

**Sindh Transmission and  
Dispatch Company  
(Private) Limited**

Financial Statements  
For the year ended June 30, 2022

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## DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders, your directors take immense pleasure in presenting their 5<sup>th</sup> Director's Report together with the audited financial statements of Sindh Transmission & Dispatch Company (Private) Limited for the year ended on 30th June 2022 duly Audited by M/s Yousuf Adil (Chartered Accountants).

### Economic Overview of Pakistan<sup>1</sup>

Though economy recovered from the pandemic (a 0.94 percent drop in FY2020) and maintained V-Shaped recovery by posting real GDP growth of 5.97 percent in the fiscal year 2022. This high growth, however, is unsustainable and has resulted in financial and macroeconomic imbalances. Political instability in the country also led to a huge increase in economic uncertainty. Uncertainty at individual, firm, and government levels negatively affecting the economy. To counter inflationary pressure and for sustainable economic recovery, SBP moved to monetary policy normalization in September 2021. Policy Rate increased by cumulative 675 bps between September-April, FY2022.

The CPI inflation for the period July-May FY2022 was recorded at 11.3 percent as against 8.8 percent during the same period last year. The pressures on headline inflation fairly attributed to adjustments in prices of electricity and gas, a significant increase in the non-perishable food prices, exchange rate depreciation along with a rapid increase in global fuel and commodity prices.

Shocks to the economy caused significant damage to Pakistan's public finances. In response, the Government formulated and implemented various policy initiatives which improved fiscal outcomes, especially on the revenue side. FBR initiated various policy and administrative measures to facilitate the taxpayers to mobilize domestic resources and generate sufficient revenue without hurting growth momentum. FBR tax collection witnessed a substantial growth of 28.5 percent during July-April FY2022. However, higher grants and huge subsidies kept the expenditure side under intense pressure. The fiscal deficit increased to 3.8 percent of

In FY2022, the real GDP growth remained at 5.97 percent. However, underlying macroeconomic imbalances and associated domestic and international risks dampened celebrations. The economy of Pakistan rebounded from the pandemic (0.94 percent contraction in FY2020) and continued to post a V-Shaped economic recovery which is higher than the 5.74 percent recorded last year (FY2021).

<sup>1</sup> Pakistan Economic Survey 2021-2022





## Company Overview

Sindh Transmission & Dispatch Company (Pvt.) Limited (STDC) was incorporated on 7<sup>th</sup> January 2015 with a scope of provision of catering the need of extra high voltage electric power infrastructure. STDC is 100% owned by Sindh Energy Holding Company (Pvt.) Limited (a Government of Sindh owned company). The company has successfully executed and taken over all rights, obligations, assets properties and liabilities of its first ever Provincial 132KV Double Circuit Transmission Line Project of 95.47 km for evacuation of 100 MW electric power from Sindh Nooriabad Power Company (Pvt.) Limited (first ever PPP mode Power Plant in Pakistan, a joint venture of Government of Sindh with a private company having 49% equity of GoS and 51% equity of Private Company) to K-Electric KDA-33 Grid Station, Karachi.

## Financial Performance

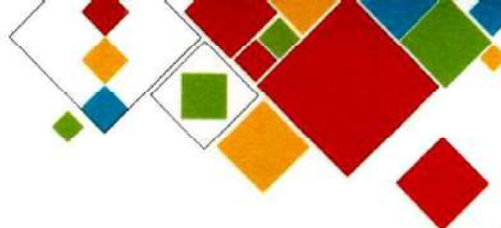
The management of STDC has given its business segment reporting presentation relating to its operating activities in notes to the accounts of the financial statements which are produced hereunder:

### Profit & Loss Account (PKR)

	2022	2021	2020	2019	2018	2017
REVENUE	714,492,664	412,985,736	414,117,200	416,673,818	179,043,958	---
COST OF REVENUE	(172,954,723)	(162,999,118)	(153,699,728)	(152,895,634)	(103,405,928)	---
GROSS PROFIT	541,537,941	249,986,618	260,417,472	263,778,184	75,638,030	---
ADMINISTRATIVE EXPENSES	(72,882,912)	(55,627,756)	(47,837,530)	(39,331,177)	(29,278,365)	(34,305,058)
OTHER OPERATING EXPENSES	(40,011,445)	(8,411,705)	(10,715,834)	(10,088,136)	---	---
OTHER INCOME	185,168,023	1,896,993	31,700,460	18,510,313	771,786	14,603,466
FINANCIAL CHARGES	(73,947,030)	(74,347,091)	(89,524,863)	(99,629,772)	(44,254,113)	---
PROFIT/LOSS BEFORE TAXATION	539,864,577	113,347,091	144,039,705	133,239,412	2,877,338	(19,701,592)
TAXATION	(232,182,299)	(102,636,759)	(51,140,676)	(100,677,997)	(2,238,049)	(5,729,237)
PROFIT / (LOSS)	307,682,278	10,860,301	92,899,029	32,561,415	639,289	(25,430,829)

During the year under review, the company earned total revenue of Rs. 714 million in 2022 (2021: Rs 413 million). The fixed capacity wheeling charges are based on tariff determination by National Electric Power Regulatory Authority (NEPRA).



