&R کمیٹی اجلاس
1	جناب فیصل داؤد (چیئرمین)	7/7	N/A	N/A
2	جناب فاروق نذیر	7/7	4/4	1/1
3	مسز مہرین داؤد	7/7	N/A	N/A
4	جناب صالح مرغنی	1/3	N/A	N/A
5	محترمہ عالیہ سیدہ خان	7/7	2/2	N/A
6	جناب سید رضوان علی شاہ	7/7	4/4	1/1
7	جناب عبدال سہیل	1/1	N/A	N/A
8	جناب ثاقب سجاد	3/4	N/A	N/A
9	جناب محمد ثقلین ارشد	3/4	N/A	N/A
10	جناب شاہ محمد چوہدری	1/1	1/1	1/1
11	جناب عمر شہزاد شیخ	7/7	4/4	1/1

اجلاس میں شرکت نہ کرنے والے اراکان نے غیر حاضری کی چھٹی کی درخواست کی تھی۔ اسی کے مطابق یہی منظور کیا گیا۔

اندرونی آڈٹ اور کنٹرول:

بورڈ آف ڈائریکٹرز نے آڈٹ کمیٹی کو رپورٹ کرنے والے اہل شخص کی سربراہی میں ایک آزاد آڈٹ فنکشن قائم کیا ہے۔ اندرونی آڈٹ کا سربراہ براہ راست آڈٹ کمیٹی کو رپورٹ کرتا ہے۔ اندرونی آڈٹ فنکشن مالیاتی، آپریشنل اور تعمیل کنٹرولز کا جائزہ لیتا ہے، اور آڈٹ کمیٹی کو نتائج پر رپورٹس دیتا ہے۔

اندرونی مالیاتی کنٹرول کی مناسبت:

بورڈ آف ڈائریکٹرز نے آپریشنز کے موثر طرز عمل، کمپنی کے اثاثوں کی حفاظت، قابل اطلاق قوانین اور ضوابط کی تعمیل، اور قابل اعتماد مالیاتی رپورٹنگ کو یقینی بنانے کے لیے اندرونی مالیاتی کنٹرول کا ایک موثر نظام قائم کیا ہے۔ کمپنی کے اندرونی کنٹرول کے نظام میں ایک مضبوط گورننس ڈھانچہ، اچھی طرح سے طے شدہ اتھارٹی کی حدود، بجٹ سازی کا تفصیلی عمل، اور اچھی طرح سے سمجھی جانے والی پالیسیاں اور طریقہ کار شامل ہیں۔ قابل اطلاق قوانین اور ریگولیٹری تقاضوں کی تعمیل بھی اندرونی کنٹرول پر منحصر ہے اور کمپنی کے پاس مؤثر داخلی ریگولیٹری کنٹرول موجود ہیں تاکہ یہ یقینی بنایا جاسکے کہ ریگولیٹری تقاضوں کی تعمیل کی گئی ہے۔

ڈائریکٹرز کی تربیت:

بورڈ کے آٹھ میں سے سات ڈائریکٹرز نے ایس ای سی پی سے منظور شدہ اداروں سے ڈائریکٹرز کے تربیتی پروگراموں کے شمولیت حاصل کیے ہیں اور بقیہ ایک ڈائریکٹر مقررہ وقت میں مطلوبہ اہلیت حاصل کرے گا۔ تمام ڈائریکٹرز بطور ڈائریکٹر اپنے فرائض اور ذمہ داریوں سے پوری طرح واقف ہیں۔

ڈائریکٹرز کا معاوضہ:

ضوابط کی ضرورت کے مطابق، کمپنی نے ڈائریکٹرز کے معاوضے کے لیے ایک رسمی پالیسی کی منظوری دی ہے۔ بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے لیے غیر ایگزیکٹو اور آزاد ڈائریکٹرز کو قابل ادائیگی فیس کا تعین بورڈ کرتا ہے۔ ڈائریکٹرز کو ادائیگے کے معاوضے کا جامع انکشاف، اور چیف ایگزیکٹو کو سالانہ آڈٹ شدہ غیر مستحکم مالیاتی بیانات کے نوٹ 31 میں فراہم کیا گیا ہے۔

بورڈ آف ڈائریکٹرز کی کارکردگی کا اندازہ:

جیسا کہ ضوابط کی ضرورت ہے، بورڈ نے کمپنی سیکرٹری کے تعاون سے اپنے اراکین، مجموعی طور پر بورڈ اور اس کی کمیٹیوں کی کارکردگی کا جائزہ لینے کے لیے اندرون خانہ میکانزم تیار کیا ہے۔ اس عمل کے ایک حصے کے طور پر، کمپنی تمام ڈائریکٹرز کو آزادانہ طور پر ایک 'تشخیصی سوالنامہ' گردش کرتی ہے اور ہر ڈائریکٹر کو تشخص کرنے اور رائے فراہم کرنے کی ضرورت ہوتی ہے۔ تمام ڈائریکٹرز سے رائے ملنے پر، کمپنی سیکرٹری نتائج اور سفارشات کا خلاصہ کرتے ہوئے ایک رپورٹ مرتب کرتا ہے۔ اس کے بعد رپورٹ کو چیئر مین کے ساتھ شیئر کیا جاتا ہے جس سے وہ ضرورت پڑنے پر بورڈ کے ہر رکن کے ساتھ مناسب ایکشن پلان کے ساتھ نتائج اور نتائج پر تبادلہ خیال کر سکتے ہیں۔

2026 میں کیے گئے جائزے کے دوران ایکٹ، ضوابط، اور پالیسیوں اور طریقہ کار سے کوئی خاص علیحدگی نہیں پائی گئی۔

متعلقہ پارٹی لین دین:

جیسا کہ ایکٹ اور ضوابط کی ضرورت ہے، بورڈ نے متعلقہ فریق کے لین دین کے لیے ایک پالیسی کی منظوری اور اس پر عمل درآمد کیا ہے، جس کے لیے ضروری ہے کہ کمپنی متعلقہ فریقوں کے ساتھ کاروبار کے عام کورس میں تمام لین دین کو بازو کی لمبائی کی بنیاد پر کرے۔ پالیسی بتاتی ہے کہ متعلقہ فریقوں کے ساتھ کیے گئے تمام لین دین کے لیے بورڈ کی آڈٹ کمیٹی کی سفارش پر بورڈ کی منظوری درکار ہوگی۔ کمپنی نے اس سالانہ رپورٹ سے 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، ماحولیات، صحت اور حفاظت ("QEHS"):

حفاظت پر کسی بھی سمجھوتے کے لیے صفر رواداری کے ساتھ کمپنی کے آپریشنز کا مرکز حفاظت ہے۔ ارد گرد کی کمیونٹی اور ماحول کی حفاظت، ہمارے ملازمین کی صحت اور کارکردگی کو فروغ دینے کے ساتھ ساتھ ان کے کام کے حالات کی حفاظت، ہمارے کاروباری فلسفے کا بنیادی مرکز ہیں۔ کمپنی اپنے ملازمین کے ساتھ ساتھ اس کمیونٹی کی صحت، حفاظت اور بہبود کے تحفظ کے لیے پرعزم ہے۔ QEHS کے تین صفر رواداری کے کلچر کو برقرار رکھنے اور بڑھانے کے لیے، جیسے روزانہ، ہفتہ وار، اور ماہانہ حفاظتی جائزے اور حفاظتی مذاکرات ایک جامع مواصلاتی ڈھانچہ قائم کیا گیا ہے۔ مزید برآں، کمپنی نے دیگر بین الاقوامی رہنما خطوط (جیسے OSHA اور NFPA) کے ساتھ ISO 9001 (کوالٹی مینجمنٹ)، ISO 14001 (ماحولیاتی انتظام)، اور ISO 45001 (پیشہ ورانہ صحت اور حفاظت کا انتظام) پر مبنی ایک مربوط انتظامی نظام نافذ کیا ہے۔ ان کے فعال نقطہ نظر کا مقصد سرکردہ اور پیچھے رہ جانے والے اشارے دونوں کی نگرانی کر کے صفر کھوئے ہوئے وقت کے واقعات (LTIs) کو حاصل کرنا ہے۔

کارپوریٹ سماجی ذمہ داری:

Altern باہمی فائدے کے لیے کمیونٹی اور ماحولیات کے لیے ذمہ داری سے کام کرنے کے لیے پرعزم ہے۔ کمپنی کارپوریٹ سماجی ذمہ داری پر توجہ مرکوز کر رہی ہے۔ کمپنی اپنے کاروبار کو چلانے کے ساتھ ساتھ اپنے عملے اور عام طور پر کمیونٹی کی سماجی بہبود کے لیے اپنی ذمہ داریوں کو پورا کرنے میں ایک اچھا کارپوریٹ شہری

ہونے کی اہمیت کو تسلیم کرتی ہے۔ درختوں کے باغات کے ذریعے مقامی کمیونٹی کے ماحول کی حفاظت پر خصوصی توجہ دی جاتی ہے۔ مزید برآں، مقامی کمیونٹی ہمارے پلانٹ سائٹ پر آس پاس کی کمیونٹیز کے مزید عملے کو ملازمت دینے کی ہماری حکمت عملی سے فائدہ اٹھاتی ہے۔

شیر ہولڈنگ کا نمونہ:

کمپنی کے حصص پاکستان اسٹاک ایکسچینج میں درج ہیں:

کمپنیز ایکٹ، 2017 کے سیکشن (f)(2) 227 کے مطابق، 30 جون، 2026 تک شیر ہولڈنگ کے پیٹرن کو ظاہر کرنے والا ایک بیان، ضوابط کے تحت مطلوبہ انکشافات کے ساتھ، سالانہ رپورٹ سے منسلک ہے۔ ڈائریکٹرز، سی ای او، اور ایگزیکٹوز کمپنی کے حصص میں کوئی دلچسپی نہیں رکھتے ہیں سوائے ان کے جو شیر ہولڈنگ کے منسلک پیٹرن میں ظاہر کیے گئے ہیں۔

آڈیٹرز:

کمپنی کے قانونی آڈیٹرز، میسرز گرانٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس، نے 30 جون، 2026 کو ختم ہونے والے مالی سال کے لیے مجموعی مالیاتی بیانات، غیر مربوط مالیاتی بیانات، اور کوڈ آف کارپوریٹ گورننس کے ساتھ تعمیل کے بیان کا آڈٹ مکمل کر لیا ہے اور کمپنی کے آئندہ سالانہ جنرل اجلاس کے اختتام پر ریٹائر ہو جائیں گے۔

موجودہ آڈیٹرز، اہل ہونے کی وجہ سے، خود کو دوبارہ تقرری کے لیے پیش کر چکے ہیں۔ انہوں نے انسٹی ٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان کے کوائٹ کنٹرول ریویو پروگرام کے تحت تسلی بخش درجہ بندی حاصل کرنے کی تصدیق کی ہے۔ جیسا کہ آڈٹ کمیٹی نے تجویز کیا ہے، بورڈ آف ڈائریکٹرز نے میسرز گرانٹ تھورنٹن انجم رحمان، چارٹرڈ اکاؤنٹنٹس کی کمپنی کے بیرونی آڈیٹرز کے طور پر 30 جون، 2027 کو ختم ہونے والے سال کے لیے تقرری کی تجویز کی سفارش کی ہے، جو کہ سالانہ جنرل میٹنگ میں شیر ہولڈرز کی منظوری سے مشروط ہے۔

مستقبل کا نقطہ نظر:

پچھلے سال کے دوران سرکاری اور نجی شعبے کے آئی پی بیز اور حکومت پاکستان کے درمیان مذاکرات کے نتیجے میں مختلف آئی پی بیز کے ٹیرف میں کمی کی گئی اور کچھ آئی پی بیز کے معاہدے ختم کر دیے گئے۔ آپ کی کمپنی کا ذیلی ادارہ، RPPL، ان آئی پی بیز میں سے ایک تھا جن کے معاہدے ٹاسک فورس کے ساتھ مذاکرات کے نتیجے میں ختم ہو گئے تھے، اور اس کا کمپلیکس NPPMCL کے حوالے کر دیا گیا تھا۔ نتیجتاً، RPPL مستقبل میں آپریشنل ریونیو پیدا کرنے کے قابل نہیں رہے گا۔

آپ کی کمپنی کا CPPA کے ساتھ PPA، ٹیک اینڈ پے انتظامات پر مبنی ہے، پچھلے کئی سالوں کے دوران آف ٹیکر سے صفر ڈسپنچ کی وجہ سے اس کے مقررہ اخراجات کو پورا کرنے کے لیے ایک سنگین چیلنج کا نشانہ بنایا گیا ہے۔ پچھلے مالی سال کے دوران، شیر ہولڈرز کی منظوری پر، کمپنی نے حکومت کے ساتھ اپنے معاہدوں کو جلد ختم کرنے / ریٹائرمنٹ کی درخواست جمع کرائی۔ اپریل 2026 میں، کمپنی نے برطرفی کے معاہدوں پر دستخط کیے جس کے تحت PPA، IA، Gop گارنٹی اور GSA کو ختم کر دیا گیا ہے۔ انتظامیہ جزییشن لائسنس کی منسوخی کے لیے NEPRA کے ساتھ مصروف ہے۔ ایک بار جب یہ عمل مکمل ہو جائے گا، آپ کا بورڈ مستقبل کے عمل کا جائزہ لے گا اس دوران، کمپنی RPPL سے ڈیویڈنڈ کی آمدنی کی بدولت مسلسل چلنے کا باعث بنی ہوئی ہے۔

اعتراف:

بورڈ اپنے ملازمین اور اسٹیک ہولڈرز کا ان کی مسلسل استقامت اور محنت اور ان مشکل وقتوں میں کمپنی کو چلانے میں ان کا اعتماد اور اعتماد رکھنے کے لیے شکر گزار ہے۔

محمد
اعظم شہزاد
چیف ایگزیکٹو

فادوق ندیم
ڈائریکٹر

01 ستمبر، 2026

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, 2026**

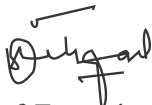
Following is the gender pay gap calculated for the year ended June 30, 2026:

(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, 2026**

پاکستان کے سیکورٹیز اینڈ ایکسچینج کمیشن کے سرکلر 10 کے 2024 کے تحت جھنڈے گپ کا بیان:

کمپنی کا نام: آلٹرن اینرجی لمیٹڈ

سال کا اختتام: 30 جون، 2026

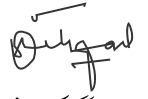
30 جون، 2026 کو ختم ہونے والے سال کے لئے صنفی تنخواہ کے فرق کا حساب درج ذیل ہے:-

(i) اوسط صنفی تنخواہ کا فرق: 100%

(ii) اوسط صنفی 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، 2026

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

Name of Company: Altern Energy Limited

Year ended: June 30, 2026

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance), 2019 hereinafter referred as '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*	Mrs. Aliya Saeeda Khan
2		Mr. Muhammad Saqlain Arshad
3	Non-Executive Directors	Mr. Faisal Dawood
4		Mrs. Mehreen Dawood
5		Mr. Farooq Nazir
6		Mr. Syed Rizwan Ali Shah
7		Mr. Saqib Sajjad
8	Chief Executive	Mr. Umer Shehzad Sheikh

*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 roundup the fraction to 3 independent directors.

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 Companies Act, 2017 ('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 two newly elected directors.
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.

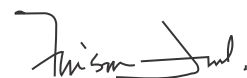
11. Chief Executive and Chief Financial Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed two committees comprising of members given below:
 - (a) **Audit Committee:**
 1. Mrs. Aliya Saeeda Khan (Independent Director) – Chairperson
 2. Mr. Farooq Nazir (Non-executive Director)
 3. Mr. Syed Rizwan Ali Shah (Non-executive Director)
 - (b) **Human Resource and Remuneration Committee:**
 1. Mr. Farooq Nazir (Non-executive Director) – Chairman
 2. Mrs. Mehreen Dawood (Non-executive Director)
 3. Mr. 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, 2026.
 - b) **Human Resource and Remuneration Committee:**
One meeting was held during the financial year ended June 30, 2026.
15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the 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;
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.

Requirement	Regulation	Explanation
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 two newly elected directors 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.
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.



Umer Shehzad Sheikh
Chief Executive



Faisal Dawood
Chairman / Director

Lahore
September 01, 2026

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Altern Energy Limited

Review report on the statement of compliance contained in Listed Companies (Code of corporate governance) Regulations, 2019

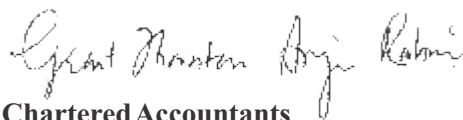
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Altern Energy Limited for the year ended June 30, 2026, in accordance with the requirements of regulation 36 of the 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.

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, 2026.



