Sindh Energy Holding Company (Private) Limited

Financial Statements

For The Year Ended June 30, 2023

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REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Public Sector Companies (Corporate Governance) Rules, 2013 (the Rules) prepared by the Board of Directors of **Sindh Energy Holding Company (Private) Limited** (the Company) for the year ended June 30, 2023.

The responsibility for compliance with the Rules is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Rules and report if it does not and to highlight any non-compliance with the requirements of the Rules. 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 Rules.

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 Rules requires 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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 best practices contained in the Rules as applicable to the Company for the year ended June 30, 2023.

We draw attention to instances of non-compliances with the requirements of the Rules as reflected in the last section to the Statement of Compliance with the Rules, under the heading "Explanation for Non-Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013".

Engagement Partner: Mehmood A. Razzak

Karachi

Date: *February 24, 2025*

UDIN: *CR202310151Xub1M9Czk*

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SINDH ENERGY HOLDING COMPANY (PRIVATE) LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the annexed financial statements of **SINDH ENERGY HOLDING COMPANY (PRIVATE) LIMITED** (the Company), which comprise the statement of financial position as at **June 30, 2023**, and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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, 2023 and of the profit, no comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the 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.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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.

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- 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 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 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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The engagement partner on the audit resulting in this independent auditor's report is ***Mehmood A. Razzak.***

Baker Tilly Mehmood Idrees Qamar
Chartered Accountants

Karachi

Date: *February 24, 2025*

UDIN: *AR202310151YMfvk9LWK*

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SINDH ENERGY HOLDING COMPANY (PRIVATE) LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
EQUITY AND LIABILITIES			
Authorized share capital			
350,000,000 Ordinary shares of Rs.10/- each		3,500,000,000	3,500,000,000
Issued, subscribed and paid-up share capital			
350,000,000 Ordinary shares of Rs.10/- each	3	3,500,000,000	3,500,000,000
Advance against issuance of shares		1,146,207,000	1,146,207,000
Unappropriated profit		1,064,084,018	703,852,524
		5,710,291,018	5,350,059,524
Non-Current Liabilities			
Deferred liability	4	2,434,667	1,928,667
Current Liabilities			
Accrued and other liabilities	5	5,571,787	9,324,270
Due to concessions - net	6	72,405,558	133,803,328
Taxation - net	16	24,469,342	-
		102,446,687	143,127,598
		5,815,172,372	5,495,115,789
ASSETS			
Non - Current Assets			
Fixed assets	7	19,931,741	24,351,014
Benari well	8	-	1,091,119
Exploration and evaluation assets	9	36,006,386	35,490,930
Long term deposit	10	712,814	569,853
Deferred taxation	11	109,148,212	110,318,563
Long term investment	12	3,697,367,200	3,542,681,852
Long term loan	13	385,509,356	448,747,226
		4,248,675,709	4,163,250,557
Current Assets			
Current portion of long term loan	13	63,237,871	59,043,078
Short term investment	14	963,631,807	-
Prepayments and other receivables	15	164,821,427	256,920,375
Taxation - net	16	-	11,366,947
Bank balances	17	374,805,558	1,004,534,832
		1,566,496,663	1,331,865,232
Contingencies and Commitments	25		
		5,815,172,372	5,495,115,789

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive Officer

Director

SINDH ENERGY HOLDING COMPANY (PRIVATE) LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
Sales	*18*	2,159,853	64,984,781
Cost of sale	*19*	(2,449,260)	(18,042,830)
Gross (loss) / profit		(289,407)	46,941,951
Other income	*20*	577,496,488	434,037,122
Exploration expenditure	*21*	(1,614,819)	(138,192,475)
General and administrative expenses	*22*	(28,448,159)	(77,867,585)
Exchange loss	*23*	(27,653,907)	(27,721,238)
Profit before taxation		519,490,196	237,197,775
Taxation	*24*	(159,258,702)	(56,968,067)
Profit for the year		360,231,494	180,229,708
Other comprehensive income for the year		-	-
Total comprehensive income for the year		360,231,494	180,229,708

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive Officer

Director

SINDH ENERGY HOLDING COMPANY (PRIVATE) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023