Normal operating expenses / Cost of service of STDC for the year FY2022 was Rs. 173 million approximately against operating expense of Rs. 163 million approximately in the previous year. Gross Profit of STDC for the FY2022 was Rs. 541 million compared to Rs. 250 million in FY2021. Administrative expenses for FY2022 stood at Rs. 73 million against Rs. 56 million in FY2021. Financial charges stood at Rs. 74 million for FY2022 against 74 million charges of previous year, arising out of the Fair Market Value calculations of the interest free loan.

STDC had a Net Profit of Rs. 307 million in FY2022 compared to a profit of Rs. 10 million in the previous year.

The major reasons of increase in profitability as compared to last year are mentioned below:

- Pending indexations from Commercial Operations Date (COD) of 18<sup>th</sup> January 2018 till December 2021 were claimed with NEPRA whose determination was granted on 5<sup>th</sup> August, 2021. Subsequently, indexation payments were received by the company.
- Also, timely half yearly indexation claims are filed with NEPRA and subsequent indexed payments are received by the company.
- Company fund reserves sharply increased and the same were utilized by the company with better yielding Term Deposit Placements which increased the Other Income of the company.
- Due to receipt of pending indexations from January 2018 till December 2021 in the FY2022 and the company has already opted Receipt Basis for Minimum Tax which has resulted in increase of tax amount. Deferred tax asset/liability due to taxable temporary differences also increased taxation.

On the other hand, increased profitability impacted the increase for SWWF and SWPPF for the year in Other Operating Expenses.

Operating fixed assets of the company amounting to Rs. 65.5 million against 1.4 million last year were added to property, plant and equipment. Rehabilitation of Transmission Line work was carried out in order to prolong the life of Transmission Line.

The Financial performance of STDC is summarized into ratio analysis, which is as follows:

	UOM	2022	2021
<b>PROFITABILITY RATIOS</b>			
<b>GROSS PROFIT TO SALES</b>		76%	61%
<b>PROFIT BEFORE TAX TO SALES</b>		76%	27%
<b>PROFIT AFTER TAX TO SALES</b>	%	43%	3%
<b>RETURN ON EQUITY BEFORE TAX</b>		82%	17%
<b>RETURN ON EQUITY AFTER TAX</b>		47%	1.7%






LIQUIDITY RATIOS			
CURRENT RATIO	TIMES	2.5	0.91
QUICK RATIO / ACID TEST RATIO		2.3	0.83
FINANCING RATIOS			
DEBT/EQUITY RATIO	TIMES	0.84	1.38

Return on Equity is higher than the benchmark 15% mainly due to the following reasons:

- Previously revenues on reference Tariff awarded by NEPRA were claimed, whereas after grant of pending indexations from COD January 2018 till December 2021, differential payments were received in the current year.
- Half yearly indexation claims are filed with NEPRA and subsequent indexed payments are received by the company.
- Company fund reserves sharply increased and the same were utilized by the company with better yielding Term Deposit Placements which increased the Other Income of the company.
- Deferred Tax assets/liabilities on taxable temporary differences arising in respect of accelerated tax depreciation allowance.

The policies of STDC regarding dividend and other management affairs are yet to be approved by board/shareholders.

### STDC Project Performance 2021-22

The management of STDC takes high prestige for its excellent team work regarding timely completion (as per industry practice) of its 1<sup>st</sup> double circuit transmission line project from SNPC Power Generation Complex (SNPC-I and SNPC-II) to K-Electric Karachi, in the year FY2018.

Since Commercial Operations Date, the transmission line is successfully transmitting electric power within the NEPRA allowed annual wheeling outage allowance limit.

The details of the project are as under:

Project Description	Length (km)	Cost (Billion PKR)	Commercial Operations Date	Remarks
132 KV Double Circuit Transmission Line Project	95.47	1.955	18 <sup>th</sup> January, 2018	In Operations & Maintenance phase

*For I. B.*





Detailed annual technical performance of the transmission line has been duly submitted with NEPRA as regulatory compliance.

## STDC Future Projects

In 2019, STDC acquired Provincial Grid Company (PGC) License from National Electric Power Regulatory Authority (NEPRA) for a period of 30 years to engage in extra high voltage electric power transmission business for its different future projects to be executed in the province of Sindh within the territorial limits in accordance with the terms of the license.