Chartered Accountants

Place: Lahore

Dated: September 22, 2026

UDIN: CR202610970EufBR1SeW

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, 2026, 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 material 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, 2026 and of the loss, total comprehensive loss, 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 1.3 to 1.8 to the annexed unconsolidated financial statements, which describe the matters regarding early termination of agreements. As stated in Notes 1.3 to 1.8, these events, 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 are the key audit matters:

Sr. No.	Key audit matter	How the matter was addressed in our audit
(i)	Non-current assets classified as held for sale <i>(Refer Note 14 to the annexed unconsolidated financial statements)</i> During the year, the Board of Directors of the Company has authorized the management to start disposal process of its fixed assets. The Company also expects sale of these assets to be completed within twelve months from the reporting date. Hence, in accordance with IFRS 5 "Non-current assets held for sale and discontinued operations" (IFRS 5), these assets have been classified its assets as "<u>non-current assets held for sale</u>" and has also been measured these assets at lower of their carrying values and fair values less cost to sale. As classification and measurement relating to these assets require considerable management judgement and this also represents a significant event for these unconsolidated financial statements, we considered this as a key audit matter.	Our audit procedures, among others, included the following: - obtained understanding of the matter relating to classification of these assets as held for sale - checked that the criteria for classification as held for sale and discontinued operations under IFRS 5 is met; - obtained understanding of management's process to estimate the fair value less cost to sale of these assets; and - involved our valuation expert to assist in evaluating the valuation methodology and the reasonableness of key information, significant assumptions and estimates used by management in determining the fair value less costs to sell of these assets, and assessed the adequacy of the related disclosures in the unconsolidated financial statements in accordance with the applicable accounting and reporting framework.
(ii)	Contingencies <i>(Refer Note 20 to the annexed unconsolidated financial statements)</i> The Company is subject to various pending legal and tax matters, including income tax appeals before Commissioner Inland Revenue (Appeals), Appellate	Our audit procedures in this area included, among others: - Obtained and reviewed the Company's schedule of pending legal, tax and regulatory matters and assessed the completeness of contingencies disclosed; - Obtained and reviewed correspondence with FBR, legal notices, assessment orders, appeal

Sr. No.	Key audit matter	How the matter was addressed in our audit
	Tribunal Inland Revenue and High Courts, the Company has assessed these contingencies by involving inhouse as well as third parties (legal and tax advisors). We identified contingencies as a key audit matter because: - the amounts involved, individually or in aggregate, are material to the financial statements; - determining whether a present obligation exists, whether an outflow of resources is probable, and whether a reliable estimate can be made under IAS 37 requires significant management judgement, and - The assessment depends on the status and interpretation of ongoing legal, tax and regulatory proceedings, which are inherently uncertain and may involve reliance on external legal and tax advisors	- Obtained and reviewed correspondence with FBR, legal notices, assessment orders, appeal documents and other relevant supporting documentation for significant matters. - Inspecting correspondence with regulatory authorities and minutes of the Board of Directors for indications of new, settled, or changed litigation and claims; - Obtaining external confirmations directly from the Company's external legal counsel and tax advisors and assessed the reasonableness of management's conclusions; - We engaged our in-house tax expert to assess the significant tax contingencies, including the applicable tax laws and regulations, and evaluated the reasonableness of management's assessment of the related exposure and accounting treatment; - Evaluating management's conclusions on the probability of outflow and the reliability of any estimates against the recognition and disclosure criteria in IAS 37, and assessing consistency with the underlying legal/tax opinions obtained; and - the For matters decided or settled during the year, tracing outcome to underlying orders/agreements and assessing the consequential accounting and disclosure;

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.

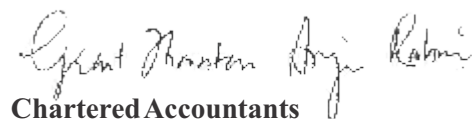
From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the unconsolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation 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 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 Muhammad Naeem Sarwar.


Chartered Accountants

Lahore

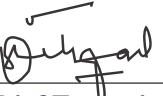
Date: September 22, 2026

UDIN: AR2026109709xfT8wrKJ

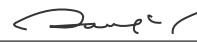
UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2026

ASSETS		2026 (Rupees in thousand)	2025
NON-CURRENT ASSETS	Note		
Property, plant and equipment	5	21,308	332,338
Intangible assets	6	30	106
Long term investment	7	3,204,510	3,204,510
Long term security deposits	8	175	175
		3,226,023	3,537,129
CURRENT ASSETS			
Stores and spares	9	11,250	39,791
Trade debts	10	-	-
Advances, prepayments and other receivables	11	48,678	83,929
Short term investments	12	102,127	670,300
Bank balance	13	565	145,341
		162,620	939,361
Non - current assets held for sale	14	289,334	-
TOTAL ASSETS		3,677,977	4,476,490
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 400,000,000 (2025: 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 (2025: 363,380,000) ordinary shares of Rs. 10 each	15	3,633,800	3,633,800
Capital reserve: Share premium	16	41,660	41,660
Revenue reserve: (Accumulated loss)/Un-appropriated profit		(35,394)	192,002
		3,640,066	3,867,462
NON-CURRENT LIABILITIES			
Employee benefit obligations	17	16,893	10,783
CURRENT LIABILITIES			
Trade and other payables	18	8,366	10,157
Dividend payable	19	-	571,044
Unclaimed dividends		4,099	5,347
Provision for taxation		8,553	11,697
		21,018	598,245
TOTAL EQUITY AND LIABILITIES		3,677,977	4,476,490
CONTINGENCIES AND COMMITMENTS	20		

The annexed notes 1 to 37 form an integral part of these unconsolidated financial statements.


Chief Executive

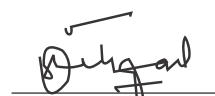

Chief Financial Officer


Director

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2026

		2026 (Rupees in thousand)	2025
Revenue	21	34,225	-
Direct costs	22	(134,309)	(96,393)
Gross loss		(100,084)	(96,393)
Administrative expenses	23	(67,234)	(49,264)
Other income	24	12,501	5,963,521
Other expenses	25	(66,566)	(2,540)
Finance cost	26	(4,880)	(4,112)
(Loss) / profit before income tax and final tax		(226,263)	5,811,212
Taxation - final tax	27	(1,133)	(23,969)
(Loss) / profit before income tax for the period		(227,396)	5,787,243
Taxation - income tax	27	-	(341)
(Loss) / profit for the year		(227,396)	5,786,902
(Loss) / earnings per share - basic and diluted - Rupees	35	(0.63)	15.93

The annexed notes 1 to 37 form an integral part of these unconsolidated financial statements.


Chief Executive

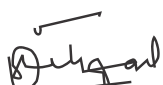

Chief Financial Officer


Director

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2026

	2026 (Rupees in thousand)	2025
(Loss) / profit for the year	(227,396)	5,786,902
Other comprehensive:		
<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 (loss) / income for the year	(227,396)	5,786,902

The annexed notes 1 to 37 form an integral part of these unconsolidated financial statements.


Chief Executive

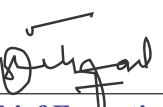

Chief Financial Officer


Director

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2026

	Share capital	Capital reserve Share premium	Revenue reserve Un-appropriated profit	Total
	(Rupees in thousand)			
Balance as on July 01, 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:				
First interim cash dividend for the year ended June 30, 2025 @Rs. 5.90 per ordinary share	-	-	(2,143,942)	(2,143,942)
Second interim cash dividend for the year ended 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
Loss for the year	-	-	(227,396)	(227,396)
Other comprehensive income/(loss) for the year	-	-	-	-
Total comprehensive loss for the year	-	-	(227,396)	(227,396)
Balance as on June 30, 2026	3,633,800	41,660	(35,394)	3,640,066

The annexed notes 1 to 37 form an integral part of these unconsolidated financial statements.


Chief Executive

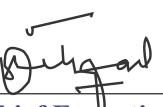

Chief Financial Officer


Director

UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 (Rupees in thousand)	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash used in operations	28	(142,391)	(127,363)
Finance costs paid		(4,880)	(4,112)
Income tax and final tax paid		(4,277)	(23,904)
Employee benefit obligations paid		(215)	(1,076)
		(9,372)	(29,092)
Net cash outflow from operating activities		(151,763)	(156,455)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant & equipment and intangible assets		(592)	(1,887)
Profit received on short term investments		4,530	98,092
Proceeds from disposal of fixed assets		-	270
Dividend received from PMCL (wholly owned subsidiary)		-	5,864,253
Profit received on bank deposits		7,168	71
Net cash inflow from investing activities		11,106	5,960,799
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(572,292)	(5,186,907)
Net cash used in financing activities		(572,292)	(5,186,907)
Net (decrease) / increase in cash and cash equivalents		(712,949)	617,437
Cash and cash equivalents at beginning of the year		815,641	198,204
Cash and cash equivalents at the end of the year	29	102,692	815,641

The annexed notes 1 to 37 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, 2026

1. LEGAL STATUS & NATURE OF BUSINESS

- 1.1** Altern Energy Limited (the 'Company') was incorporated in Pakistan as a public company limited by shares under the Companies Ordinance, 1984 (now the Companies Act, 2017 and hereinafter referred to as the 'Act') on January 17, 1995. It is a subsidiary of DEL Power (Private) Limited ('the Holding Company'). The Ultimate Parent of the Company is DEL Processing (Private) Limited. The Company's ordinary shares are listed on the Pakistan Stock Exchange. 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. The Company also holds direct and indirect investments in other companies as detailed in Note 7 to these unconsolidated financial statements.
- 1.2** The principal objective of the Company is to set up an industrial undertaking and to generate and sell electricity to WAPDA under Agreement with the Government of Pakistan. For this purpose, the Company had set up a gas fired power plant having an installed capacity of 32 Mega Watts (2025: 32 Mega Watts) to generate and sell electricity to the Government under the Regulatory framework. The Company achieved Commercial Operations Date ('COD') on June 6, 2001. The Company entered into a Power Purchase Agreement ('PPA') with its sole customer, Central Power Purchasing Agency (Guarantee) Limited ('CPPA') for thirty years which commenced from the COD.
- 1.3** 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, during the previous year on April 17, 2025, the shareholders of the Company, on recommendation of the Board of directors, decided to and authorised the Company to submit an application for early termination / retirement of: (i) the PPA entered into with CPPA, (ii) the Implementation Agreement ('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 May 09, 2025, the Company submitted a formal request to CPPA for early retirement of the Agreements.
- Subsequent to consent of all relevant stakeholders, the Federal Cabinet granted its approval for early termination of the Agreements. Accordingly, on April 30, 2026, the Company has executed an instrument titled "Termination Agreement" ('TA'), with the Islamic Republic of Pakistan ('GOP') and CPPA. Pursuant to the TA, the following instruments stand terminated:
- Implementation Agreement dated July 19, 1995, executed with the GOP,
 - Guarantee issued by the Government of Pakistan, and;
 - Power Purchase Agreement dated September 18, 1995, executed with CPPA.
- 1.4** The Company has also signed a Termination Agreement on April 30, 2026, with Sui Northern Gas Pipelines Limited ('SNGPL'). Pursuant thereto, the Gas Supply Agreement, executed between the Company and SNGPL, stands terminated.
- 1.5** Subsequent to the Termination of Agreements as described in 1.3 & 1.4 above, the Company had submitted a request for early cancellation of the Generation License with National Electric Power Regulatory Authority ("NEPRA"). Subsequent to the reporting period, on August 28, 2026, NEPRA has cancelled the Generation License No. IGPL/021/2024.
- 1.6** Keeping in view TA, the Board of Directors of the Company has also authorised management to take necessary steps to dispose off power generation equipments alongwith spare parts inventory.
- 1.7** During 2024, the Company's subsidiary, Rousch (Pakistan) Power Limited ('RPPL') was approached by the Government of Pakistan for Termination of its PPA entered into with CPPA, the 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 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.

1.8 These conditions indicate a material uncertainty on the Company's ability to continue as a going concern as it may be unable to realize its assets and discharge its liabilities in the normal course of business. However, these unconsolidated financial statements have been prepared on going concern basis due to the followings:

- Based on RPPL's cash flow projections, RPPL is expected to generate sufficient returns from its investments to provide the Company with a regular dividend income stream. This income is expected to support the Company in meeting its projected expenditures, including potential tax contingencies, and;
- Management is implementing a cost-optimisation plan in accordance with the Board of Directors' guidance. The measures include, among others, workforce rationalisation where appropriate and reductions in overheads and other operating expenses.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

These unconsolidated financial statements have been prepared in accordance with 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 Companies Act, 2017 (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, 2025 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.

2.3.2 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 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:

	2026 (Rupees in thousand)	2025
De-recognition of property, plant and equipment	-	(290,250)
De-recognition of trade debts	-	-
Recognition of lease debtor	-	279,873
Decrease in un-appropriated profit at the beginning of the year	-	(3,620)
Increase in profit for the year	-	(6,757)
Decrease in un-appropriated profit at the end of the year	-	(10,377)

- 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, 2026 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. However there is no impact of such exemption on these financial statements

- c)** IAS 21, 'The Effects of Changes in Foreign Exchange Rates' is detailed in Note 5.1.5.

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

There are certain standards, amendments to the IFRS and interpretations that are mandatory for companies having accounting periods beginning on or after July 1, 2026 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.

IFRS 17 'Insurance Contracts' establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and, including the June 2020 and December 2021 amendments, is effective from 1 January 2027

IFRS 18 'Presentation and Disclosure in Financial Statements' replaces IAS 1 and introduces revised requirements for the presentation and disclosure of financial statements. It is effective for annual reporting periods beginning on or after 1 January 2027.

IFRS 19 'Subsidiaries without Public Accountability Disclosures' permits eligible subsidiaries without public accountability to apply reduced disclosure requirements and is effective for annual reporting periods beginning on or after 1 January 2027.

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, and;
- (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, 2026 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 2.3.2(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 Non current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale (except for investment property measured at fair value) are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification. Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

4.25 Rounding of amounts

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

5	PROPERTY, PLANT AND EQUIPMENT	Note	2026 (Rupees in thousand)	2025
	Operating fixed assets	5.1	307,950	329,646
	Major spare parts and stand-by equipment		2,692	2,692
	Transfer to non-current asset classified as held for sale	14	(289,334)	-
			21,308	332,338

5.1.3 Freehold land represents an area measuring 224 Kanals and 19 Marlas, situated at Tehsil Fahe lang, District Attock

5.1.4 The aggregate book value of operating fixed assets sold during the current and previous years was below Rs 5 million.

5.1.5 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 (2025: 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	2026 (Rupees in thousand)	2025
Statement of financial position			
Decrease in the carrying amount of property, plant and equipment/non current assets held for sale and un-appropriated profits as at June 30		(20,497)	(24,597)
Statement of profit or loss			
Decrease in cost of sales		4,100	4,100
Increase in profit for the year		4,100	4,100
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		8,983	8,791
Charge for the year	23	76	192
Closing balance		9,059	8,983
Net book value as at June 30		30	106
Annual amortization rate		33%	33%

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, 2026 amounts to Rs 8.766 million (2025: Rs 8.766 million).

7 LONG TERM INVESTMENT

Subsidiary - unquoted:

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

320,451,000 (2025: 320,451,000) fully paid ordinary shares of Rs 10 each [Equity held 100% (2025: 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 67.31% (2025: 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 1.7, RPPL's Agreements have been terminated, and it had handed over the Complex to NPPMCL during last year after receiving its receivables from CPPA. Currently, RPPL no longer owns the power plant. However, RPPL has sufficient funds 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.

	Note	2026 (Rupees in thousand)	2025
9 STORES AND SPARES			
Stores		-	-
Spares		37,430	69,792
		<u>37,430</u>	<u>69,792</u>
Impairment	9.2	(26,180)	(30,001)
		<u>11,250</u>	<u>39,791</u>

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

- 9.2** During the year, the stores and spares were valued, its carrying value exceeded such fair value thereby an impairment loss was booked

10 TRADE DEBTS - SECURED

Considered good		-	-
Considered doubtful		40,386	-
		<u>40,386</u>	<u>-</u>
Impairment	10.1	(40,386)	-
		<u>-</u>	<u>-</u>

- 10.1** The Company raised an invoice to CPPA on account of RLNG Tariff Differential Cost following finalisation of RLNG rates by Oil and Gas Regulatory Authority ('OGRA'). As disclosed in note 1.3, the Company executed a Termination Agreement ('TA') with the relevant counterparties. Pursuant to the terms of the TA, the Company has forgone its claim amounting to Rs. 40 million pertaining to RLNG Tariff Differential Cost. Therefore, this receivable has been impaired fully.

11 ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

Advances:

- To suppliers		85	178
- To employees against expenses		100	100

Balances with statutory authorities:

- Sales tax receivable - considered good		20,715	43,193
- Receivable against Workers' Welfare Fund ('WWF')	11.1	26,892	38,369
		<u>47,607</u>	<u>81,562</u>

Prepayments	11.2	886	2,089
		<u>48,678</u>	<u>83,929</u>

11.1 This includes WWF contribution amounting to Rs 26.229 million (2025: 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 (2025: Rs 0.058 million).

12	SHORT TERM INVESTMENTS	Note	2026 (Rupees in thousand)	2025
	Mutual Funds - at FVPL	12.1	551	670,300
	Term Deposit Certificates ('TDRs') - at ammortised cost	12.2	101,576	-
			102,127	670,300

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

12.2 This represents investment in TDRs held with Habib Metropolitan Bank Limited having maturity of one week, carrying mark-up at the rate of 9% per annum (2025: Nil).