	Note	2023 Rupees	2022 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before income tax		519,490,196	237,197,775
Adjustments for non-cash charges and other items:			
Depreciation on fixed assets		4,419,273	5,352,139
Depreciation on benari well		1,091,119	50,410,293
Impairment charged		-	2,711,184
Reversal of un-utilize inventory		8,018,435	2,553,204
Transfer to exploration expenditure		-	397,226
Provision for gratuity		506,000	1,468,667
Exchange loss		25,758,829	27,721,238
Dry and abandoned well written-off		-	125,785,672
Financial charges		3,404	2,657
Changes before movement in working capital		39,797,060	216,402,280
Decrease / (increase) in current assets			
Prepayments and other receivables		92,098,948	(29,531,920)
		92,098,948	(29,531,920)
(Decrease) / increase in current liabilities			
Accrued and other liabilities		(3,752,483)	1,104,681
Due to concessions - net		(87,156,599)	(48,700,256)
		(90,909,082)	(47,595,575)
Income tax paid		(122,252,062)	(100,541,088)
Financial charges paid		(3,404)	(2,657)
Net cash generated from operating activities		438,221,656	275,928,815
CASH FLOW FROM INVESTING ACTIVITIES			
Addition in exploration and evaluations asset		(8,533,891)	(109,231,512)
Addition in fixed assets		-	(7,246,678)
Long term deposit		(142,961)	45,647
Long term investment - net		(154,685,348)	(43,959,208)
Short term investment		(963,631,807)	-
Long term loan - net		59,043,077	61,567,486
Net cash used in from investing activities		(1,067,950,930)	(98,824,265)
CASH FLOW FROM FINANCING ACTIVITIES			
Advance against issuance of shares		-	100,000,000
Net cash inflow from financing activities		-	100,000,000
Net increase in cash and cash equivalents		(629,729,274)	277,104,550
Cash and cash equivalents at the beginning of the year		1,004,534,832	727,430,282
Cash and cash equivalents at the end of the year	17	374,805,558	1,004,534,832

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive Officer

Director

SINDH ENERGY HOLDING COMPANY (PRIVATE) LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2023

	Issued, subscribed and paid-up share capital	Unappropriated profit	Advance against issuance of shares	Total
	---------- Rupees ----------			
Balance as at July 01, 2021	3,500,000,000	523,622,816	1,046,207,000	5,069,829,816
Total comprehensive income for the year	-	180,229,708	-	180,229,708
Advance against issue of shares	-	-	100,000,000	100,000,000
Balance as at June 30, 2022	3,500,000,000	703,852,524	1,146,207,000	5,350,059,524
Total comprehensive income for the year	-	360,231,494	-	360,231,494
Balance as at June 30, 2023	3,500,000,000	1,064,084,018	1,146,207,000	5,710,291,018

The annexed notes 1 to 33 form an integral part of these financial statements.

Chief Executive Officer

Director

SINDH ENERGY HOLDING COMPANY (PRIVATE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

1. NATURE OF BUSINESS AND OPERATIONS

1.1 Sindh Energy Holding Company (Private) Limited (the Company) was incorporated in Pakistan on March 19, 2014 under the repealed Companies Ordinance, 1984 (now the Companies Act 2017). Government of Sindh (the Parent) owns 100% shareholding of the Company. The principal activities of the Company are exploration for and extraction of oil and natural gas in Sindh and management of investments in subsidiary companies, associated companies and joint ventures, engaged in coal, solar and wind businesses. The registered office of the Company is situated at 3rd Floor, State Life Building No. 3, Opp. C.M. House, Dr. Zia Uddin Ahmed Road, Karachi.

1.2 The Company owns Working Interests in the following Petroleum Concessions as at June 30, 2023:

	Percentage of interest
- Block No. 2467 - 16 (Shah Bandar) Petroleum Concession	2.50
- Block No. 2569 - 5 (Khipro East) Petroleum Concession	2.50
- Block No. 2768 - 11 (Ranipur) Petroleum Concession	2.50

1.3 These unconsolidated financial statements are the separate financial statements of the Company in which investments in subsidiaries have been accounted for at cost less accumulated impairment losses, if any.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below:

2.1 Accounting convention

These financial statements have been prepared under the "**historical cost convention**".

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The estimates / judgements and associated assumptions used in the preparation are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates / judgements / assumptions will, by definition, seldom equal the related actual results. The estimates / judgements and associated assumptions are reviewed on an ongoing basis. Revision to the accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in period of revision and future periods if the revision affects both current and future periods. The matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are set out below:

- Exploration and evaluation assets (note 2.6)
- Investment in subsidiary companies (note 2.9)
- Taxation (note 2.14)

The Company's share in transactions and statement of financial position related to joint venture operations in which the Company has a working interest are accounted for on the basis of latest available audited accounts of the joint venture and where applicable, the cost statements of the joint venture, for the intervening period up to the balance sheet date. The income, expenses, assets and liabilities of these jointly controlled operations are included in the financial statements in proportion to the Company's working interests.

2.2 Statement of compliance

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

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standard Board (IASB) as notified under Companies Act, 2017; and

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

Where the provisions of and directives issued under the Companies Act, 2017 differ from the IFRS standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.3 Functional and presentational currency

The financial statements are presented in Pak Rupees, which is the Company's functional and presentational currency.

2.4 Standards, Amendments and Interpretations to Approved Accounting Standards

2.4.1 Standards, amendments and interpretations to the published standards that are relevant to the Company and adopted in the current year

There are no standards, amendments and interpretations of IFRSs which became effective and relevant to the company during the current year.

2.4.2 Standards, amendments and interpretations to the published standards that may be relevant but not yet effective and not early adopted by the Company

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or interpretation	Effective date (Annual periods beginning on or after)
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	January 1, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023
Disclosure Initiative—Accounting Policies	January 1, 2023

The Company is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.

2.4.3 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or interpretation	Effective date (Annual periods beginning on or after)
IFRS 17 'Insurance Contracts'	January 1, 2023
Amendments to IFRS 17 Insurance Contracts	January 1, 2023

2.5 Fixed assets

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the entity and the cost of the item can be measured reliably. Normal repairs and maintenance are charged to the statement of profit or loss as and when incurred.

Depreciation is charged to the statement of profit or loss applying the reducing balance method whereby the cost of an asset is written off over its estimated useful life. Depreciation on additions is charged from the month in which the asset is put to use and on deletion upto the preceding month of disposal.

Gain and losses on disposal are determined by comparing proceeds with the carrying amount of the relevant assets. These are included in the statement of profit or loss.

2.6 Exploration and evaluation assets

Expenditure incurred on the exploration for and development of oil and gas reserves are accounted for under the 'Successful Efforts Method'. Under the 'Successful Efforts' method, geological and geophysical costs are expensed as incurred during the exploration phase. Exploratory drilling costs are tentatively capitalized pending determination of whether the well finds commercial reserves.

Capitalized exploratory drilling expenditure is carried forward until either it is declared part of a commercial development at which point the relevant total expenditure in relation to commercial development is transferred to 'Oil and gas properties'. Amortization of 'Oil and gas properties' is recorded using the unit of production method based on entitlement to proved and probable reserves of oil and gas and estimated future development expenditure expected to be incurred to access these reserves. Changes in reserves are accounted for prospectively.

Capitalized exploratory expenditure on abandoned / surrendered license area and relating to dry hole wells is expensed as and when the well is abandoned as dry hole or the area is surrendered.

2.7 Inventory

Inventory comprising mainly of spare parts, materials and supplies are valued at lower of cost or net realizeable value. Cost is determined principally on a weighted average cost basis.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and bank deposits. Cash and cash equivalents are carried in the statement of financial position at cost.

2.9 Investment in subsidiary companies

Investment in subsidiary companies are initially recognized at cost. At each reporting date, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as an expense. Where impairment losses are subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the statement of profit or loss and other comprehensive income.

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2.10 Financial Instruments

2.10.1 Financial Assets

The Company classifies its financial assets in the following categories: The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at amortised cost
Financial assets at amortised cost are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets, impairment losses, foreign exchange gains and losses, and gain or loss arising on derecognition are recognized directly in the statement of profit or loss.

Financial assets at fair value through other comprehensive income
Financial assets at fair value through other comprehensive income are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Financial assets are initially measured at fair value. These financial assets and liabilities are subsequently remeasured to fair value, amortized cost or cost as the case may be. Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the statement of profit or loss for the period in which it arises.

Equity instrument financial assets / mutual funds are measured at fair value at and subsequent to initial recognition. Changes in fair value of these financial assets are normally recognised in profit or loss. Dividends from such investments continue to be recognised in the statement of profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to the statement of profit or loss following the derecognition of the investment.

Derecognition of Financial Assets
Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company recognises in the statement of profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

2.10.2 Financial Liabilities

All financial liabilities are recognised at the 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 minus transaction costs. Financial liabilities at fair value through the statement of profit or loss are initially recognised at fair value and transaction costs are expensed in the statement of profit or loss.

Financial liabilities, other than those at fair value through the statement of profit or loss, are subsequently measured at amortised cost using the effective yield method.

Derecognition of Financial Liabilities

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 the statement of profit or loss.

Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company applies the simplified approach to recognise lifetime expected credit losses for trade and other receivables.

2.10.3 Off-setting of financial assets and financial liabilities

A financial asset and financial liability is off-set and the net amount is reported in the statement of financial position when there is a legally enforceable right to set-off the transaction and also there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.11 Investment in subsidiary

A subsidiary is an entity controlled by the entity. The Company control an investee when the Company is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect the return through its power over the investee. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that are currently exercisable are taken into account.