13 BANK BALANCE

Cash at bank:

- Saving accounts	13.1	112	507
- Current accounts		453	144,834
		565	145,341

13.1 These carry mark-up rate of 10% per annum (2025: 9.5% per annum).

14 NON - CURRENT ASSETS HELD FOR SALE

Operating fixed assets	14.1	286,642	-
Major spare parts and stand-by equipment		2,692	-
		289,334	-

14.1 During the year, the Company initiated early termination of its Power Purchase Agreement, Implementation Agreement and Gas Supply Agreement, which were subsequently terminated. The NEPRA licence is also in the process of being terminated and remained outstanding as at year-end. Following termination of these agreements, the Company has initiated process of disposal of its property, plant and equipment and is currently in the process of identifying a potential buyer.

14.2 The valuation of the plant and machinery and stores and spares was performed by Hamid Mukhtar & Co. (Pvt.) Limited, which determined a forced sale value of Rs. 266.7 million.

14.3 Stores and spares will also be disposed of along with the plant and machinery.

14.4 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 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 unconsolidated financial statements.

14.5 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.

14.6 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.

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

15 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2026 (Number of shares)	2025	Note	2026 (Rupees in thousand)	2025
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

15.1 As at June 30, 2026, 211,397,063 (2025: 211,397,063) ordinary shares of the Company which represent 58.18% (2025: 58.18%) of the share capital of the Company are held by the Holding Company.

15.2 These were issued against machinery and equipment at the time of project development.

16 CAPITAL RESERVE: SHARE PREMIUM

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

	Note	2026 (Rupees in thousand)	2025
17 EMPLOYEE BENEFITS OBLIGATIONS			
Gratuity	17.1	16,270	10,294
Accumulating compensated absences	17.2	623	489
		16,893	10,783
17.1 Gratuity			
Opening balance		10,294	9,136
Provision for the year		6,089	2,170
Payments made during the year		(113)	(1,012)
Closing balance		16,270	10,294
17.2 Accumulating compensated absences			
Opening balance		489	418
Provision for the year		247	135
Payments made during the year		(113)	(64)
Closing balance		623	489
18 Trade and other payables			
Trade creditors	18.1	3,892	3,070
Withholding income tax payable		-	260
Withholding sales tax payable		738	397
Punjab Workers' Welfare Fund	18.2	-	24
Accrued liabilities	18.3	3,736	6,406
		8,366	10,157
18.1 These include amounts due to following related parties:			
Descon Power Solutions (Private) Limited		1,740	-
Descon Corporation (Private) Limited		59	59
		1,799	59

	Note	2026 (Rupees in thousand)	2025 (Rupees in thousand)
18.2	Punjab Workers' Welfare Fund		
	Opening balance	24	-
	Accrued during the year	-	1,366
	Payments during the year	-	(1,342)
	Liabilities written back	(24)	-
	Closing balance	-	24
18.3	These include accrued liabilities due towards following related parties:		
	Descon Engineering Limited	379	2,070
	Descon Power Solutions (Private) Limited	318	547
	Rousch (Pakistan) Power Limited	159	380
		856	2,997

19 DIVIDEND PAYABLE

This represented dividend related to Saudi Arabian Construction & Repair Company Limited a related party. Subsequently after the approval from State Bank of Pakistan such dividend has been paid.

20. CONTINGENCIES AND COMMITMENTS

**2026
(Rupees in thousand)**

20.1 Contingencies

- i) 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.

157,000

157,000

		2026 (Rupees in thousand)	2025
ii)	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.	—	9,300
iii)	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.	16,840	16,840
iv)	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. 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. 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.	81,600	81,600

		2026 (Rupees in thousand)	2025
v)	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. 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.	150,970	150,970
vi)	DCIR has raised income tax demands of Rs. 86 million and Rs. 97 million under Section 205 of the Income Tax Ordinance, 2001 for Tax Years 2022 & 2024 respectively. The tax demands pertain to default surcharge delayed payment of super tax under section 4B and 4C by the Company. The tax authorities claim that Super Tax was payable alongwith income tax returns of the respective tax years. However, the Company is of the view that Default Surcharge can't be levied during the period of stay against recovery of taxes as per relevant laws. The Company has filed an appeal before the ATIR and the case is pending adjudication. The Company has not made any provision against the said tax demands 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 tax consultant and the relevant laws and facts.	182,072	—
vii)	In respect of tax year 2024, the ACIR issued an order under Section 122(5A) of the Income Tax Ordinance, creating a tax demand amounting to Rs. 389 million. The principal matter in dispute relates to the rate of tax applicable on dividend income received from an Independent Power Producer. The tax authorities have disallowed the application of the reduced dividend tax rate of 7.5% through order dated December 31, 2025, contending that the statutory condition regarding pass through and reimbursement of dividend tax by Central Power Purchasing Agency was not fulfilled, and have accordingly subjected such dividend income to tax at the standard rate of 15%. In addition, a portion of withholding tax credits claimed against dividend has been disallowed due to alleged non verification of corresponding CPRs.		

2026 **2025**
(Rupees in thousand)

The Company filed an appeal against the impugned order before the CIR(A) on January 28, 2026. The CIR(A) vide order dated March 30, 2026, confirmed demand previously raised by the ACIR. Aggrieved, the Company filed an appeal before the ATIR on April 06, 2026, along with a stay application. The ATIR, vide its Order dated July 08, 2026, has decided the matter in favour of the Company.

- -

20.2 Commitments

A banking company had issued a guarantee on behalf of the Company in favour of SNGPL as security to cover natural gas/RLNG supply for which payments were made in arrears. Subsequent to termination of the Gas Supply Agreement as mentioned in Note 1.3, the bank guarantee has been with-drawn.

- 532,680

21 REVENUE

Note

2026 **2025**
(Rupees in thousand)

Energy purchase price - gross

21.1

40,386

-

Sales tax

(6,161)

-

Energy purchase price - net

34,225

-

34,225

-

21.1 This represents EPP invoice raised to CPPA on July 31, 2025 on account of RLNG Tariff Differential invoice raised by SNGPL for the period from October 2017 to June 2020, following finalisation of RLNG rates by OGRA.

22 DIRECT COSTS

Note

2026 **2025**
(Rupees in thousand)

RLNG cost

22.1

39,555

455

Depreciation on operating fixed assets

5.1.1

21,143

20,535

Stores and spares consumed

868

384

Repairs and maintenance

3,150

3,424

Purchase of energy

4,828

5,103

Operation and maintenance

41,733

43,014

Security

13,198

12,310

Salaries, benefits and other allowances

1,896

1,750

Insurance

3,545

3,838

Rent, rates and taxes

100

1,629

Travelling and conveyance

761

451

Licensing fee

3,446

3,337

Miscellaneous

86

163

134,309

96,393

22.1 This represent cost of invoices issued by SNGPL on July 25, 2025 following finalization of RLNG rates by OGRA.

23	ADMINISTRATIVE EXPENSES	Note	2026 (Rupees in thousand)	2025
	Salaries, benefits and other allowances	23.1	20,035	13,689
	Directors' meeting fee		2,500	1,625
	Information technology and ERP related cost	23.2	3,024	959
	Travelling and conveyance		4,556	3,131
	Utilities		2,319	1,791
	Postage and telephone		1,060	1,056
	Printing, stationery and advertisement		2,100	2,079
	Auditors' remuneration	23.3	3,234	2,941
	Legal and professional		23,399	15,501
	Fees and subscription		2,823	2,757
	Entertainment		252	232
	Amortisation of intangible assets	6	76	191
	Depreciation on operating fixed assets	5.1.1	1,146	1,369
	Rent, rates and taxes	23.4	708	790
	Miscellaneous		2	16
	Bad debts written off		-	1,137
			67,234	49,264

23.1 Salaries, benefits and other allowances include Rs 6.089 million (2025: Rs 2.170 million) and Rs 0.247 million (2025: Rs 0.070 million) on account of gratuity and accumulating compensated absences respectively.

23.2 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.

23.3 Auditor's remuneration

The charges for professional services (exclusive of sales tax) consist of the following in respect of auditors' services for:

	2026 (Rupees in thousand)	2025
Statutory audits	1,606	1,461
Half yearly review	517	470
Certifications required by various regulations	363	330
Special audit of consolidated financial statements	495	450
Group audit services	253	230
	3,234	2,941

23.4 This includes rentals in respect of property leased from Descon Corporation (Private) Limited, a related party (on the basis of common directorship).

24 OTHER INCOME

Profit on bank deposits	7,168	71
Income on short term investment	4,530	98,092
Gain on sale of operating fixed assets	-	270
Liabilities written back	36	835
Scrap sales	767	-
Dividend income from PMCL (wholly owned subsidiary)	-	5,864,253
	12,501	5,963,521

			2026 (Rupees in thousand)	2025
25	OTHER EXPENSES	Note		
	Workers' Welfare Fund	25.1	-	1,366
	Advances written off		-	1,174
	Impairment of trade debts	25.2	40,386	-
	Impairment on stores and spares	25.3	26,180	-
			66,566	2,540

25.1 This also included 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 last year.

25.2 As referred in Note 1.3 and 10.1, the Company has signed a Termination Agreement ("TA") with the President of the Islamic Republic of Pakistan (GOP), the Central Power Purchasing Agency (Guarantee) Limited, and other relevant counterparties. Pursuant to the terms of the TA, the Company forgone its claim amounting to Rs. 40 million pertaining to RLNG Tariff Differential Cost. Therefore, this receivable has been impaired.

25.3 As referred in Note 9.2, during the year, the stores and spares were valued, its carrying value exceeded such fair value thereby an impairment loss was booked

			2026 (Rupees in thousand)	2025
26	FINANCE COST			
	Mark-up on short term borrowing from banking company - secured		-	2
	Bank charges		1,682	914
	Guarantee commission		3,198	3,196
			4,880	4,112
27	TAXATION - INCOME TAX AND FINAL TAX			
	Final tax		1,133	23,969
	Income tax			
	Current		-	341
			1,133	24,310
27.1	Relationship between tax (expense)/income and accounting profit			
	(Loss) / profit before income tax and final tax		(226,263)	5,811,212
	Tax at the applicable rate of 29% as per Income Tax Ordinance, 2001		-	1,685,251
	Tax effect of:			
	- Electric power generation losses that cannot be carried forward for adjustment		-	43,527
	- Exemption of dividend income as referred to in Note 4.1		-	(1,700,633)
	- Income taxable under different rate		-	(3,836)
			-	(1,660,942)
			-	24,310

27.2 Tax reconciliation is not meaningful for the current year, as the Company has incurred a loss before income tax and was subject to final tax.

27.3 The Company has filed its income tax return as a single unit and, accordingly, during the year, recognized group super tax expense of Rs. 1.431 billion in the statement of profit or loss of its subsidiary, Power Management Company (Private) Limited (PMCL). The expense comprises Rs. 15.495 million for Tax Year 2019, Rs. 146.586 million for Tax Year 2022, Rs. 535 million for Tax Year 2024, and Rs. 687 million for Tax Year 2025. The super tax expense has been recognized following the decision of the Federal Constitutional Court regarding the applicability of super tax under Sections 4B and 4C of the Income Tax Ordinance, 2001.

	2026 (Rupees in thousand)	2025
28 CASH USED IN OPERATIONS		
(Loss) / profit before income tax and final tax	(226,263)	5,811,212
Adjustment for non cash charges and other items:		
-Depreciation on operating fixed assets	22,289	21,904
-Dividend income from PMCL (wholly owned subsidiary)	-	(5,864,253)
-Amortization of intangible assets	76	191
-Provision for employee retirement benefits	6,336	2,305
-Impairment of trade debts	40,386	1,137
-Impairment on spares	26,180	-
-Liabilities written back	(36)	(835)
-Profit on bank deposits	(7,168)	(71)
-Profit on short term investments	(4,530)	(98,092)
-Gain on disposal of operating fixed assets	-	(270)
-Finance cost	4,880	4,112
	88,413	(5,933,872)
Loss before working capital changes	(137,850)	(122,660)
Effect on cashflow due to working capital changes:		
(Increase) / decrease in current assets		
Stores and spares	2,361	101
Trade debts - secured	(40,386)	7,396
Advances, prepayments and other receivables	35,251	(53)
	(2,774)	7,444
(Decrease) / increase in current liabilities		
Trade & other payables	(1,767)	(12,147)
	(142,391)	(127,363)
29 CASH AND CASH EQUIVALENTS		
Bank balance	565	145,341
Short term investments	102,127	670,300
	102,692	815,641

30 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

30.1 Related parties include 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. Amounts due from and to related parties are shown under receivables and payables.

30.2 Related party transactions have been disclosed as follows:

			2026 (Rupees in thousand)	2025
	Relationship with the Company	Nature of transaction		
i)	Holding company			
	DEL Power (Private) Limited	Dividends paid	-	3,297,794
ii)	Subsidiary companies			
	Power Management Company (Private) Limited	Dividends received	-	5,864,253
	Rousch (Pakistan) Power Limited	Common costs charged to the Company	1,191	868
iii)	Other related parties			
	On the basis of common directorship			
	Descon Engineering Limited	Common costs charged to the Company	4,542	6,269
	Descon Power Solutions (Private) Limited	Operation & maintenance contractor's fee	41,733	43,014
		Common costs charged to the Company	1,385	1,323
	Descon Corporation (Private) Limited	Common costs charged to the Company	2,357	959
		Building rent	708	707
	Group company			
	Descon Holdings (Private) Limited	Dividend paid	-	468
	Other related parties			
	Saudi Arabian Construction & Repair Company Limited	Dividend paid	-	88,306
	Crescent Steel and Allied Products Limited	Dividend paid	-	734,424

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 31 to these unconsolidated financial statements.

30.3 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%
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	Independent Director	0.000138%
Mr. Syed Rizwan Ali Shah	Director	0.000138%
Mr. Saqib Sajjad	Director	Nil
Mr. Muhammad Saqlain Arshad	Independent Director	Nil
Mr. Umer Shehzad Sheikh	Chief Executive Officer	Nil

31. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

31.1 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 Officer		Non-Executive Director	
	2026	2025	2026	2025
	---Rupees in thousand---		---Rupees in thousand---	
Managerial remuneration	8,310	6,116	-	-
Bonus	566	478	-	-
Gratuity	5,969	2,069	-	-
Accumulating compensated absences	209	65	-	-
Reimbursement of personal medical expenses	251	333	-	-
Car allowance	1,544	1,372	-	-
House rent, utilities and allowances	507	680	-	-
Meeting fee	-	-	2,500	1,625
	17,356	11,113	2,500	1,625
Number of person(s)	1	1	2	2

31.2 During the year, the Company has paid meeting fee amounting to Rs 2,500 million (2025: Rs 1,625 million) to its non-executive/independent directors. The total number of non-executive directors is 7 (2025: 7).

31.3 There is no executive in Company.

32. NUMBER OF EMPLOYEES

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

2026	2025
5	5
5	5

33. FINANCIAL RISK MANAGEMENT

33.1 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	2026 (Rupees in thousand)	2025
Fixed rate instruments			
Financial assets		-	-
Financial liabilities		-	-
Variable rate instruments			
Financial assets			
Trade debts		-	-
Bank balances - savings accounts	13	112	507
Financial liabilities		-	-
Net exposure		112	507

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, 2026, 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	
	2026	2025
	(Rupees in thousand)	
NBP Islamic Daily Dividend Fund	-	5
NBP Money Market Fund	55	9,520
HBL Cash Fund	-	57,505
	55	67,030

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:

	2026 (Rupees in thousand)	2025
Long term security deposits	175	175
Short term investments	102,127	670,300
Bank balances	565	145,341
	102,867	815,816

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	2026 (Rupees in thousand)	2025
	Short term	Long term			
Short term investments					
NBP Islamic Daily Dividend Fund	-	AA+(f)	PACRA	-	48
NBP Money Market Fund	-	AA(f)	PACRA	551	95,200
HBL Cash Fund	-	AA+(f)	VIS	-	575,052
				551	670,300
Bank balances					
MCB Bank Limited	A1+	AAA	PACRA	2	2,067
The Bank of Punjab	A1+	AAA	PACRA	-	4,295
Habib Bank Limited	A1+	AAA	VIS	5	793
Habib Metropolitan Bank Limited	A1+	AAA	PACRA	558	138,186
				565	145,341

(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, 2026 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 29) 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.

33.2 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, 2026 and 2025.

33.3 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, 2026:

	Level 1	Level 2	Level 3	Total
	(Rupees in thousand)			
Assets				
Recurring fair value measurements				
At fair value through profit or loss				
Short term investments	551	-	-	551
Liabilities	-	-	-	-

The following table represented the financial assets and liabilities that were 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				
Short term investments	670,300	-	-	670,300
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.

33.4 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.

33.5 Financial instruments by categories

	Financial assets at fair value through profit or loss		Financial assets at amortised cost	
	2026 (Rupees in thousand)	2025 (Rupees in thousand)	2026 (Rupees in thousand)	2025 (Rupees in thousand)
Assets as per statement of financial position				
Long term security deposits	-	-	175	175
Short term investments	551	670,300	101,576	-
Trade debts	-	-	-	-
Bank balances	-	-	565	145,341
	551	670,300	102,316	145,516
Financial liabilities at amortised cost				
			2026 (Rupees in thousand)	2025 (Rupees in thousand)
Liabilities as per statement of financial position				
Trade and other payables			8,366	10,157
Dividend payable			-	571,044
Unclaimed dividend			4,099	5,347
			12,465	586,548
34 PLANT CAPACITY AND ACTUAL NET GENERATION				
			2026	2025
Installed capacity	(MWh)		-	250,356
Practical maximum output	(MWh)		-	219,318
Actual energy delivered	(MWh)		-	-

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

35 EARNINGS PER SHARE - BASIC AND DILUTED
Basic earnings per share

		2026	2025
		(Rupees in thousand)	
(Loss) / profit for the year	(Rupee in thousand)	(227,396)	5,786,902
Weighted average number of ordinary shares	(Number)	363,380,000	363,380,000
(Loss) / earnings per share	(Rupees)	(0.63)	15.93

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, 2026 and June 30, 2025 which would have any effect on the earnings per share if the option to convert is exercised.

36 DISCLOSURE REQUIREMENTS FOR THE COMPANY NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES AS ITS CORE BUSINESS

	2026	2025
	(Rupees in thousand)	
36.1 Disclosure in relation to statement of financial position - Liability side:		
Financing (Long Term, Short term or lease financing) obtained as per Islamic Mode	-	-
Interest or markup accrued on any conventional loan or advance	-	-
36.2 Disclosure in relation to statement of financial position - Asset side:		
Short Term shariah compliant investment	-	48
Shariah compliant bank balances	-	-
Shariah compliant bank deposits and TDRs	-	-
36.3 Disclosure in relation to statement of comprehensive income:		
Revenue earned from Shariah compliant business	34,225	-
Breakup of late payments or liquidated damages	-	-
Gain and Dividend earned on Shariah Compliant Investment	3	3,014
Profit earned from Shariah Compliant bank balances	-	-
Exchange gain earned from actual currency	-	-
Exchange gain earned using conventional derivative financial instruments	-	-
Profit paid on Islamic mode of financing	-	-
Total Interest earned on any conventional loan or advance	-	-
Profit on short term investments	-	-

36.3.1 Source and detailed breakup of other income, including breakup of other or miscellaneous portions of ther income into shariah-compliant and non-compliant income

Shariah Compliant:

Profit on short term investments	3	2,873
Sale of scrap	767	-
Liabilities written back	-	361

Non Shariah Compliant:

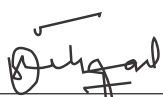
Return on bank deposits	7,168	49
Profit on short term investments	4,528	73,998

36 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.

37 DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on September 01, 2026 by the Board of Directors of the Company.


Chief Executive


Chief Financial Officer


Director

Consolidated Financial Statements
June 30, 2026

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Rahman**
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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, 2026, 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 material 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, 2026 and of the loss, total comprehensive loss, 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 1.5 of the annexed consolidated financial statements, which describes the matter regarding early termination of agreements. As stated in Note 1.2 to 1.5, 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.

GTR

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 are the key audit matters:

Sr. No.	Key audit matter	How the matter was addressed in our audit
(i)	Non-current assets classified as held for sale <i>(Refer Note 13 to the annexed consolidated financial statements)</i> During the year, the Board of Directors of the Group has authorized the management to start disposal process of its fixed assets. The Group also expects sale of these assets to be completed within twelve months from the reporting date. Hence, in accordance with IFRS 5 – "Non-current assets held for sale and discontinued operations" (IFRS 5), these assets have been classified its assets as "<u>non-current assets held for sale</u>" and has also been measured these assets at lower of their carrying values and fair values less cost to sale. As classification and measurement relating to these assets require considerable management judgement and this also represents a significant event for these consolidated financial statements, we have considered this as a key audit matter.	Our audit procedures, among others, included the following: • obtained understanding of the matter relating to classification of these assets as held for sale • checked that the criteria for classification as held for sale and discontinued operations under IFRS 5 is met; • obtained understanding of management's process to estimate the fair value less cost to sale of these assets; and • involved our valuation expert to assist in evaluating the valuation methodology and the reasonableness of key information, significant assumptions and estimates used by management in determining the fair value less costs to sell of these assets, and assessed the adequacy of the related disclosures in the consolidated financial statements in accordance with the applicable accounting and reporting framework.

GTC

(ii)	Contingencies <i>(Refer Note 22 to the annexed consolidated financial statements)</i> The Group is subject to various pending legal and tax matters, including income tax appeals before Commissioner Inland Revenue (Appeals), Appellate Tribunal Inland Revenue and High Courts, the Group has assessed these contingencies by involving inhouse as well as third parties (legal and tax advisors). We identified contingencies as a key audit matter because: • the amounts involved, individually or in aggregate, are material to the financial statements; • determining whether a present obligation exists, whether an outflow of resources is probable, and whether a reliable estimate can be made under IAS 37 requires significant management judgement; and • The assessment depends on the status and interpretation of ongoing legal, tax and regulatory proceedings, which are inherently uncertain and may involve reliance on external legal and tax advisors.	Our audit procedures in this area included, among others: • Obtained and reviewed the Group's schedule of pending legal, tax and regulatory matters and assessed the completeness of contingencies disclosed; • Obtained and reviewed correspondence with FBR, legal notices, assessment orders, appeal documents and other relevant supporting documentation for significant matters. • Inspecting correspondence with regulatory authorities and minutes of the Board of Directors for indications of new, settled, or changed litigation and claims; • Obtaining external confirmations directly from the Group's external legal counsel and tax advisors and assessed the reasonableness of management's conclusions; • We engaged our in-house tax expert to assess the significant tax contingencies, including the applicable tax laws and regulations, and evaluated the reasonableness of management's assessment of the related exposure and accounting treatment; • Evaluating management's conclusions on the probability of outflow and the reliability of any estimates against the recognition and disclosure criteria in IAS 37, and assessing consistency with the underlying legal/tax opinions obtained; and • For matters decided or settled during the year, tracing the outcome to underlying orders/agreements and assessing the consequential accounting and disclosure.
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GTAZ

(iii)	Super Tax <i>(Refer Note 29.2 to the annexed consolidated financial statements)</i> During the year, the Group has recognized super tax expense of Rs. 1,415 billion in the statement of profit or loss of its subsidiary, Power Management Company (Private) Limited (PMCL), relating to Tax Years 2018, 2022, 2024 and 2025. The Group also paid Rs. 1,415 billion during the year against super tax levied under Section 4C of the Income Tax Ordinance, 2001 and Section 4B for prior periods. We identified Super Tax as a key audit matter because: - the amount of Rs. 1,415 billion paid during the year is material to the financial statements; - determining the appropriate accounting treatment requires significant judgement, particularly regarding recognition and measurement of the related tax expense and liability; and - computation of the super tax liability involves interpretation of the relevant provisions of the Income Tax Ordinance, 2001, including applicable rates, income slabs, exemptions and group-level allocation.	Our audit procedures in this area included, among others: - Considered the impact of the Federal Constitutional Court decision on the Group's super tax liabilities and assessed the related disclosures in the financial statements; - Obtained and reviewed the computation of super tax liability for the relevant tax years and agreed the amounts to the underlying tax records and financial statements; - Evaluated the accounting treatment and recognition of super tax expense in accordance with the applicable financial reporting requirements; - Inspected relevant tax orders, notices, correspondence and payment challans supporting (CPRs) the super tax liabilities settled during the year; - Reperformed the calculation of super tax, including applicable rates, income slabs and other relevant adjustments; and - Obtained external confirmation directly from the Group's legal and tax advisors regarding the status of the litigation and confirmation that payment of super tax demand made by the Group.
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Information Other than the Unconsolidated and Consolidated Financial Statements and Auditors' Reports 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.

GTAN



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 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.

GTR



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 **Muhammad Naeem Sarwar**.

A handwritten signature in dark ink that reads "Grant Thornton Azji Rahmi".

Chartered Accountants

Lahore

Date: September 22, 2026

UDIN: AR202610970i1HR3p6wN

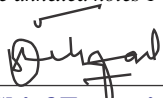
ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES

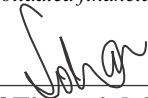
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

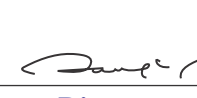
AS AT JUNE 30, 2026

ASSETS	Note	2026 (Rupees in thousand)	2025
NON-CURRENT ASSETS			
Property, plant and equipment	5	26,805	338,722
Intangible assets	6	30	106
Long term security deposits		275	376
Long term loan to employees	7	-	-
		27,110	339,204
CURRENT ASSETS			
Store, spares and loose tools	8	11,250	39,791
Trade debts	9	-	-
Loans, advances, prepayments and other receivables	10	1,756,501	1,578,221
Short term investments	11	7,606,642	8,921,080
Bank balances	12	87,562	186,308
		9,461,955	10,725,400
Non - Current Assets Held For Sale	13	289,334	-
		9,778,399	11,064,604
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital 400,000,000 (2025: 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 (2025: 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		2,269,811	2,691,960
Attributable to owners of the Parent Company		5,945,271	6,367,420
Non-controlling interests		3,013,883	3,529,938
Total equity		8,959,154	9,897,358
NON-CURRENT LIABILITIES			
Employee benefit obligations	16	19,663	15,141
Long term loan - unsecured	17	429,000	-
Deferred taxation	18	54,424	324,162
		503,087	339,303
CURRENT LIABILITIES			
Current portion of long term loan - unsecured	18	143,000	-
Interest accrued on long term loan - unsecured	19	10,692	-
Trade and other payables	20	134,484	233,922
Unclaimed dividends		4,099	5,347
Dividends payable	21	23,883	594,927
Provision for taxation		-	(6,253)
		316,158	827,943
CONTINGENCIES AND COMMITMENTS	22		
		9,778,399	11,064,604

The annexed notes 1 to 41 form an integral part of these consolidated financial statements.


Chief Executive


Chief Financial Officer


Director

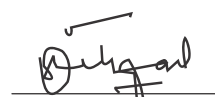
ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 (Rupees in thousand)	2025
Revenue	23	503,248	7,970,077
Direct cost	24	(628,866)	(4,196,565)
Gross (loss) / profit		(125,618)	3,773,512
Administrative expenses	25	(245,696)	(380,131)
Other expenses	27	(69,342)	(12,048,363)
Other income	26	799,076	1,119,267
Finance cost	28	(29,502)	(106,318)
Profit / (loss) before income tax and final tax		328,918	(7,642,033)
Taxation - final tax	29	(1,521,080)	(581,122)
Loss before income tax for the year		(1,192,162)	(8,223,155)
Taxation - income tax	29	250,125	515,790
Loss for the year		(942,037)	(7,707,365)
Attributable to:			
Equity holders of the Parent Company		(1,073,242)	(4,557,349)
Non-controlling interest		131,206	(3,150,016)
		(942,036)	(7,707,365)
Loss per share - basic and diluted	Rupees	(2.95)	(12.54)

The annexed notes 1 to 41 form an integral part of these consolidated financial statements.



Chief Executive



Chief Financial Officer

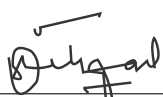


Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2026

	2026 (Rupees in thousand)	2025
Loss for the year	(942,037)	(7,707,365)
Other comprehensive income / (loss):		
<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 - net	3,832	(1,350)
	3,832	(1,350)
Total comprehensive loss for the year	(938,205)	(7,708,715)
Attributable to:		
Equity holders of the Parent Company	(1,070,663)	(4,558,159)
Non-controlling interest	132,459	(3,150,556)
	(938,205)	(7,708,715)

The annexed notes 1 to 41 form an integral part of these consolidated financial statements.


Chief Executive

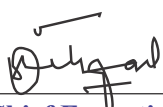

Chief Financial Officer


Director

ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2026

	Share capital	Share premium	Un-appropriated profit	Transaction with Non-controlling interest reserve	Total equity attributable to owners of the Parent Company	Non-controlling Interests	Total
	(Rupees in thousand)						
Balance as on July 1, 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 loss 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)
2nd 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
(Loss) / income for the year	-	-	(1,073,242)	-	(1,073,242)	131,206	(942,036)
Other comprehensive income for the year	-	-	2,579	-	2,579	1,253	3,832
Total comprehensive (loss) / income for the year	-	-	(1,070,664)		(1,070,664)	132,459	(938,205)
Effect of changes in shareholding within the Group							
Decrease in non-controlling interest	-	-	-	-	-	(648,514)	(648,514)
Effect of change in ownership	-	-	-	648,514	-	-	648,514
Balance as on June 30, 2026	3,633,800	41,660	1,621,296	648,514	5,296,756	3,013,883	8,959,153

The annexed notes 1 to 41 form an integral part of these consolidated financial statements.


Chief Executive


Chief Financial Officer


Director

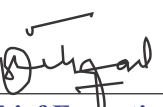
ALTERN ENERGY LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2026

	Note	2026 (Rupees in thousand)	2025
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	30	(338,307)	18,085,322
Finance cost paid		(18,769)	(85,140)
Income tax and final tax paid		(1,836,220)	(789,542)
Long term loans to employees - net		-	1,988
Employee benefit obligations paid		(1,819)	(4,592)
		(1,856,808)	(877,286)
Net cash (used in) / generated from operating activities		(2,195,115)	17,208,036
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment and intangible assets		(1,015)	(37,270)
Profit on short term investment received		661,615	205,937
Profit on bank deposits received		121,623	53,042
Proceeds from disposal of operating fixed assets		-	42,783
Net cash from investing activities		782,223	264,492
CASH FLOWS FROM FINANCING ACTIVITIES			
Long Term Loan received from related party		572,000	-
Dividend paid		(572,292)	(12,351,220)
Net cash used in financing activities		(292)	(12,351,220)
Net (decrease) / increase in cash and cash equivalents		(1,413,184)	5,121,308
Cash and cash equivalents at the beginning of the year		9,107,388	3,986,080
Cash and cash equivalents at the end of the year	31	7,694,204	9,107,388

The annexed notes 1 to 41 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, 2026

1. LEGAL STATUS AND NATURE OF BUSINESS

Altern Energy Limited ('the Parent Group') 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 (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)

2026 (Holding percentage)	2025
100.00%	100.00%
67.31%	59.98%

Production facility of:

- AEL

Location

Fateh Jang, District Attock, Punjab, Pakistan

1.1.1 During the year 2024, a Put Option Agreement was executed between Siemens Project Ventures GmbH, ESB International Luxembourg S.A. ('ESBI'), Power Management Company (Pvt) Limited ('PMCL'), and Rousch (Pakistan) Power Limited ('RPPL'). Pursuant to this agreement, ESBI exercised its Put Option, requiring PMCL to purchase and acquire all ESBI-held shares in RPPL at a Put Option Price of USD 1. In July 2025, the transfer of all ESBI shares was completed. Resultantly, the equity holders of the Parent Company hold 67.31% (: 59.98%) shares in RPPL, whereas non-controlling shareholders hold 32.69% (2025: 40.016%) shares in RPPL.

1.2 AEL (the Parent Company)

1.2.1 AEL was incorporated in Pakistan as a public company limited by shares under the Companies Ordinance, 1984 (now, the Companies Act, 2017) on January 17, 1995. AEL's ordinary shares are listed on the Pakistan Stock Exchange Limited.

1.2.2 The principal objective of the company is to set up an industrial undertaking and to generate and sell electricity to WAPDA under Agreement with the Government of Pakistan. For this purpose, the Company had set up a gas fired power plant having an installed capacity of 32 Mega Watts (2025: 32 Mega Watts) to generate and sell electricity to the Government under the Regulatory framework. AEL achieved Commercial Operations Date ('COD') on June 6, 2001. It entered into a Power Purchase Agreement ('PPA') with its sole customer, Central Power Purchasing Agency (Guarantee) Limited ('CPPA') for thirty years which commenced from the COD.

1.2.3 As detailed in the ensuing paragraphs, during the year 2024, RPPL was approached by the Government of Pakistan for Termination of its PPA entered into with 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 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').

- 1.2.4** In view of continued operational losses suffered by AEL as a result of no dispatch demand from the off-taker during the past several years, during the previous year on April 17, 2025, the shareholders of AEL, on recommendation of the Board of directors, decided to and authorised AEL to submit an application for early termination / retirement of: (i) the PPA entered into with CPPA, (ii) the Implementation Agreement (“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 May 09, 2025, AEL submitted a formal request to CPPA for early retirement of the Agreements.

Subsequent to consent of all relevant stakeholders, the Federal Cabinet granted its approval for early termination of the Agreements. Accordingly, on April 30, 2026, AEL has executed an instrument titled “Termination Agreement” (“TA”), with the Islamic Republic of Pakistan (“GOP”) and CPPA. Pursuant to the TA, the following instruments stand terminated

- a) Implementation Agreement dated July 19, 1995, executed with the GOP,
- b) Guarantee issued by the Government of Pakistan, and;
- c) Power Purchase Agreement dated September 18, 1995, executed with CPPA.

- 1.2.5** AEL has also signed a Termination Agreement dated April 30, 2026, with Sui Northern Gas Pipelines Limited (“SNGPL”). Pursuant thereto, the Gas Supply Agreement, executed between the Company and SNGPL, stands terminated.

- 1.2.6** Subsequent to the Termination of Agreements as described above, AEL has submitted request for early cancellation of the Generation License with National Electric Power Regulatory Authority (“NEPRA”), which has been cancelled on August 28, 2026.

- 1.2.7** Keeping in view TA, the Board of directors of AEL has also authorised management to take necessary steps to dispose of power generation equipments alongwith spare parts inventory

1.3 PMCL

PMCL was incorporated in Pakistan as a private company limited by shares under the Companies Ordinance, 1984 (now the Act) on February 24, 2006. PMCL is a wholly owned subsidiary of AEL. The principal objective of PMCL is to invest, manage, operate, run, own and build power projects. PMCL directly holds 67.31% shares (2025: 59.98%) in RPPL as detailed in note 1.4 to these financial statements.