Investment in subsidiary are initially recognized at cost. At subsequent reporting dates, the recoverable amounts are estimated to determine the extent of impairment losses, if any, and carrying amounts of investments are adjusted accordingly. Impairment losses are recognized as an expense. Where impairment losses subsequently reverse, the carrying amounts of the investments are increased to the revised recoverable amounts but limited to the extent of initial cost of investments. A reversal of impairment loss is recognized in the statement of profit or loss.

2.12 Provisions

Provisions are recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.13 Dividend

Dividend is recognized as a liability in the period in which it is declared.

2.14 Taxation

Current

Provision for current taxation is based on the taxable income for the year, determined in accordance with the prevailing law for taxation on income, using prevailing tax rates. The charge for current tax also includes tax credits and adjustments, where considered necessary, for prior years determined during the year or otherwise considered necessary for such years.

Deferred

Deferred tax is accounted for using the statement of financial position method in respect of all temporary differences arising from difference between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base used in the computation of the taxable profit. 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 utilized.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the statement of financial position date. Deferred tax is charged or credited in the statement of profit or loss, except in the case of items credited or charged to equity in which case it is included in equity.

2.15 **Foreign currencies**

Transactions in foreign currencies are accounted for in Pak Rupees at the rates prevailing on the date of the transaction. Assets and liabilities in foreign currencies as at the statement of financial position date are translated into Pak rupees at the rate of exchange prevailing on that date except for the liabilities covered under forward exchange contracts which are translated at the contracted rates. Exchange gains or losses are recognised in statement of profit or loss and other comprehensive income.

2.16 **Revenue recognition**

Profit on trading in financial instruments is recognized on trade date basis and is taken to the statement of profit or loss currently. Profit on all other income is recognized on accrual basis.

		Note	2023 Rupees	2022 Rupees
3.	SHARE CAPITAL			
	Authorized share capital			

Number of shares 2023	Number of shares 2022	Note	2023 Rupees	2022 Rupees
350,000,000	350,000,000		3,500,000,000	3,500,000,000

Issued, subscribed and paid-up share capital

Number of shares 2023	Number of shares 2022	Note	2023 Rupees	2022 Rupees
350,000,000	350,000,000	3.1	3,500,000,000	3,500,000,000

3.1 Ordinary share of Rs. 10/- each fully paid in cash.

4. **DEFERRED LIABILITY**

It represents unrecognized defined benefit plan offered to employees of the company in terms of gratuity.

5. **ACCRUED AND OTHER LIABILITIES**

	2023 Rupees	2022 Rupees
Accrued Liabilities	2,274,700	282,900
Salary payable	260,400	5,454,693
Audit fee payable	2,373,150	2,189,750
Other liabilities	380,000	1,372,717
Vendor payable	24,210	24,210
Honorarium	180,000	-
Membership fee	16,128	-
Professional fee	2,500	-
Security guard	60,699	-
	5,571,787	9,324,270

	Note	2023 Rupees	2022 Rupees
6. DUE TO CONCESSIONS - NET			
Oil and Gas Development Company Limited			
- Ranipur		7,771,108	7,084,813
- Zorgarh		-	25,405,974
		7,771,108	32,490,787
Pakistan Petroleum Limited			
- Shahbandar		3,458,950	2,621,897
- Hub		(3,602,244)	(3,602,244)
- Khipro East		(18,664,118)	42,034,647
- Malir		(5,627,064)	(4,016,723)
		(24,434,476)	37,037,577
Director General of Petroleum concession		89,068,926	63,579,372
Royalty	*6.1*	-	695,592
		72,405,558	133,803,328

6.1 Royalty is being paid to Director General Petroleum Concession Ministry of Energy (Petroleum Division) GoP located at 1019-A, Pak Plaza, Blue Area, Islamabad.

7. FIXED ASSETS

	Furniture and fixture	Computer equipment	Vehicles	Pipeline	CP System	Total
	Rupees					
Year ended June 30, 2022						
Opening net book value	10,791	4,408	7,119,376	17,889,127	143,957	25,167,659
Additions (at cost)	-	538,000	6,117,709	590,969	-	7,246,678
Depreciation charge	(1,079)	(99,515)	(1,526,735)	(3,696,019)	(28,791)	(5,352,139)
Impairment (Note 7.1)	-	-	(2,711,184)	-	-	(2,711,184)
Net book value	9,712	442,893	8,999,166	14,784,077	115,166	24,351,014
At June 30, 2022						
Cost	21,800	703,300	15,828,709	21,459,449	190,121	38,203,379
Accumulated depreciation	(12,088)	(260,407)	(4,118,359)	(6,675,372)	(74,955)	(11,141,181)
Accumulated impairment	-	-	(2,711,184)	-	-	(2,711,184)
Net book value	9,712	442,893	8,999,166	14,784,077	115,166	24,351,014
Year ended June 30, 2023						
Opening net book value	9,712	442,893	8,999,166	14,784,077	115,166	24,351,014
Additions (at cost)	-	-	-	-	-	-
Depreciation charge	(971)	(88,579)	(1,349,875)	(2,956,815)	(23,033)	(4,419,273)
Net book value	8,741	354,314	7,649,291	11,827,262	92,133	19,931,741
At June 30, 2023						
Cost	21,800	703,300	15,828,709	21,459,449	190,121	38,203,379
Accumulated depreciation	(13,059)	(348,986)	(8,179,418)	(9,632,187)	(97,988)	(18,271,638)
Net book value	8,741	354,314	7,649,291	11,827,262	92,133	19,931,741
Depreciation rate	10%	20%	15%	20%	20%	