1.4 RPPL

- 1.4.1** RPPL is a public company limited by shares, incorporated in Pakistan on August 4, 1994 under the Companies Act, 2017. The principal objective of RPPL is establishing, operating and managing the power plant and to sell electric power.

- 1.4.2** RPPL had a PPA with its sole customer, CPPA, for thirty years which commenced from the COD and was scheduled to expire in May 2031. During the year 2024, RPPL was approached by the Government of Pakistan for earlier Termination of the PPA, the 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, RPPL signed a Negotiated Settlement Agreement (NSA’) for Termination of the Agreements. The salient features of such NSA were as follows:

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

RPPL 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 paid agreed outstanding receivables to the RPPL before December 31, 2024. and the RPPL 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 increase no longer owns the Complex to generate and sell electricity to CPPA.

Although RPPL's PPA and IA with the Government have been terminated, it has sufficient funds available to meet its ongoing obligations. Therefore, RPPL will continue to be a Going Concern.

- 1.5** The above conditions indicate a material uncertainty on the Group's ability to continue as a going concern as 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 due to the followings:

Based on RPPL's cash flow projections, RPPL is expected to generate sufficient returns from its investments to provide the Group with a regular dividend income stream. This income is expected to support the Group in meeting its projected expenditures, including potential tax contingencies.

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, 2025 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 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:

	2026 (Rupees in thousand)	2025
De-recognition of property, plant and equipment	-	(290,250)
De-recognition of trade debts	-	-
Recognition of lease debtor	-	279,873
Decrease in un-appropriated profits at the beginning of the year	-	(3,620)
Increase in profits for the year	-	(6,757)
Decrease in un-appropriated profits at the end of the year	-	(10,377)

- 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, 2026 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. However, there is no impact of such exemption on these financial statements.

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, 2026 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, 2026 as explained in note 2.2.2 (b) above.

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.

IFRS 17 'Insurance Contracts' establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and, including the June 2020 and December 2021 amendments, is effective from 1 January 2027

IFRS 18 'Presentation and Disclosure in Financial Statements' replaces IAS 1 and introduces revised requirements for the presentation and disclosure of financial statements. It is effective for annual reporting periods beginning on or after 1 January 2027.

IFRS 19 'Subsidiaries without Public Accountability Disclosures' permits eligible subsidiaries without public accountability to apply reduced disclosure requirements and is effective for annual reporting periods beginning on or after 1 January 2027.

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, 16 and 29 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 all 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.

Intergroup 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 Group 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 Group (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, 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 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.

4.7.2 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.

4.7.3 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 of profit or loss. Impairment losses are presented as separate line item in the consolidated 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.

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 consolidated profit or loss in the period in which it arises.

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.

4.7.4 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 write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

4.8 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.

4.9 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.

4.10 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.

4.11 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.

4.12 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.

4.13 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.

4.14 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.

4.15 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.

4.16 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.

4.17 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.

4.18 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.

4.19 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.

4.20 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 Employee benefits

4.21.1 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.

4.21.2 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, 2026 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 16.3.2.

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.

4.21.3 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.

4.22 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.

4.23 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).

4.24 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.

4.25 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 Group 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.

4.26 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.

4.27 Non current assets held for sale

The Group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale (except for investment property measured at fair value) are measured at the lower of their carrying amount and fair valueless costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale is expected to be completed within one year from the date of the classification. 'Assets and liabilities classified as held for sale are presented separately in the statement of financial position.

5 PROPERTY, PLANT & EQUIPMENT

Operating fixed assets
Major spare parts and stand-by equipment
Transfer to non-current asset classified as held for sale

Note	2026 (Rupees in thousand)	2025
	313,447	336,030
	2,692	2,692
	(289,334)	-
5.1	26,805	338,722

5.1 Operating fixed assets

	Annual rate of depreciation	2026							Carrying value as at June 30, 2026
		COST					ACCUMULATED DEPRECIATION AND IMPAIRMENT		
		Cost as at July 1, 2025	Additions / during the year	Cost as at June 30, 2026	Balance as at July 1, 2025	Depreciation charge / for the year	Balance as at June 30, 2026	Transfer to non-current asset classified as held for sale	
		(Rupees in thousand)							
		(Rupees in thousand)							
Freehold land	0% to 10.81%	4,854	-	4,854	-	-	-	-	4,854
Buildings on freehold land	3.33% to 10.81%	121,447	-	121,447	104,562	2,867	107,429	-	14,018
Plant and machinery	3.33% to 20%	1,271,790	206	1,271,996	967,122	18,233	985,355	286,642	-
Electric equipment	10%	4,618	56	4,674	3,495	457	3,952	-	722
Furniture and fixtures	20%	165	-	165	165	-	165	-	-
Computers and office equipment	10% to 50%	7,264	753	8,017	6,164	533	6,697	-	1,320
Vehicles	20%	8,931	-	8,931	1,531	1,509	3,040	-	5,891
		1,419,068	1,015	1,420,084	1,083,039	23,599	1,106,638	286,642	26,805

2025

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

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

Direct cost
Administrative expenses

5.1.2 The cost of fully depreciated assets which are still in use as at June 30, 2026 is Rs 274.44 million (2025: Rs 259.475 million).

5.1.3 Freehold land represents an area having cost of Rs 0.2 million measuring 6 Kanals and 18 Marlas, situated at Pind Bagewal, 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.

5.1.4 Land of the RPPL represents 6 Kanals and 18 Marlas which is currently not in the possession of the RPPL. The RPPL has filed a writ before the Civil Court, Islamabad against unlawful capture of such land on 20-09-2017 and the Court in Civil Suit No. 1025/2017 through its order dated 24-01-2024 issued decree in the RPPL's name. Currently, the execution of decree is in process.

2026
(Rupees in thousand)

Note
24
25

2025
(Rupees in thousand)
21,143
2,456
23,599

- 5.1.5** 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

Statement of profit or loss

Decrease in cost of sales

Decrease in profit for the year

- 5.1.6** Disposals made during the year amounts to Rs. Nil (2025: 43,403 million)

6 INTANGIBLE ASSETS

These represent computer software and ERP systems capitalised.

Cost

Opening balance

Additions / (deletion) during the year

Closing balance

Amortization

Opening balance

Charge for the year

Closing balance

Net book value as at June 30

Annual amortisation rate

	2026 (Rupees in thousand)	2025
	(20,597)	(24,597)
	4,100	4,100
	4,100	4,100
	26,742	30,779
	-	(4,037)
	26,742	26,742
	26,636	20,995
	76	5,641
	26,712	26,636
	30	106
	33%	33%

- 6.1** The amortisation charge for the year has been allocated to administrative expenses as referred to in note 25.
- 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, 2026 is Rs 8.766 million (2025: Rs 8.766 million).

7 LONG TERM LOAN TO EMPLOYEES - SECURED

Loans to employees

Current portion shown under current assets

Note

	2026 (Rupees in thousand)	2025
	-	4,158
	-	(4,158)
	-	-

- 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	2026 (Rupees in thousand)	2025
8 STORES, SPARES AND LOOSE TOOLS			
Spares		37,430	69,792
Less: Impairment		(26,180)	(30,001)
		11,250	39,791
8.1	Stores and spares include items which may result in fixed capital expenditure but are not distinguishable.		
8.2	During the year, the stores and spares were valued, its carrying value exceeded such fair value thereby an impairment loss was booked.		
9 TRADE DEBTS			
Considered good		-	-
Considered doubtful		40,386	-
Impairment	9.1	(40,386)	-
		-	-
9.1	The Parent Company raised an invoice to CPPA on account of RLNG Tariff Differential Cost following finalisation of RLNG rates by Oil and Gas Regulatory Authority ('OGRA'). As disclosed in Note 1.2, the Parent Company under went a Termination Agreement ("TA") with the relevant counterparties. Pursuant to the terms of the TA, the Parent Company forgone its claim amounting to Rs. 40 million pertaining to RLNG Tariff Differential Cost. Therefore, this receivable has been impaired.		
9.2	The reconciliation of impairment is as follows:		
Opening balance		-	(952,557)
Provision recognized during the year - net		40,386	-
Written off during the year		(40,386)	952,557
Closing balance		-	-
10 LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES			
Advances			
- To suppliers		85	691
- To employees		250	200
		335	891
Balances with statutory authorities:			
- Sales tax receivable	10.1	1,268,385	1,288,685
- Receivable against Workers' Welfare Fund (WWF)	10.2 & 10.3	111,240	122,717
- Income tax receivable - net		303,475	-
- Other receivables	10.4	36,934	36,934
		1,720,034	1,448,336

	Note	2026 (Rupees in thousand)	2025
Claims receivable from CPPA as pass through items:			
- Workers' Profit Participation Fund	10.5	24,341	-
- Punjab Workers' Welfare Fund	10.6	10,023	-
		34,364	-
Prepayments	10.7	1,489	3,402
Other receivables	10.8	279	121,434
Current portion of long term loan to employees - secured	7	-	4,158
		1,756,501	1,578,221

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 22.1.8 to these 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. Aggrieved, the Group had filed an appeal before the Appellate Tribunal Inland Revenue ('ATIR') against the order of the CIR(A), and the matter is pending adjudication. Based on the advice of the Group's tax advisor and earlier decision the management believes that there are meritorious grounds to support the Group's stance in respect of this matter.

10.2 This includes WWF contribution amounting to Rs 26.229 million (2025: 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 Group 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 advice of the Group's tax advisor and the decision of the Honorable Supreme Court of Pakistan, 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.

10.4 This represents customs duty paid by the Group amounting to Rs. 36.9 million on the import of professional tools under a concessionary scheme. Subsequently, the Customs authorities raised a demand for customs duty and sales tax, which has been challenged by the Group before the High Court of Sindh. The disputed amount has already been deposited through encashed bank guarantees; accordingly, no further liability is expected to arise. Based on the favourable decision of the Customs Appellate Tribunal and legal advice received, management believes that there are meritorious grounds for the recovery of the amount.

		2026 (Rupees in thousand)	2025
10.5 Workers' profit participation fund			
Opening balance		-	288,959
Charge for the year		24,341	-
		24,341	288,959
Transfer to trade debts		-	(288,959)
Closing balance		24,341	-
10.6 Punjab Workers' Welfare Fund			
Opening balance		-	115,528
Charge for the year		10,023	-
		10,023	115,528
Transfer to trade debts		-	(115,528)
Closing balance		10,023	-

10.6.1 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. These amounts would be billed to CPPA-G under addendum to NSA executed with CPPA dated 10 July 2025.

10.7 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 (2025: Rs 0.058 million).

10.8 This includes an amount of Rs. 0.099 million (2025: Rs. 0.12 million) due from Descon Power Solutions, related party (common directorship). The maximum aggregate amount due from Descon Power Solutions at the end of any month during the year was Rs. 0.50 million (2025: Rs. 0.12 million). This is neither past due nor impaired.

	Note	2026 (Rupees in thousand)	2025
11 SHORT TERM INVESTMENTS			
Term deposit receipt (TDR) - at amortized cost	11.1	1,421,576	-
Mutual Funds - FVTPL:			
- NBP Islamic Daily Dividend Fund			
Nil units (2025: 4,806 units)		-	48
- NBP Money Market Fund			
614,219,303 units (2025: 831,869,528 units)		6,185,066	8,345,980
- HBL Asset Management Limited			
Nil units (2025: 5,563,983 units)		-	575,052
		7,606,642	8,921,080

11.1 This represents investments in term deposit receipts held with National Bank of Pakistan with maturity of one year, and Habib Metropolitan Bank Limited having maturity of one week, carrying mark-up @ of 9% to 9.5% per annum (2025: Nil).

	Note	2026 (Rupees in thousand)	2025
12 BANK BALANCES			
Cash at banks:			
Current accounts	12.1	43,539	181,926
Saving accounts	12.2	44,023	4,382
		87,562	186,308

12.1 This represents bank deposits amounting to Rs. 41.842 million and Rs. 1.200 million are under lien with the banks as security against bank guarantees issued in favour of the Director, Excise and Taxation, Karachi and Pakistan State Oil Company Limited (“PSO”) against fuel supply, respectively.

12.2 These carry mark-up ranging from 9.5% to 10% per annum (2025: 9.5% to 19.0% per annum).

13 NON - CURRENT ASSETS HELD FOR SALE

Plant and machinery
Stores and spares

2026 (Rupees in thousand)	2025
286,642	-
2,692	-
289,334	-

13.1 During the year, the Altern Energy Limited (AEL) initiated early termination of its Power Purchase Agreement, Implementation Agreement and Gas Supply Agreement, which were subsequently terminated. Subsequent to the reporting period, on August 28, 2026, NEPRA has cancelled the Generation License No. IGPL/021/2024. Following termination of these agreements, the AEL has initiated process of disposal of its property, plant and equipment and is currently in the process of identifying a potential buyer.

13.2 The valuation of the plant and machinery and stores and spares was performed by Hamid Mukhtar & Co. (Pvt.) Limited, which determined a forced sale value of Rs. 266.7 million.

13.3 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 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 AEL's Power Generation operations; and
- Forecasted operating losses and net cash outflows in certain years for AEL's Power Generation operations.

Power Generation CGU comprises property, plant and equipment 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.

13.4 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 AEL 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 AEL'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.

13.5 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 AEL 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.

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

14 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2026 (No. of Shares)	2025		2026 (Rupees in thousand)	2025
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

14.1 As at June 30, 2026, 211,397,063 (2025: 211,397,063) ordinary shares which represent 58.18% (2025: 58.18%) of the share capital of AEL are held by DEL Power (Private) Limited.

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

	Note	2026 (Rupees in thousand)	2025
16 EMPLOYEE BENEFIT OBLIGATIONS			
Unfunded			
Gratuity	16.1	16,270	10,294
Accumulated compensated absences	16.2	623	489
		16,893	10,783
Funded			
Gratuity	16.3	2,770	4,358
		19,663	15,141
16.1 Gratuity - unfunded			
Opening liability		10,294	9,136
Provision for the year		6,089	2,170
Payments during the year		(113)	(1,012)
Closing liability		16,270	10,294
16.2 Accumulated compensated absences			
Opening liability		489	418
Provision for the year		247	135
Payments during the year		(113)	(64)
Closing liability		623	489

16.3 Gratuity - funded:

The latest actuarial valuation of gratuity scheme of RPPL was carried out as at June 30, 2026 under the projected unit credit method as per the requirements of IAS 19, the details of which are as follows:

16.3.1 Net defined benefit obligation

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

Present value of defined benefit obligation	9,434	25,259
Fair value of plan assets	(6,664)	(20,901)
Net liability as at year end	2,770	4,358

16.3.2 Acturial assumption

	(Percentage)	
Valuation discount rate - per annum	11.75%	11.75%
Expected rate of increase in salaries - per annum	11.75%	11.75%
Mortality rates	SLIC (2001-05)-1	SLIC (2001-05)-1
Duration of plan (years)	7.75	4.37

	2026 (Rupees in thousand)	2025
16.3.3 Movement in net defined benefit obligation:		
Net liability at beginning of the year	4,358	6,282
Current service cost	3,336	(684)
Net interest on defined benefit obligation	2,688	7,662
Return on plan asset during the year	(2,176)	(6,736)
Charged to consolidated statement of profit or loss	3,848	242
Total remeasurements for the year recognised to consolidated other comprehensive income	(3,832)	1,350
Contributions made by the Group during the year	(1,604)	(3,516)
Net liability at the end of the year	2,770	4,358
16.3.4 Movement in present value of defined benefit obligation is as follows:		
Present value of defined benefit obligation as at beginning of the year	25,259	49,694
Current service cost	3,336	(684)
Interest cost	2,688	7,662
Remeasurement loss / (gain) on obligation	(4,580)	1,215
Benefits paid to out-going members during the year	(17,269)	(32,628)
Present value of defined benefit obligation	9,434	25,259
16.3.5 Movement in the fair value of plan assets		
Opening fair value of plan assets	20,901	43,412
Interest income on plan assets	2,176	6,736
Remeasurement (loss) / gain on fair value of plan assets	(748)	(135)
Benefits paid during the year	(17,269)	(32,628)
Contributions made during the year	1,604	3,516
Closing fair value of plan assets	6,664	20,901
16.3.6 Amounts recognised in the consolidated statement of profit or loss		
Current service cost	3,336	(684)
Interest cost	2,688	7,662
Interest income on plan assets	(2,176)	(6,736)
Net interest cost	512	926
	3,848	242
16.3.7 Total remeasurements (credited)/charged to consolidated other comprehensive income		
Actuarial (gain) / loss from changes in financial assumptions	(150)	(54)
Experience adjustments	(4,430)	1,269
	(4,580)	1,215
Remeasurements on fair value of plan assets	748	135
	(3,832)	1,350

16.3.8 Composition of fair value of plan assets

	2026		2025	
	(Rupee in thousand)	Percentage	(Rupee in thousand)	Percentage
Term deposit receipts	-	0%	-	-
Cash and cash equivalents (after adjusting current liabilities)	(88)	-1%	214	1%
Mutual funds	6,752	101%	20,694	99%
	6,664	100%	20,908	100%

16.3.9 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.

16.3.10 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%	8,742	10,208
Salary growth rate	1%	10,155	8,775

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 year.