7.1 A vehicle is fully impaired in the year 2022, as it was not in the possession and control of the company, resulting in estimated zero value in use for the company.

8. BENARI WELL

	Note	2023 Rupees	2022 Rupees
Balance at beginning of the year		1,091,119	51,501,412
Less: Depreciation expense		(1,091,119)	(50,410,293)
Closing balance		-	1,091,119

9. EXPLORATION AND EVALUATION ASSETS

	Note	2023 Rupees	2022 Rupees
Balance at beginning of the year		17,251,080	33,805,240
Addition during the year		8,079,690	109,231,512
		25,330,770	143,036,752
Cost of dry and abandoned wells during the year	9.1	-	(125,785,672)
		25,330,770	17,251,080
Stores and spares held for exploration and evaluation activities			
Balance at beginning of the year		18,239,850	21,190,280
Addition during the year		454,201	-
Reversal of un-utilize inventory		(8,018,435)	(2,553,204)
Transfer to exploration expenditure		-	(397,226)
Closing balance		10,675,616	18,239,850
Balance at the year end	9.2	36,006,386	35,490,930

9.1 Transferred to Exploration expenditure due to dry well and declared P & A - surrender of block.

9.2 Represents direct expenditure incurred relating to exploratory wells drilled in Shahbandar, Hub, Khipro, Ranipur .

10. LONG TERM DEPOSIT

	2023 Rupees	2022 Rupees
Security deposit to Central Depository Company	442,314	454,353
Security deposit to PSO	270,500	115,500
	712,814	569,853

11. DEFERRED TAXATION

	2023	2022
Deferred tax liability arising due to:		
- accelerated tax depreciation	(984,639)	(2,502,650)
Deferred tax asset arising due to:		
- exploration expenses	110,132,851	112,821,213
	109,148,212	110,318,563

bj

12. LONG TERM INVESTMENT

	Note	2023 Rupees	2022 Rupees
Unquoted subsidiary companies - at cost			
Sindh Petroleum (Private) Limited	12.1	49,000,000	49,000,000
Sindh Transmission & Dispatch Company (Private) Limited	12.2	759,000,000	659,000,000
Sindh Lakhra Coal Mining Company (Private) Limited	12.3	382,664,000	382,664,000
Sindh Renewable Energy Company (Private) Limited	12.4	88,284,686	83,284,686
		1,278,948,686	1,173,948,686
Financial asset - at amortised cost			
Pakistan Investment Bonds	12.5	2,232,753,514	2,183,068,166
UBL Term Finance Certificate	12.6	185,665,000	185,665,000
		2,418,418,514	2,368,733,166
		3,697,367,200	3,542,681,852

12.1 In 2016, Sindh Petroleum (Private) Limited (SPL) was formed to identify business opportunities in exploration and development of oil, gas, coal, shale and tight gas reserves in Sindh. The Company owns 3,000,000 shares, constituting 100% of the shareholding of SPL. A total of 1.9 million shares are yet to be allotted.

12.2 Sindh Transmission & Dispatch Company (Private) Limited (STDC) is a wholly owned subsidiary of the Company. The principal activity of STDC is to facilitate distribution and generation companies by providing wheeling services through its transmission infrastructure and network facilities. As at June 30, 2023, total investment in STDC is 75.9 million shares of which 5 million shares are yet to be allotted to the company.

12.3 Sindh Lakhra Coal Mining Company (Private) Limited (SLCMC) was formed to develop indigenous coal resources of Sindh and consider the use of indigenous coal as the most viable and least cost option for power generation. The company subscribed 500,000 shares at Rs. 100 par value. The Company holds 100% of the issued capital of SLCMC. Further, the shares against Rs. 382.664 million are yet to be allotted by the company.

12.4 Sindh Renewable Energy Company (Private) Limited (SRECL) was established for the development of renewable energy. The shares are yet to be allotted to the Company.

12.5 The company has Rs. 2.6 billion 10-year PIB (Pakistan Investment Bond) with a 12.85% Yield to maturity, which was procured on February 21, 2019. The bond has an issue date of July 12, 2018 and will mature on July 12, 2028. The company has the intention to hold it to maturity, hence reported on the financial statement at amortized cost.

12.6 The Company has fully paid-up, rated, listed, perpetual, unsecured, subordinated, non-cumulative, and contingent convertible debt instruments in the nature of Term Finance Certificates ("TFCs") of Tier 1 issued by UBL. The Markup is paid Quarterly and has a markup rate of 3 months Kibor plus 1.55%. The TFC has a denomination of Rs. 5,000, and the company owns 37,133 certificates, making a total investment of Rs. 185,665,000/-.

13. LONG TERM LOAN

	2023 Rupees	2022 Rupees
Opening	507,790,304	569,357,790
Interest	93,347,208	67,921,319
Payment receivable	(152,390,285)	(129,488,805)
	448,747,227	507,790,304
Less: Current portion	(63,237,871)	(59,043,078)
	385,509,356	448,747,226

bj

13.1 The loan is granted to STDC by the Company, as per the agreement between the Company and STDC, STDC would repay the principle in 10 years from Commercial Operation Date (COD) and commence the payment of loan annuity (Interest + Principle) at KIBOR 2.75% from Commercial Operation Date (COD), as a result interest income of Rs. 93.347 million (2022: Rs. 67.921 million) has been recorded in these financial statements.

14. SHORT TERM INVESTMENT	Note	2023 Rupees	2022 Rupees
Investment in T-Bills	14.1	963,631,807	-
		963,631,807	-

14.1 The Company holds investments in Treasury Bills (T-bills) as part of its short-term liquidity management strategy. T-bills are short-term debt instruments issued by the government, typically with maturities of up to 12 months. These instruments are classified as held-to-maturity (HTM) and are initially recognized at cost, with any discount or premium amortized over the life of the instrument using the effective interest method.

At June 30, 2023, the Company holds Treasury Bills with a total face value of Rs. 1,000,000,000. The weighted average interest rate on these T-bills is 21.96% , and their maturity dates range from July 2023 to November 2023. The carrying amount of these investments as at the reporting date is Rs. 963.631 million (2022 : nil), which reflects the amortized cost of the securities.

15. PREPAYMENTS AND OTHER RECEIVABLES	Note	2023 Rupees	2022 Rupees
Due from related parties	15.1 & 15.2	260,686	70,146,763
Interest receivable on Pakistan Investment Bond		106,208,565	106,208,565
Interest receivable from UBL TFC		7,442,877	5,146,939
Advance tax		-	1,992,013
PARCO		28	27
SSGC		50,699,605	73,399,668
Prepayments		209,666	26,400
		164,821,427	256,920,375

15.1 Represents receivable of Rs. 0.174 million (2022: Rs. 0.174 million) from SLCMC, a subsidiary company in relation to incorporation fees paid by the Company on behalf of SLCMC, Rs. 0.0862 million (2022: 0.0862 million) from SPL, a subsidiary company in relation to audit fee for the year 2017 paid by the Company on behalf of SPL and Rs. Nil (2022: Rs. 69.886 million) from STDC, a subsidiary company against interest on long term loan.

15.2 Maximum aggregate amount outstanding at any time during the year is Rs. 144.680. million (2022: Rs. 69.886 million).

16. TAXATION - NET	2023 Rupees	2022 Rupees
Opening balance	11,366,947	(4,465,902)
Provision for taxation during the year	(172,420,877)	(84,708,239)
Prior year tax income / (expense)	14,332,526	-
WHT gas sales	2,191,119	4,390,567
Withholding tax	120,060,943	95,952,520
Advance taxes paid during the year	-	198,001
	(24,469,342)	11,366,947

17. BANK BALANCES

	Note	2023 Rupees	2022 Rupees
Cash at bank - savings accounts	*17.1*	374,805,558	1,004,534,832
		374,805,558	**1,004,534,832**

17.1 Local currency conventional deposits carry return ranging from 13% to 24% (2022: 7% to 12.5%) per annum.

18. SALES

	2023 Rupees	2022 Rupees
Condensate sale	104,477	2,414,898
Gas sale	2,488,831	71,822,253
	2,593,308	74,237,151
Less: Sales tax	(433,455)	(9,252,370)
	2,159,853	**64,984,781**

19. COST OF SALE

	2023 Rupees	2022 Rupees
Production cost	2,162,142	9,269,438
Royalty expense	265,640	8,120,273
Windfall expense	21,478	653,119
	2,449,260	**18,042,830**