16.3.11 Maturity analysis

The weighted average duration of the defined benefit obligation is 7.75 years (2025: 4.37 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, 2026	649	1,397	2,548	5,487	10,081
June 30, 2025	8,229	934	27,117	6,193	42,473
17	LONG TERM LOAN - UNSECURED			2026	2025
				(Rupees in thousand)	
				Note	
Principal amount				17.1	-
Current portion of long term loan - unsecured					-
					-
17.1	This represents funds received from DEL Power (Private) Limited, a related party, as a part of a long-term loan facility. The term of the facility is five (5) years and would be expired in next 5 years. The facility is unsecured and it carries mark-up @ three months' Kibor plus 100 basis points.				
17.2	As per the agreement, repayment of loan amount including interest accrued thereon, will have precedence over any payment(s) by PMCL to its shareholders as dividend.				
18	DEFERRED TAXATION			2026	2025
				(Rupees in thousand)	
				Note	
Liability for deferred tax represents temporary difference relating to:					
Taxable undistributed earnings of subsidiary of PMCL	18.1 & 18.2				
				54,424	324,162
18.1	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 recipients.				
18.2	The gross movement in deferred tax liability during the year is as follows:				
Opening balance				324,162	1,024,431
Reversal of liability				(269,738)	(700,269)
Closing balance				54,424	324,162
19	INTEREST ACCRUED ON LONG TERM LOAN - UNSECURED				
Interest accrued on long term loan - unsecured	19.1			10,692	-
19.1	This represents interest of Company accrued on the long-term loan payable to DEL Power (Private) Limited, a related party (the ultimate Parent Company).				
20	TRADE AND OTHER PAYABLES				
Other creditors and accrued liabilities	20.1			8,405	139,647
Withholding income tax payable				247	322
Withholding sales tax payable				876	397
Provision of guarantees issued	20.2			41,842	6,842
Punjab Workers' Welfare Fund	20.3			10,023	24
Worker's Profit Participation Fund	20.4			24,341	-
Others				48,751	86,690
				134,485	233,922
20.1	These include accrued liabilities due towards following related parties:				
Descon Engineering Limited				2,272	1,655
Descon Power Solutions (Private) Limited				1,740	-
Descon Corporation (Private) Limited				302	302
				4,314	1,957

- 20.2** The group has filed an appeal before the Honorable Supreme Court of Pakistan 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 amounting to 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. On September 17, 2008, the Sindh High Court 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 filed an appeal before the Supreme Court of Pakistan against the order of Sindh High Court. 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 the Sindh High Court to agitate this matter. The Sindh 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% had been furnished. During the year, the group's Board of directors has approved the settlement and payment of the outstanding liabilities on account of infrastructure cess. Accordingly, the group has made provision of Rs 41.84 million (2025: Rs 6.842 million), being full and final amount payable.

20.3 Punjab Workers' Welfare fund

	2026 (Rupees in thousand)	2025
Opening balance	24	115,528
Provision for the year	10,023	1,366
	10,047	116,894
Payment made during the year	-	(116,870)
Liabilities written back	(24)	
Closing balance	10,023	24

20.4 Worker's Profit Participation Fund

Opening balance	-	-
Provision for the year	24,341	-
	24,341	-
Payment made during the year	-	-
Closing balance	24,341	-

21 DIVIDEND PAYABLE

Ms. Fauzia Galadari	21.1	23,883	23,883
Saudi Arabian Construction & Repair Group Limited	21.2	-	571,044
		23,883	594,927

- 21.1** During the year, the shares held by late Ms. Fauzia Galadari, were transferred to her legal heir, Mr. Tariq Abbas. The dividend remains unpaid, pending the submission of the required legal documents by Mr. Tariq Abbas.
- 21.2** This represented dividend related to Saudi Arabian Construction & Repair Company Limited a related party, after approval from State Bank of Pakistan for payment.

22. CONTINGENCIES AND COMMITMENTS
2026 2025
(Rupees in thousand)
22.1 Contingencies

22.1.1 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 financial statements, inter alia on the basis of the advice of the Group's legal counsel.	157,000	157,000
22.1.2 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).	-	9,300
22.1.3 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

22.1.4 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.

2026 **2025**
(Rupees in thousand)

81,600

81,600

22.1.5 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

150,970

2026 2025
(Rupees in thousand)

- 22.1.6** DCIR has raised income tax demands of Rs. 69.8 million, Rs. 86 million and Rs. 97 million under Section 205 of the Income Tax Ordinance, 2001 for Tax Years 2018, Tax Years 2022 & 2024 respectively. The tax demands pertain to default surcharge on delayed payment of super tax under section 4B and 4C by the Group. The tax authorities claim that Super Tax was payable alongwith income tax returns of the respective tax years. However, the Group is of the view that Default Surcharge can't be levied during the period of stay against recovery of tax as per the relevant laws and facts. The Group has filed an appeal before the ATIR and the case is pending adjudication.

The Group has not made any provisions against the said tax demands 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.

251,904

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- 22.1.7** In respect of tax years 2024, the ACIR issued an order under Section 122(5A) of the Income Tax Ordinance, creating a tax demand amounting to Rs. 389 million.

'The principal matter in dispute relates to the rate of tax applicable on dividend income received from an Independent Power Producer. The tax authorities have disallowed the application of the reduced dividend tax rate of 7.5% through order dated December 31, 2025, contending that the statutory condition regarding pass through and reimbursement of dividend tax by Central Power Purchasing Agency was not fulfilled, and have accordingly subjected such dividend income to tax at the standard rate of 15%. In addition, a portion of withholding tax credits claimed against dividend has been disallowed due to alleged non verification of corresponding CPRs .The Group filed an appeal against the impugned order before the CIR(A) on January 28, 2026. The CIR(A) vide order dated March 30, 2026, confirmed the demand previously raised by the ACIR. Aggrieved, the Group filed an appeal before the ATIR on April 6, 2026, along with a stay application. The ATIR, vide its Order dated 8 July 2026, has decided the matter favour of the Group.

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- 22.1.8** 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 Appellate Tribunal Inland Revenue ('ATIR') dated December 13, 2013. Aggrieved, the Group filed an Appeal before the Honorable Islamabad High Court, which recently on May 13, 2026, the Islamabad High Court has decided the matter of apportionment of input tax in the Group's favour and deleted the demand raised by the tax authorities. The department has not challenged this order in Supreme court or file any review petition.

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 Islamabad High Court directed the assessing officer to decide the case of the Group in line with the expected judgment of the Islamabad High Court on the same matter. Similar demands aggregating to Rs 1,384 million along with default surcharge and penalty for the periods

		2026 (Rupees in thousand)	2025
	July 2012 to June 2014 were remanded back to the Taxation officer by the Commissioner Inland Revenue (Appeals) ['CIR(A)'] with the same directions through orders in appeal dated August 17, 2015 and May 09, 2016 respectively. The related proceedings are expected to be disposed of in the light of the recent judgement of the Islamabad High Court dated 13 May 2026.	4,214,590	4,214,590
22.1.9	In June and July 2025, the taxation authorities issued orders under section 122(5A) of the Income Tax Ordinance, 2001, regarding the applicability of section 113 to CPP revenue, raising aggregate tax demands of Rs. 15,604 million for tax years 2019 to 2024. The Group challenged these orders before the CIR(A), who granted a stay against recovery up to 13 March 2026. However, on 16 March 2026, the CIR(A) decided the matter against the Group by treating CPP as 'income from other sources'. Consequently, the Group filed appeals before the ATIR. Following the CIR(A)'s decision, the tax authorities issued recovery notices under sections 138(1) and 140 of the Income Tax Ordinance, 2001 dated 16 March 2026. Aggrieved by the recovery proceedings, the Group filed writ petition/ appeal before the Honorable Islamabad High Court and the ATIR. The Honorable Islamabad High Court granted a stay against the recovery orders vide order dated 01 April 2026. On 18 May 2026, the ATIR decided the matter in favour of the Group and held that CPP receipts fall within the exemption available under clause 132 of Part I of the Second Schedule to the Income Tax Ordinance, 2001. We understand that till now, no reference has been filed by the Department before the Islamabad High Court against the order of the ATIR.	-	2,016,980
22.1.10	The tax authorities levied Workers Welfare Fund ('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 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
22.1.11	The tax authorities amended the assessments for tax years 2006 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		

2026 2025
(Rupees in thousand)

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

- 22.1.12** 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). 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

- 22.1.13** 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 filed an appeal before the CIR(A). The CIR(A) has remanded the case back to the taxation officer for readjudication.

Similarly for the tax year 2020, the tax authorities raised income tax with-holding demand of Rs. 62.97 million along with default surcharge of Rs. 45.19 million under section 161(1) of the Income Tax Ordinance, 2001. On July 21, 2026, the Group has filed an Appeal before the CIR(A) and the matter is pending adjudication.

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.

108,160

10,920

- 22.1.14** 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) as revealed during the joint reading of the ultrasonic meter carried out jointly by RPPL and the Irrigation Department 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, as per the terms of the Reference (TORs) agreed between the parties. The Arbitrator decided the case against the Group on July 6, 2019. The Group filed an appeal before the Civil Court Khanewal which disposed off Group's Petition on technical grounds. Aggrieved with the Order of the Civil Judge, the Group filed a writ Petition at the Lahore High Court, 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 10,000 cft to Rs 100 per 1,000 cft. The Group 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 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, which it deemed appropriate as per the Agreement. 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 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. Aggrieved with the decision of the High Court, the Group has filed an Appeal before the Supreme Court of Pakistan, and the case is pending adjudication.

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 financial statements.

192,400

192,400

- 22.1.15** 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 Company 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 Company. The BOR directed the local authorities for the sale of land, but local authorities demanded exorbitant price.

2026 2025
(Rupees in thousand)

The Company 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 Company 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 Company was asked to pay the price within two (2) months. Aggrieved, the Company 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 company.

On May 11, 2022, the MBR through its Order declined the company'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 company subsequent to the Termination of the PPA and handing over of the Complex to the Government, the company believes that this case is no longer required to be pursued.

15,000 15,000

22.1.16 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

ii) A banking company had issued a guarantee on behalf of the Company in favour of SNGPL as security to cover natural gas/RLNG supply for which payments were made in arrears. Subsequent to termination of the Gas Supply Agreement as mentioned in Note 1.3, the bank guarantee has been with-drawn.

- 532,680

iii) A bank guarantee favouring Pakistan State Oil Group Limited ('PSO') against fuel supply.

1,200 1,200

22.2 Commitments

22.2.1 Letters of credit and bank guarantees

There were no outstanding letters of credit (2025: Rs. 31.47 million).

22.2.2 Standby letter of credit

The Group has a standby letter of credit facility of Rs. 1,200 million (2025: Rs. 5,000 million) from a National Bank of Pakistan. As at June 30, 2026, the facility was fully utilised at Rs. 1,200 million (2025: Rs. 4,981 million). The facility is secured against Term Deposit Receipts amounting to Rs. 1,320 million. Subsequent to the year end, the standby letter of credit facility was reduced to Rs. 220 million from a Allied Bank Limited.

23	REVENUE	Note	2026 (Rupees in thousand)	2025
	Energy purchase price - gross		593,833	2,227,776
	Sales tax		(90,585)	(339,830)
	Energy purchase price - net	23.1	503,248	1,887,946
	Capacity purchase price		-	5,682,752
	Delayed payment markup		-	399,379
			503,248	7,970,077

- 23.1** This represents EPP invoice raised to CPPA on account of RLNG Tariff Differential invoice raised by SNGPL by July 2025 and March 2026 for the period from September 2015 to June 2023, following finalization of RLNG rates by OGRA dated March 28, 2025.

24	DIRECT COSTS			
	RLNG cost	24.1	534,112	2,013,961
	Operation and maintenance costs		41,733	1,216,133
	Depreciation on operating fixed assets	5.1.1	21,143	507,928
	Stores, spares and loose tools consumed		868	43,937
	Repairs and maintenance		3,150	15,251
	Termination cost under various contracts		-	18,976
	Entertainment		-	3,528
	Insurance		3,545	125,609
	Purchase of energy		4,828	151,277
	Salaries, benefits and other allowances	24.2	1,896	41,522
	Traveling & conveyance		761	1,350
	Licensing fee		3,446	29,749
	Electricity duty		-	137
	Coloney maintenance		-	8,263
	Communication		-	2,991
	Vehicle maintenance		-	1,563
	Liquidated damages		-	78
	Security expenses		13,198	12,310
	Miscellaneous expenses		86	373
	Rent, rates and taxes		100	1,629
			628,866	4,196,565

24.1 This represent RLNG Tariff Differential invoices raised by SNGPL for the period from September 2015 to June 2023, following finalization of RLNG rates by OGRA dated March 28, 2025.

24.2 Salaries and other benefits include Nil (2025: Rs 0.70 million) in respect of provident fund contribution by the Group.

	Note	2026 (Rupees in thousand)	2025
25 ADMINISTRATIVE EXPENSES			
Salaries, benefits and other allowances	25.1	65,356	174,604
Director's meeting fee	32.1	2,500	1,625
Information technology and ERP related cost	25.2	21,479	30,449
Legal and professional expenses		76,307	106,178
Depreciation on operating fixed assets	5.1.1	2,456	5,055
Traveling and conveyance		7,379	14,158
Rent, rates and taxes	25.4	48,944	16,413
Utilities		2,319	1,791
Repair and maintenance		293	107
Communication		1,484	2,011
Printing, stationery and advertisement		2,398	2,469
Auditors remuneration	25.3	7,959	7,308
Fee and subscription		2,823	2,757
Entertainment		1,178	1,093
Amortization of intangible assets	6	76	5,641
Vehicle maintenance		1,798	2,036
Professional tax		100	200
Insurance		66	3,237
Bad debts written off		-	1,137
Miscellaneous		781	1,862
		245,696	380,131

25.1 This includes Rs 2.63 million (2025: Rs 4.38 million) in respect of provident fund contribution by the Group and gratuity expense amounting to Rs 7.7 million (2025: Rs 2.12 million).

25.2 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.

25.3 Auditors' remuneration

The Charges for professional services (exclusive of sales tax) consists of the following in respect of the auditor's services for:

Statutory audit	6,190	5,628
Half yearly review	517	470
Certifications required by various regulations	504	530
Special audit of consolidated financial statements	495	450
Group audit services	253	230
	7,959	7,308

- 25.4** This includes lease rentals of Rs 3.62 million (2025: Rs 3.62 million) and Rs 10.3 million (2025: Rs 12.7 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	2026 (Rupees in thousand)	2025
26 OTHER INCOME			
Profit on bank deposits		121,623	53,042
Income on short term investment		663,309	205,937
Fair value gain on short term investment		-	824,824
Gain on disposal of operating fixed assets		-	31,297
Exchange gain		99	-
Scrap sales		767	-
Provisions and unclaimed balances written back		13,278	4,163
Miscellaneous		-	4
		799,076	1,119,267
27 OTHER EXPENSES			
Donations	27.1	1,500	1,500
Workers' Welfare Fund		-	1,366
Advances written off		427	4,621
Exchange loss		-	15,738
Impairment of trade debts	27.2	40,386	-
Impairment of stores and spares	27.3	26,180	-
Long term security deposits write-off		-	231
Write off of fixed and current assets		849	12,024,907
		69,342	12,048,363

- 27.1** This represents donation made to the Lahore University of Management Sciences. None of the directors or their spouses hold any interest in the donee.

- 27.2** As referred in Note 1.2 and 9.1, the Company has signed a Termination Agreement ("TA") with the President of the Islamic Republic of Pakistan (GOP), the Central Power Purchasing Agency (Guarantee) Limited, and other relevant counterparties. Pursuant to the terms of the TA, the Company forgone its claim amounting to Rs. 40 million pertaining to RLNG Tariff Differential Cost. Therefore, this receivable has been impaired.

- 27.3** During the year, the stores and spares were valued, its carrying value exceeded such fair value thereby an impairment loss was booked.

28 FINANCE COST

Bank charges	1,723	914
Markup on short term borrowings - secured	-	36,600
Interest on long term loan - related party	10,692	-
Bank guarantee commission	14,698	54,076
Lender fees and charges	2,262	14,239
Lender related costs-others	127	489
	29,502	106,318

29	TAXATION - INCOME TAX AND FINAL TAX	Note	2026 (Rupees in thousand)	2025
	<u>Final tax</u>			
	Current - for the year		105,735	581,122
	Prior years - super tax	29.2	1,415,345	-
	<u>Income tax</u>			
	Current - for the year		70,452	184,479
	Prior years		(50,840)	-
			19,612	184,479
	Deferred	18.2	(269,737)	(700,269)
			1,270,955	65,332
29.1	Relationship between tax income and accounting profit			
	Profit before income tax and final tax		328,918	(7,642,033)
	Tax at the applicable rate of 29% (2025: 29%) under the Income Tax Ordinance, 2001		95,386	(2,216,190)
	Tax effect of:			
	- Amounts that are exempt as referred to in note 4.2		-	2,472,155
	- Inadmissible electric power generation expenses and other non-deductible amounts		-	42,671
	- Super tax - current year		71,539	-
	- Super tax - prior year		1,415,345	-
	- Income taxable under different rate		7,608	(41,141)
	- Provision write back - prior year		(50,840)	-
	- Reversal of deferred tax liability on undistributed reserves of subsidiary of PMCL		(269,737)	(700,269)
	- Items subject to final tax regime		1,654	508,106
			1,175,569	2,281,522
			1,270,955	65,332
26.2	The Group has filed its income tax return as a single unit and, accordingly, during the year, recognized group super tax expense of Rs. 1.415 billion in the statement of profit or loss of its subsidiary, Power Management Group (Private) Limited (PMCL). The expense comprises of Rs. 46.591 million for Tax Year 2018, Rs. 146.586 million for Tax Year 2022, Rs. 535 million for Tax Year 2024, and Rs. 687 million for Tax Year 2025. The super tax expense has been recognized following the decision of the Federal Constitutional Court regarding the applicability of super tax under Sections 4B and 4C of the Income Tax Ordinance, 2001.			