20. OTHER INCOME

	2023 Rupees	2022 Rupees
Profit on bank balance	140,090,152	73,915,830
Income on financial assets:		
- Income from long term loan	93,347,207	67,921,320
- Income from PIBs	277,185,348	271,459,208
- Income on T-Bills	31,959,707	-
- Income from TFCs	34,914,074	20,740,764
	437,406,336	360,121,292
	577,496,488	**434,037,122**

21. EXPLORATION EXPENDITURE

	2023 Rupees	2022 Rupees
Geological and geophysical	(951,899)	134,345,175
Joint operation	2,566,718	3,847,300
	1,614,819	**138,192,475**

22. GENERAL AND ADMINISTRATIVE EXPENSES

	Note	2023 Rupees	2022 Rupees
Salaries, wages and benefits	22.1	12,853,898	13,991,627
Repair and maintenance		134,775	309,730
Rent, rates and taxes		30,000	25,000
Entertainment		106,651	13,865
Travel and fuel expense		2,353,183	1,298,111
Communication expense		31,500	2,240
Office supplies expense		156,978	128,172
Printing and posting		31,886	17,944
Bank charges		3,404	2,657
Legal and professional charges		3,453,815	1,402,421
Director fee		1,300,000	800,000
Membership fees		553,726	328,573
Depreciation on Benari Well	8	1,091,119	50,410,293
Insurance		321,200	275,430
Depreciation on fixed assets	7	4,419,273	5,352,139
Auditors' remuneration	22.2	475,000	415,750
Impairment loss	7.1	-	2,711,184
Advertisment		174,514	-
Training expense		537,075	-
Utilities		6,825	-
Miscellaneous expenses		413,337	382,449
		28,448,159	77,867,585

22.1 This includes salary expense of CEO Rs. 2.4 million (2022: 2.48 million) during the year.

22.2 Auditors' Remuneration

	Note	2023 Rupees	2022 Rupees
Fee for :			
- Audit of annual financial statements		350,000	300,000
- Review of compliance with the Public Sector Companies (Corporate Governance) Rules, 2013		100,000	90,750
- Out of pocket expenses		25,000	25,000
		475,000	415,750

23. EXCHANGE LOSS

	2023	2022
Realized	1,895,078	75,946
Unrealized	25,758,829	27,645,292
	27,653,907	27,721,238

24. TAXATION

	2023	2022
Current year	172,420,877	84,708,239
Prior year	(14,332,526)	-
Deferred	1,170,351	(27,740,172)
	159,258,702	56,968,067

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24.1 Relationship between tax expense and accounting profit

	2023 Rupees	2022 Rupees
Profit before taxation	519,490,196	237,197,775
Tax on accounting profit at the applicable rate of 29% (2022: 29%)	150,652,157	68,787,355
Effect of accelerated depreciation and amortization	(1,048,725)	13,362,941
Effect of allowances not recognizable in tax	-	786,243
Impact of expense not deductable / (deductable) for tax - net	(282,414)	1,771,700
Super Tax (under Section 4C)	23,099,860	-
Tax expense recognized in books	172,420,877	84,708,239

25. CONTINGENCIES AND COMMITMENTS

As at June 30, 2023 there are no contingencies and commitments involving the Company.

26. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives	
	2023	2022	2023	2022	2023	2022
	Rupees					
Salary	2,400,000	2,382,260	-	-	9,108,000	8,349,000
Honorarium / fees	-	100,000	1,300,000	800,000	-	-
	2,400,000	2,482,260	1,300,000	800,000	9,108,000	8,349,000
Number of persons	1	1	6	6	3	3

27. FINANCIAL ASSETS AND LIABILITIES

	Markup bearing			Non-Markup bearing			As at June 30, 2023
	Maturity upto one year	Maturity after one year	Sub-Total	Maturity upto one year	Maturity after one year	Sub-Total	
	Rupees						
Financial assets							
Long term investment	-	2,418,418,514	2,418,418,514	-	1,278,948,686	1,278,948,686	3,697,367,200
Short term investment	963,631,807		963,631,807				963,631,807
Long term loan	63,237,871	385,509,356	448,747,227	-	-	-	448,747,227
Prepayments and other receivables	-	-	-	164,821,427	-	164,821,427	164,821,427
Bank balances	374,805,558	-	374,805,558	-	-	-	374,805,558
	1,401,675,236	2,803,927,870	4,205,603,106	164,821,427	1,278,948,686	1,443,770,113	5,649,373,219
Financial liabilities							
Accrued and other liabilities	-	-	-	5,571,787	-	5,571,787	5,571,787
Due to concessions	-	-	-	72,405,558	-	72,405,558	72,405,558
	-	-	-	77,977,345	-	77,977,345	77,977,345