30 CASH (USED IN) / GENERATED FROM OPERATIONS

	2026 (Rupees in thousand)	2025
Profit / (loss) before income tax and final tax	328,918	(7,642,033)
Adjustment for non-cash charges and other items:		
-Depreciation on operating fixed assets	23,599	512,983
-Profit on short term investments	(663,309)	(205,937)
-Property, plant & equipment written off	-	9,656,485
-Stores, spares & fuel inventory written off	427	1,138,280
-Long term security deposits written off	-	232
-Gain on disposal of operating fixed assets	-	(31,297)
-Provision for employee retirement benefits	10,185	2,548
-Liabilities no longer payable written back	(13,278)	(4,159)
-Advances written off	-	3,447
-Amortization on intangible assets	76	5,641
-Exchange gain	(99)	15,738
-Finance cost	18,769	106,318
-Provision for bad debts	-	1,137
-Profit on bank deposits	(121,623)	(53,042)
	(678,687)	11,148,374
Profit before working capital changes	(349,769)	3,506,341
Effect on cashflow due to working capital changes:		
Current assets		
Decrease / (increase) in stores, spares and loose tools	2,361	101
Decrease in trade debts	(40,386)	14,228,567
Decrease in long term security deposits	101	-
Decrease / (increase) in advances, prepayments and other receivables	124,609	705,092
	86,685	14,933,760
Current liabilities		
Decrease in trade and other payables	(85,915)	(354,779)
Increase in long term loan	10,692	-
Cash (used in) / generated from operations	(338,307)	18,085,322
31 CASH AND CASH EQUIVALENTS		
Bank balances	87,562	186,308
Short term investments	7,606,642	8,921,080
	7,694,204	9,107,388

32 REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

- 32.1** The aggregate amounts charged in these consolidated financial statements for remuneration and certain benefits to Chief Executive of holding Company, Directors of holding Company and Executive officer are as follows:

	Note	Holding Company		Holding Company	
		Chief Executive Officer		Non-executive directors	
		2026	2025	2026	2025
		(Rupee in thousand)		(Rupee in thousand)	
Managerial remuneration		8,310	6,116	-	-
Bonus		566	478	-	-
Gratuity		5,969	2,069	-	-
Accumulated compensated absences		209	65	-	-
Reimbursement of expenses		251	333	-	-
Car allowance	32.2	1,544	1,372	-	-
House rent and utilities allowances		507	680	-	-
Meeting fee	32.3	-	-	2,500	1,625
		17,356	11,113	2,500	1,625
Number of persons		1	1	2	2
				Executives	
				2026	2025
				(Rupee in thousand)	
Managerial remuneration (including performance bonus)				10,090	49,219
Contribution to provident fund				776	3,366
Gratuity fund				430	3,116
House rent, utilities and other allowances				1,384	3,407
				12,680	59,108
Number of persons				2	4

32.2 In addition to the above, certain executives of the Group are provided with free use of Group maintained cars.

32.3 During the year the Group paid meeting fee amounting to Rs. 2.5 million (2025: Rs. 1.625 million) to its two non-executive (independent) directors.

33 Disclosures relating to Provident Fund of RPPL

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.

The following information is based on latest un-audited financial statements of the Fund:

	2026	2025
	(Rupee in thousand)	
Size of the fund - Total assets	10,613,164	12,279,839
Cost of investments (including bank balances)	10,480,178	11,684,500
Percentage of investments made	98.75%	95.2%
Fair value of investments (including bank balances)	10,480,178	11,684,500
34 NUMBER OF EMPLOYEES	2026	2025
Total number of employees as at June 30	8	10
Average number of employees during the year	9	14

35 FINANCIAL RISK MANAGEMENT
35.1 Financial risk factors

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

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

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:

	2026	2025
	(Rupee in thousand)	
Long term security deposits	275	376
Other receivables	1,756,501	1,578,221
Short term investments	7,606,642	8,921,080
Bank balances	87,562	186,308
	9,450,980	10,685,985

(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	2026 (Rupee in thousand)	2025 (Rupee in thousand)
	Short term	Long term			
Short term investments					
NBP Money Market Fund	-	AA(f)	PACRA	6,185,066	8,345,980
NBP Islamic Daily Dividend Fund	-	AA+(f)	PACRA	-	48
HBL Asset Management Limited	-	AA+(f)	VIS	-	575,052
Term deposit receipt (TDR)	-	-	-	1,421,576	-
				7,606,642	8,921,080
	Rating		Rating Agency	2026 (Rupee in thousand)	2025 (Rupee in thousand)
	Short term	Long term			
Bank balances					
MCB Bank Limited	A1+	AAA	PACRA	2	2,067
The Bank of Punjab	A1+	AAA	PACRA	-	4,295
Habib Bank Limited	A1+	AAA	VIS	5	793
Habib Metropolitan Bank Limited	A1+	AA+	PACRA	592	138,187
National Bank of Pakistan	A1+	AAA	PACRA	38,363	1,618
Bank Alfalah Limited	A1+	AAA	PACRA	43,103	36,795
Standard Chartered Bank Limited	A1+	AAA	VIS	5,497	2,553
				87,562	186,308

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, 2026 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 31) 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:

	Carrying amounts	
	2026	2025
	(Rupee in thousand)	
Fixed rate instruments:		
Financial assets		
Term deposit receipt	1,421,576	-
	1,421,576	-
Financial liabilities	-	-
Net exposure	1,421,576	-
Variable rate instruments:		
Financial assets		
Bank balances - saving accounts	44,023	4,382
NBP Money Market Fund - at fair value	6,185,066	8,345,980
Financial liabilities	-	-
Long term loan - unsecured	572,000	-
Net exposure	5,657,089	8,350,362

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 56.57 million (2025: Rs 83.5 million) higher/lower mainly as a result of higher/lower net interest income on floating rate instruments.

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.

(ii) 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:

	2026		
	Translated in Rupees	US Dollars	Euro
	(Amounts in thousand)		
Trade and other payables and accrued liabilities	-	-	-
Net liability exposure	-	-	-
	2025		
	Translated in Rupees	US Dollars	Euro
	(Amounts in thousand)		
Trade and other payables and accrued liabilities	130,875	284	303
Net liability exposure	130,875	284	303

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	
	2026	2025	2026	2025
US Dollars	278.05	283.76	280.07	281.07
Euro	316.95	332.66	326.60	315.18

Sensitivity analysis

At June 30, 2026, 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 Nil (2025: Rs. 3.008 million) lower/higher mainly as a result of exchange loss/gain on translation of USD denominated financial instruments.

At June 30, 2026, 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 Nil (2025: Rs. 10.08 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.

As at June 30, 2026, 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	
	2026	2025
	(Rupee in thousand)	
NBP Money Market Fund	618,507	834,598
NBP Islamic Daily Dividend Fund	-	5
NBP Cash Plan - II	-	-
HBL Asset Management Limited	-	57,505
	618,507	892,108

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

35.2 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 (Rupee in thousand)	Level 3	Total
As at June 30, 2026				
<i>Recurring fair value measurements</i>				
Assets - Short term investments	6,185,066	-	-	6,185,066
Liabilities	-	-	-	-
As at June 30, 2025				
<i>Recurring fair value measurements</i>				
Assets - Short term investments	8,921,080	-	-	8,921,080
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.

35.3 Financial instruments by categories

As at June 30, 2026

Assets as per statement of financial position

	At fair value through profit or loss	Financial assets at amortised cost	Total
(Rupee in thousand)			
Long term security deposits	-	275	275
Loans and other receivables	-	279	279
Short term investments	6,185,066	1,421,576	7,606,642
Bank balance	-	87,562	87,562
	6,185,066	1,509,692	7,694,758

As at June 30, 2025

Assets as per statement of financial position

Long term security deposits	-	376	376
Loans and other receivables	-	125,592	125,592
Short term investments	8,921,080	-	8,921,080
Bank balances	-	186,308	186,308
	8,921,080	312,276	9,233,356

Liabilities as per statement of financial position

	2026	2025
(Rupee in thousand)		
Trade and other payables	134,484	233,179
Unclaimed dividend	4,099	5,347
Dividend Payable	23,883	594,927
	162,466	833,453

35.4 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, 2026 and 2025 were as follows:

	2026	2025
	(Rupee in thousand)	
Borrowings (including accrued markup thereon)	-	-
Less: Bank balances	87,562	186,308
Short term investments	7,606,642	8,921,080
	7,694,204	9,107,388
(Negative net debt)/net debt	(7,694,204)	(9,107,388)
Total equity	8,959,154	9,897,358
Gearing ratio	-85.9%	-92.0%

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.

35.5 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.

36. TRANSACTION WITH RELATED PARTIES

The related parties comprise the holding Group of AEL, ultimate parent, subsidiaries and associates of holding Group and ultimate parent, group companies, related parties on the basis of common directorship, key management personnel of the Group and its holding Group 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. 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:

		2026	2025
		(Rupees in thousand)	
Relationship with the Group Companies			
(i) Holding Company			
DEL Power (Private) Limited	Dividends paid	-	3,297,794
(ii) Parent Company			
DEL Power (Private) Limited	Loan received	572,000	-
	Interest on long term loan - unsecured	10,692	-
(iii) Other related parties			
On the basis of common directorship			
Descon Engineering Limited	Supply of spares and services	-	15,255
	Common costs charged to the Company	42,727	37,195
Descon Power Solutions (Private) Limited	Operations & maintenance	41,733	693,788
	Purchase of spare parts	-	2,000
	Common costs charged to the Company	1,633	3,122
Descon Corporation (Private) Limited	Supply of spares and services	-	-
	Common costs charged to the Company	28,455	64,035
	Building rent	708	707
Descon Holdings (Private) Limited	Dividends paid	-	468
Relationship with the Group Companies			
Other related parties			
Saudi Arabian Construction & Repair Company Limited	Dividends paid	-	88,306
Crescent Steel & Allied Products Limited	Dividends paid	-	734,424
Siemens (Pakistan) Engineering Company Limited	Purchase of goods and services	-	235,294
	Long term maintenance services	-	269,106
(iv) Key management personnel - note 36.2			
	Short term employee benefits	40,388	46,840
	Post employment benefits	6,518	5,443

- 36.1** 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.
- 36.2** This represents remuneration of Chief Executive and certain benefits paid to non-executive Directors disclosed in note 32.1 to these consolidated financial statements and no dividend paid to a non-executive Director.
- 36.3** 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 Group 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%
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	Independent Director	0.000138%
Mr. Saqib Sajjad	Director	Nil
Mr. Muhammad Saqlain Arshad	Independent Director	Nil
Mr. Syed Rizwan Ali Shah	Director	0.000138%
Mr. Umer Shehzad Sheikh	Chief Executive Officer	Nil

37 Plant capacity and actual generation

		2026	2025
Installed capacity	MWh	-	250,356
Practical maximum output	MWh	-	1,068,318
Actual energy delivered	MWh	-	62,000

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

38 EARNINGS PER SHARE - BASIC AND DILUTED

38.1 Earnings per share - Basic

(Loss) for the year attributable to Owners of the Parent Group	(Rupees in thousand)	(1,073,242)	(4,557,349)
Average ordinary shares	(Number)	363,380,000	363,380,000
(Loss) per share	(Rupees)	(2.95)	(12.54)

38.2 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, 2026 and June 30, 2025 which would have any effect on the earnings per share if the option to convert is exercised.

39 INTEREST IN OTHER ENTITIES
39.1 Subsidiaries

The Group's principal subsidiaries as at June 30, 2026 and June 30, 2025 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
		2026	2025	2026	2025	
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 Generate and supply electricity to CPPA-G
Rousch (Pakistan) Power Limited	Islamabad, Pakistan	67.31%	59.98%	40.02%	32.69%	

39.2 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-Group eliminations:

	2026 (Rupees in thousand)	2025
Summarised consolidated statement of financial position		
Current assets	9,306,304	8,979,771
Current liabilities	(148,524)	(163,195)
Current net assets	9,157,780	8,816,576
Non-current assets	5,597	6,585
Non-current liabilities	(2,770)	(4,358)
Non-current net assets	2,827	2,227
Net assets	9,160,607	8,818,803
Accumulated non-controlling interest	3,013,883	3,529,938

Summarised consolidated statement of comprehensive income

	2026 (Rupees in thousand)	2025
Revenue - net	469,023	7,970,077
Profit / (loss) for the year	401,407	(7,870,537)
Other comprehensive (loss) / income for the year	3,832	(1,350)
Total comprehensive (loss) / income for the year	405,239	(7,871,887)
Profit / (loss) attributable to non-controlling interests	131,206	(3,150,016)
Other comprehensive (loss) / income attributable to non-controlling interests	1,253	(540)
Dividends provided for non-controlling interests	-	4,519,514
Summarised consolidated statement of cashflows		
Net cash inflow from operating activities	(610,771)	17,821,316
Net cash inflow from investing activities	714,960	185,982
Net cash outflow from financing activities	-	(13,939,058)
Net increase in cash and cash equivalents during the year	104,189	4,068,240

39.3 Transactions with non-controlling interests

There was no transaction with non-controlling interests during the year ended June 30, 2026.

40 DISCLOSURE REQUIREMENTS FOR THE COMPANY NOT ENGAGED IN SHARIAH NON-PERMISSIBLE BUSINESS ACTIVITIES AS ITS CORE BUSINESS

	2026 (Rupees in thousand)	2025
40.1 Disclosure in relation to consolidated statement of financial position - Liability side:		
Financing (Long Term, Short term or lease financing) obtained as per Islamic mode	-	-
Interest or markup accrued on any conventional loan or advance	10,692	-
40.2 Disclosure in relation to consolidated statement of financial position - Assets side:		
Short Term shariah compliant investment	-	48
Shariah compliant bank balances	-	-
Shariah compliant bank deposits and TDRs	-	-
40.3 Disclosure in relation to consolidated statement of financial position - Assets side:		
Revenue earned from Shariah compliant business	503,248	7,970,077
Breakup of late payments or liquidated damages	-	-
Gain and Dividend earned on Shariah Compliant Investment	3	3,014
Profit earned from Shariah Compliant bank balances	-	-
Exchange gain earned from actual currency	-	-
Exchange gain earned using conventional derivative financial instruments	-	-
Profit paid on Islamic mode of financing	-	-
Total Interest earned on any conventional loan or advance	-	-
Profit on short term investments	-	-

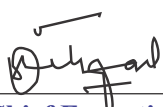
	2026	2025
	(Rupees in thousand)	
40.4 Source and detailed breakup of other income, including breakup of other or miscellaneous portions of their income into shariah-compliant and non-compliant income		
Shariah		
Profit on short term investments	3	2,873
Sale of scrap	767	-
Liabilities written back	13,278	4,163
Non Shariah		
Return on bank deposits	121,623	53,042
Profit on short term investments	663,309	205,937

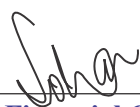
41 CORRESPONDING FIGURES

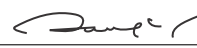
Certain corresponding figures have been rearranged and/or reclassified, wherever necessary, for the purpose comparison and better presentation. However, no significant reclassification has been made in these consolidated financial statements.