	Markup bearing			Non-Markup bearing			As at June 30, 2022
	Maturity upto one year	Maturity after one year	Sub-Total	Maturity upto one year	Maturity after one year	Sub-Total	
	Rupees						
Financial assets							
Long term investment	-	2,368,733,166	2,368,733,166	-	1,173,948,686	1,173,948,686	3,542,681,852
Long term loan	59,043,078	448,747,226	507,790,304	-	-	-	507,790,304
Prepayments and other receivables	-	-	-	256,920,375	-	256,920,375	256,920,375
Bank balances	1,004,534,832	-	1,004,534,832	-	-	-	1,004,534,832
	1,063,577,910	2,817,480,392	3,881,058,302	256,920,375	1,173,948,686	1,430,869,061	5,311,927,363
Financial liabilities							
Accrued and other liabilities	-	-	-	9,324,270	-	9,324,270	9,324,270
Due to concessions	-	-	-	133,803,328	-	133,803,328	133,803,328
	-	-	-	143,127,598	-	143,127,598	143,127,598

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

28.1 Risk management policies

The Company's objective in managing risks is the creation and protection of share holders' value. Risk is inherent in the Company's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company's continuing profitability. The Company is exposed to credit risk, liquidity risk and market risk which includes interest rate risk arising from the financial instruments it holds.

The Company finances its operations through equity and management of working capital with a view to maintaining an appropriate mix between various sources of finance to minimize risk.

28.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties fail to perform as contracted and arises principally from trade and other receivables. The Company's policy is to enter into financial contracts with reputable counter parties in accordance with the internal guidelines and regulatory requirements.

Exposure to credit risk

The carrying amounts of the financial assets represent the maximum credit exposures before any credit enhancements. The carrying amounts of financial assets exposed to credit risk at reporting date are as under:

	2023 Rupees	2022 Rupees
- Long term investment	3,697,367,200	3,542,681,852
- Investment in Financial Instrument	963,631,807	-
- Prepayments and other receivables	164,821,427	256,920,375
- Bank balances	374,805,558	1,004,534,832
	5,200,625,992	**4,804,137,059**

The credit quality of the Company's bank balance can be assessed with reference to external credit ratings of the bank as follows:

Bank	Rating Agency	Rating	
		Short Term	Long Term
Sindh Bank Limited	JCR-VIS	A-1+	AA-
Habib Bank Limited	JCR-VIS	A-1+	AAA
National Bank of Pakistan	JCR-VIS	A-1+	AAA

28.3 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk arises mainly where receivables and payables exist due to transactions entered into foreign currencies.

The company is exposed to currency risk because all joint venture operations, including any amount payable to the government, are set in US dollars.

28.4 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements, if any:

	June 30, 2023				
	Carrying amount	Contractual cash flows	Upto one year	From one to five years	Over five years
	---------- Rupees ----------				
Due to concessions - net	72,405,558	72,405,558	72,405,558	-	-
Accrued and other liabilities	5,571,787	5,571,787	5,571,787	-	-
	77,977,345	77,977,345	77,977,345	-	-

	June 30, 2022				
	Carrying amount	Contractual cash flows	Upto one year	From one to five years	Over five years
	---------- Rupees ----------				
Due to concessions - net	133,803,328	133,803,328	133,803,328	-	-
Accrued and other liabilities	9,324,270	9,324,270	9,324,270	-	-
	143,127,598	143,127,598	143,127,598	-	-

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 from long term loans and short term borrowings. At the statement of financial position date the Company has no exposure in long term and short term borrowing.

29. FAIR VALUE OF FINANCIAL INSTRUMENT

The Management is of the view that the fair market value of most of the remaining financial assets and financial liabilities are not significantly different from their carrying amounts.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Fair value measurements using quoted (unadjusted) in active markets for identical asset or liability.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

30. RELATED PARTY TRANSACTIONS

The related parties and associated undertakings comprise of key management personnel. Transactions with related parties, other than remuneration benefits to key management personnel under the terms of their employment which are shown under the relevant notes are as follows:

Name	Nature of transactions	Nature of relationship	2023 Rupees	2022 Rupees
Board of Directors	Directors meeting fee	Directors	1,300,000	800,000
Sindh Transmission & Dispatch Company (Private)	Receivable against long term loan	Subsidiary	-	69,886,078

31. NUMBER OF EMPLOYEES

Number of employees of the company as at statement of financial position date is 6 (2022: 5).

Average number of employees of the company at the statement of financial position date is 6 (2022: 4).

32. DATE OF AUTHORIZATION FOR ISSUE

These Financial statements were authorized for issue on 21 JAN 2025 by the Board of Directors of the Company.

33. GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive Officer

Director