42 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, 2026


Chief Executive


Chief Financial Officer


Director

SIX YEAR PERFORMANCE

Financial Year ending June 30	2026	2025	2024	2023	2022	2021
	----- (Rupees In Thousand) -----					
Despatch (MWH)	-	-	-	-	-	12,403
Revenue	34,225	-	-	17,457	1,058	204,104
Direct Costs	(134,309)	96,393	93,364	83,003	103,285	247,449
Gross Loss	(100,084)	(96,393)	(93,364)	(65,546)	(102,227)	(43,345)
Net Profit/ (Loss)	(227,396)	5,786,902	4,336,312	(72,858)	6,615,965	(84,315)
Total Assets	3,677,977	4,476,490	3,887,009	3,980,293	4,216,135	4,170,710

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

30-06-2026

2.2 No. of Shareholders	-----Shareholdings-----		Total Shares Held
	From	To	
807	1	100	28,063
734	101	500	246,421
595	501	1,000	522,246
1453	1,001	5,000	4,113,209
588	5,001	10,000	4,769,387
263	10,001	15,000	3,344,701
156	15,001	20,000	2,856,624
105	20,001	25,000	2,443,799
85	25,001	30,000	2,388,382
61	30,001	35,000	2,014,063
50	35,001	40,000	1,933,186
34	40,001	45,000	1,458,328
53	45,001	50,000	2,621,362
20	50,001	55,000	1,060,953
22	55,001	60,000	1,280,729
13	60,001	65,000	820,769
11	65,001	70,000	746,299
16	70,001	75,000	1,181,613
13	75,001	80,000	1,009,553
13	80,001	85,000	1,081,272
8	85,001	90,000	703,466
3	90,001	95,000	278,941
37	95,001	100,000	3,695,297
7	100,001	105,000	718,679
6	105,001	110,000	652,287
5	110,001	115,000	557,511
6	115,001	120,000	719,300
5	120,001	125,000	614,972
1	125,001	130,000	130,000
1	130,001	135,000	130,936
3	135,001	140,000	415,200
1	140,001	145,000	141,469
6	145,001	150,000	897,437
2	150,001	155,000	307,709
2	155,001	160,000	318,593
1	160,001	165,000	164,000
1	165,001	170,000	165,671
2	170,001	175,000	344,000
1	175,001	180,000	175,735
2	180,001	185,000	369,810
5	185,001	190,000	938,115
3	190,001	195,000	580,095
8	195,001	200,000	1,594,500
2	205,001	210,000	420,000
1	215,001	220,000	215,043
2	220,001	225,000	446,451
2	225,001	230,000	457,699
1	235,001	240,000	240,000
2	240,001	245,000	486,382
3	245,001	250,000	750,000
1	250,001	255,000	255,000
1	255,001	260,000	255,497
2	260,001	265,000	525,875
1	275,001	280,000	275,500
4	295,001	300,000	1,195,499
2	300,001	305,000	605,509
1	305,001	310,000	307,059
1	310,001	315,000	313,800

1	320,001	325,000	324,959
1	365,001	370,000	368,779
1	390,001	395,000	394,256
2	395,001	400,000	797,500
1	405,001	410,000	408,942
1	430,001	435,000	433,307
1	445,001	450,000	448,600
2	475,001	480,000	953,644
1	495,001	500,000	500,000
1	500,001	505,000	500,001
1	505,001	510,000	507,000
1	510,001	515,000	512,832
1	515,001	520,000	519,057
1	550,001	555,000	550,681
1	575,001	580,000	580,000
1	595,001	600,000	600,000
1	630,001	635,000	633,501
1	645,001	650,000	648,718
1	670,001	675,000	670,800
1	675,001	680,000	680,000
1	735,001	740,000	738,285
1	885,001	890,000	886,000
1	980,001	985,000	985,000
1	1,195,001	1,200,000	1,200,000
1	1,595,001	1,600,000	1,597,000
1	2,020,001	2,025,000	2,021,903
1	2,075,001	2,080,000	2,076,000
1	3,190,001	3,195,000	3,193,237
1	3,995,001	4,000,000	4,000,000
1	4,995,001	5,000,000	5,000,000
1	61,965,001	61,970,000	61,968,939
1	211,395,001	211,400,000	211,397,063
5268			363,380,000

2.3 Categories of Shareholders	Shares Held	Percentage
2.3.1 Directors, Chief Executive Officer, and their spouse and minor children	24,500	0.0067%
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	87,806,505	24.1638%
b. Foreign	10,550	0.0029%
2.3.9 Others (to be specified)		
- Joint Stock Companies	2,142,443	0.5896%
- Foreign Companies	61,968,939	17.0535%

Altern Energy Limited.
CATEGORIES OF SHAREHOLDERS
As On 30th June, 2026

ONLY FOR INFORMATION
NOT FOR PRINTING

S. No.	NAME	HOLDING	% AGE
<u>DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN</u>			
1	MR. UMER SHEHZAD SHEIKH (Chief Executive)	0	0.0000
2	MR. FAISAL DAWOOD (CDC)	22,500	0.0062
3	MR. FAROOQ NAZIR (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. SAQIB SAJJAD	0	0.0000
8	MR. MUHAMMAD SAQLAIN ARSHAD	0	0.0000
		24,500	0.0067
<u>ASSOCIATED COMPANIES, UNDERTAKING & RELATED PARTIES</u>			
1	DEL POWER (PRIVATE) LIMITED (CDC)	211,397,063	58.1752
2	DESCON HOLDINGS (PVT) LTD. (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	ACRYLIC (PRIVATE) LIMITED (CDC)	9,050	0.0025
3	DIN CAPITAL LIMITED (CDC)	50,000	0.0138
4	GLORY (PRIVATE) LIMITED (CDC)	9,049	0.0025
5	BROADAXIS TECHNOLOGIES (PRIVATE) LIMITED (CDC)	15,000	0.0041
6	ASDA SECURITIES (PVT.) LTD. (CDC)	50,000	0.0138
7	DARSON SECURITIES (PRIVATE) LIMITED (CDC)	200,000	0.0550
8	ELAHI CAPITAL (PRIVATE) LIMITED (CDC)	821	0.0002
9	GPH SECURITIES (PRIVATE) LIMITED (CDC)	15,000	0.0041
10	GROWTH SECURITIES (PVT) LTD. (CDC)	17,000	0.0047
11	ISMAIL IQBAL SECURITIES (PVT) LTD. (CDC)	50,000	0.0138
12	JS GLOBAL CAPITAL (PRIVATE) LIMITED (CDC)	137	0.0000
13	K & I GLOBAL CAPITAL (PRIVATE) LIMITED (CDC)	582	0.0002
14	MAAN SECURITIES (PRIVATE) LIMITED (CDC)	100,000	0.0275
15	MAPLE LEAF CAPITAL LIMITED (CDC)	1	0.0000
16	MOHAMMAD MUNIR MOHAMMAD AHMED KHANANI SECURITIES LTD. - MF (CDC)	195,500	0.0538
17	MRA SECURITIES LIMITED - MF (CDC)	82,000	0.0226
18	RAFI SECURITIES (PRIVATE) LIMITED - MF (CDC)	15,000	0.0041
19	RAO SYSTEMS (PVT.) LTD. (CDC)	30,000	0.0083
20	SALIM SOZER SECURITIES (PRIVATE) LIMITED (CDC)	1,200,000	0.3302
21	SAPPHIRE HOLDING LIMITED (CDC)	14,303	0.0039
22	SARFAZ MAHMOOD (PRIVATE) LTD (CDC)	500	0.0001
23	SPINZER EQUITIES (PRIVATE) LIMITED (CDC)	20,000	0.0055
24	TRUST SECURITIES & BROKERAGE LIMITED - MF (CDC)	25,000	0.0069
25	ABA ALI HABIB SECURITIES (PVT) LIMITED (CDC)	2,500	0.0007
26	PAKISTAN RESOURCES DEVELOPMENT SERVICES (PRIVATE) LIMITED (CDC)	40,000	0.0110
		2,142,443	0.5896

FOREIGN COMPANY

1	SAUDI ARABIAN CONSTRUCTION & REPAIR CO. LTD.	61,968,939	17.0535
		<u>61,968,939</u>	<u>17.0535</u>

OTHERS

<u>0</u>	<u>0.0000</u>
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SHARES HELD BY THE GENERAL PUBLIC (FOREIGN):

10,550	0.0029
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SHARES HELD BY THE GENERAL PUBLIC (LOCAL):

87,806,505	24.1638
<u>87,817,055</u>	<u>24.1667</u>

<u>TOTAL:</u>	<u>363,380,000</u>	<u>100.0000</u>
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SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL
S. No. Name
Holding **% AGE**

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

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

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

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

<u>S. No.</u>	<u>Name</u>	<u>NIL</u>	<u>Sale</u>	<u>Purchase</u>
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ALTERN ENERGY LIMITED
Categories of Shareholding required under Code of Corporate Governance (CCG)
As on June 30, 2026

Sr. No.	Name	No. of Shares Held	Percentage
---------	------	--------------------	------------

Associated Companies, Undertakings and Related Parties (Name Wise Detail):

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

Mutual Funds (Name Wise Detail)

- -

Directors and their Spouse and Minor Children (Name Wise Detail):

1	MR. UMER SHEHZAD SHEIKH (Chief Executive)	-	0.0000
2	MR. FAISAL DAWOOD (CDC)	22,500	0.0062
3	MR. FAROOQ NAZIR (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. SAQIB SAJJAD	-	0.0000
8	MR. MUHAMMAD SAQLAIN ARSHAD	-	0.0000

Executives:

- -

Public Sector Companies & Corporations:

- -

Banks, Development Finance Institutions, Non Banking Finance

- -

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

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
	NIL		

ALTERN ENERGY LIMITED
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 32nd Annual General Meeting ("AGM") of Altern Energy Limited (the 'Company') will be held on Monday, October 26, 2026, 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 minutes of the Extraordinary General Meeting of the Company held on December 31, 2025.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2026, together with the Directors' report and Auditor's reports thereon, and the Annual Audited Consolidated Financial Statements of the Company for the year ended June 30, 2026, together with the Auditors' report 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 year ending on June 30, 2027.

SPECIAL BUSINESS:

(A) To consider and, if deemed fit, to pass the following resolution as Special Resolution as recommended by the Board of Directors, in relation to the disposal and sale, in part and/or as a whole, of the plant and machinery, stores, spare parts and other consumables of the Company, with or without modification, addition(s) or deletion(s).

RESOLVED THAT pursuant to the provisions of Section 183(3)(a) of the Companies Act, 2017, consent of the Members of Altern Energy Limited ("the Company") be and is hereby accorded for the disposal and sale, in part and/or as a whole, of the plant and machinery, stores, spare parts and other consumables (the "Assets") of the Company, located at its plant site situated at 5 Kilometers, Kohat Road, Fateh Jang, District Attock, Punjab.

FURTHER RESOLVED that as part and parcel of the foregoing consent, the Board of Directors be and are hereby authorised and empowered to undertake, finalize and complete the sale of Assets, on such terms and conditions as it may deem fit and in the best interests of the Company and its shareholders, including securing the best available market price.

FURTHER RESOLVED THAT, as part and parcel of the foregoing consent, the Chief Executive Officer and/or the Company Secretary of the Company ("Authorized Officers") be and are hereby authorized and empowered to conduct negotiations, obtain offers, enter into agreements, execute documents and do all acts, deeds and things necessary or incidental to the purpose of implementing and completing the sale of the Assets on such terms and conditions as they may deem fit and in the best interest of the Company and its shareholders, including securing the best available market price.

FURTHER RESOLVED THAT the Chief Executive Officer and/or the Company Secretary be and are hereby severally/jointly authorized to take all necessary steps, actions and filings, and to do all acts, deeds and things as may be necessary or expedient to give effect to this resolution.

A Statement of Material Facts pursuant to Section 134(3) of the Companies Act, 2017 concerning Special Business is annexed to the notice of meeting circulated to the members of the Company.

By order of the Board

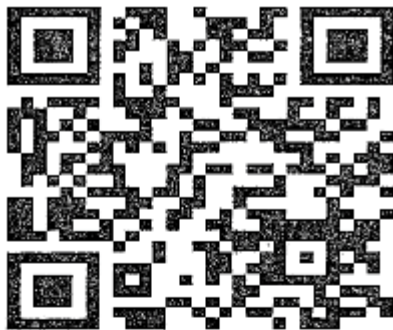
Lahore
October 05, 2026


Salman Ali
Company Secretary

NOTES:

Circulation of Annual Report through QR Code and through Web link

In accordance with Section 223 of the Companies Act, 2017 and pursuant to SRO 389(I)/2023 dated March 21, 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_2026.pdf

Closure of Share Transfer Books

The Share Transfer Books of the Company will be closed from 20-10-2026 to 26-10-2026 (both days inclusive). Transfers received by Corplink (Pvt.) Limited, I-K, Commercial Model Town Lahore, by the close of business on 19-10-2026 will be treated in time for the purpose of the above entitlement of final cash dividend.

Participation in the AGM Proceeding 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 Annual General Meeting," along with a clear copy of their valid 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.

For Attending the Meeting

In case of individuals, the Account Holders or sub-account holders and/or the persons whose securities are in 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 AGM.

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 AGM.

Proxy

A member entitled to attend and vote at this AGM 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 copy of CNIC of Proxy. In case of corporate entity, the Board of Directors' resolution / power of attorney with 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 Forms. The Form of Proxy is also available on the Company's website: www.alternenergy.pk.com

Request for Video Conference Facility:

In terms of SECP's Circular No. 10 of 2014 dated May 21, 2014 read with the provisions contained under section 134(1)(b) of the Act, if the Company receives request /demand from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the Meeting through video conference at least 10 days prior to the date of Meeting, the Company will arrange video conference facility in that city, subject to availability of such facility in that city.

In this regard, please fill the following form and submit to registered address of the Company 10 days before holding of the AGM. After receiving the request/demand of members having 10% or more shareholding in aggregate, the Company will intimate members regarding venue of video conference facility at least five (5) days before the date of AGM along with complete information necessary to enable them to access such facility.

I/We/Messrs. _____ of _____ being Member(s) of Altern Energy Limited, holder of _____ ordinary share(s) as per Folio # _____ and / or CDC Participant ID & Sub Account No. _____, hereby, opt for video conference facility at _____

Postal ballot and e-Voting:

Members of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in this AGM in accordance with the requirements and subject to the conditions contained in the Regulations.

For the convenience of the Members, ballot paper is annexed to this notice and the same is also available for download on the Company's website at www.alternenergy.pk.com.

Procedure for E - Voting:

1. E-Voting facility will be provided by Corplink (Private) Limited, the Share Registrars & Corporate Consultants, acting as E-Voting Services Provider.
2. Details of the e-voting facility will be shared by Corplink (Pvt) Limited through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business of October 19, 2026.
3. The web address, login details, will be communicated to members via email. The security codes will be communicated to members through SMS from web portal of Corplink (Pvt) Limited (being the e-voting service provider).
4. Identity of the Members intending to cast vote through e-Voting shall be authenticated through electronic signature or authentication for login.
5. E-Voting lines will start from October 22, 2026, 09:00 PST and shall close on October 25, 2026 at 17:00 PST. Members can cast their votes any time in this period. A vote once casted shall not be allowed to be changed.

Procedure for Voting Through Postal Ballot:

1. Members may alternatively opt for voting through postal ballot, which has been made available;
(i) as attachment to this Notice, and
(ii) on Company's website.
2. The members shall ensure that duly filled and signed ballot paper along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at the Company's registered address Descon Headquarter 18-Km Ferozepur Road Lahore or email at chairman@dcscn.com on and before 17:00 PST, October 25, 2026.
3. The signature on the ballot paper shall match with the signature on CNIC.
4. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.

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.

Prohibition on Grant Of Gifts to Shareholders

The SECP, through its Circular No. 2 of 2018, dated February 09, 2018 has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens / coupons / lunches / takeaway packages) in any form or manner, to Shareholders at or in connection with general meeting. Under section 185 of the Act, any violation of this directive is considered an Offense, and companies failing to comply may face penalties

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.

A Statement of Material Facts pursuant to Section 134(3) of the Companies Act, 2017 concerning Special Business is annexed to the notice of meeting circulated to the members of the Company.

The Power Purchase Agreement with Central Power Purchasing Agency (Guarantee) Limited, along with the Implementation Agreement and Guarantee of the Government of Pakistan, stand terminated with effect from April 30, 2026. Accordingly, the power generation assets of the Company have become surplus to its operational requirements. Therefore, the plant & machinery, as well as store & spares previously utilized for power generation, are no longer required and are proposed to be disposed of in order to derive maximum value for the members.

DISPOSAL AND SALE OF, PLANT AND MACHINERY, STORES, SPARES AND CONSUMABLES ("THE ASSETS") OF THE COMPANY

i)	The details of Assets	Description	Acquisition date of Assets	Cost (Rs.)	Revalued Amount & date of revaluation (Rs.) ***	Book Value (Rs.)	Fair Market Value (Rs.)
		Plant & Machinery *	There are numerous assets under this category, acquired / purchased between 1997 and 2025.	1,225,267,000	N/A	285,909,000	284,215,000
		Stores & Spares **	There are numerous parts purchased between 1997 and 2025.	37,430,000	26,180,000 As on June 30, 2026	11,250,000	35,609,000
		* It is mainly related to the power plant ** Stores & spares related to the plant tools & consumables. *** Valuation conducted by the independent consultant.					
ii)	The proposed manner of	Through a competitive tender process pursuant to an invitation for tenders published in newspapers.					

	disposal and sale of the Assets	
iii)	In case, company has identified a buyer, who is a related party the fact shall be disclosed and the statements of material facts	The Company has not identified any buyer who is a related party. None of the directors or their spouses have any direct or indirect interest in the proposed disposal except to the extent of their shareholding in the Company.
iv)	Purpose of disposal and sale of the Assets	Purpose: Subsequent to termination of the Power Purchase Agreement , the Implementation Agreement, and the Guarantee issued by the Islamic Republic of Pakistan (collectively, the “Agreements”), the Assets are no longer required for the Company’s existing operations and have become surplus to its requirements. Accordingly, the Company proposes to dispose of and sell the Assets in accordance with the applicable provisions of the Companies Act, 2017 and other applicable laws. Utilisation of Proceeds from disposal: Upon realization of the sale proceeds, the Company will be better positioned to formulate and share an informed future business plan outlining the business activities it may undertake. Benefits likely to accrue for shareholders from the Proposed Disposal and Sale of the Assets: As mentioned above, the Company is no longer engaged in the power generation business. The proposed disposal will enable the Company to realise value from the Assets which have become surplus to its requirements following termination of the Agreements.



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 26, 2026 at 10:00 am and at any Adjournment there of.

As witness my / our hand this _____ day of _____ 2026.

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)