Under this license, the management of STDC is in process of following initiating new projects on a fast pace which have also been highlighted by the Government of Sindh in the Budget Book of 2022-23:

- Energy department is executing the KWSB Greater Water Bulk Supply K-IV Project through STDC. For this purpose construction of 132 KV STDC Grid Station near K-IV Pumping Station and Construction of around 20 KM 132 KV Double Circuit Transmission Line on loop-in & loop-out arrangement between HESCO Jhimpir and Thatta Grid to supply 50 MW Power to K-IV Pumping Station is underway with an estimated cost of Rs. 1.7 billion. KWSB Greater Water Bulk Supply K-IV Project: Allocation of 80% Loan to be financed through Sindh Energy Holding Company (SEHCL) or Government of Sindh.
- Amreli Steels Limited Project: Construction of Double Circuit Transmission Line for the supply of 200 MW hybrid renewable energy on B2B Basis.
- Engro Energy Limited Project: Energy Department Government of Sindh and STDC has recently entered into a MoU with Engro Energy Limited for supplying of 400 MW hybrid renewable energy on B2B basis for which Transmission Line to be constructed by STDC.
- Several other transmission line projects in early negotiation stages.





## Significant events during the year

### 1. BOD Meetings

In total five (05) meetings of board of directors were held during the year FY 2020-21, details of which are mentioned below:

BOD Meeting	Date
21 <sup>st</sup>	2 <sup>nd</sup> July 2021
22 <sup>nd</sup>	16 <sup>th</sup> August 2021
23 <sup>rd</sup>	3 <sup>rd</sup> December 2021
24 <sup>th</sup>	21 <sup>st</sup> March 2022
25 <sup>th</sup>	28 <sup>th</sup> April 2022

The attendance details of each director are as under:

Name	Capacity	No. of Meetings attended
Mr. Khizer Pervaiz	Chairman / Independent Director	05
Mr. Abu Bakar Ahmed Madani*	Director	02
Mr. Imtiaz Ali Shah*	Director	03
Mr. Mehfooz Ahmed Qazi**	Director	03
Mr. Muneer Ahmed Shaikh**	Director	02
Ms. Rahaila Aleem	Independent Director	05
Ms. Riffat Mughal	Independent Director	05
Mr. Muhammad Saleem Shaikh***	Chief Executive Officer	05
Mr. Taha Noman Khan	Company Secretary	05

\*Mr. Imtiaz Ali Shah nominated as director of the company in place of Mr. Abu Bakar Ahmed Madani as per notification issued by Government of Sindh.

\*\*Mr. Muneer Ahmed Shaikh nominated as director of the company in place of Mr. Mehfooz Ahmed Qazi as per notification issued by Government of Sindh.

\*\*\*Mr. Muhammad Saleem Shaikh joined the company on 29<sup>th</sup> July, 2021 as CEO for a term of 3 years as per notification issued by Government of Sindh. Previously he was serving as Acting CEO since 15<sup>th</sup> February, 2021.







## 2. Approval of Indexations since Commercial Operations (COD)

Management filed the pending application for indexation since COD in January 2018 till December 2021 whose approval was granted by NEPRA in the August 2021. Subsequently, the company raised indexation invoices amounting to Rs. 239 million which were received in the current financial year 2022, thereby increasing the reserves of the company.

Following is the snapshot of indexed tariff approved by NEPRA:

Tariff Component	Ref Tariff	Revised 2018		Revised 2019		Revised 2020		Revised 2021	
		Jan-June	Jul - Dec	Jan-June	Jul - Dec	Jan-June	Jul - Dec	Jan-June	Jul - Dec
<b>Fixed Capacity Purchase Price (Rs./kW/hour)</b>									
O&M	0.1411	0.1528	0.1528	0.1623	0.1623	0.1824	0.1824	0.1970	0.1970
Insurance	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192	0.0192
Return on Equity	0.0935	0.0935	0.0935	0.0935	0.0935	0.0935	0.0935	0.0935	0.0935
Debt servicing	0.2127	0.2139	0.2250	0.2732	0.2997	0.3007	0.2255	0.2261	0.2288
<b>Total</b>	<b>0.4665</b>	<b>0.4795</b>	<b>0.4906</b>	<b>0.5482</b>	<b>0.5747</b>	<b>0.5958</b>	<b>0.5206</b>	<b>0.5357</b>	<b>0.5385</b>
<b>Indexation Values</b>									
Kibor Rate	6.12%	6.21%	7.04%	10.80%	13.11%	13.49%	7.24%	7.35%	7.69%
CPI (Gen) Local	203.28	220.20	220.20	233.78	233.78	262.82	262.82	140.86	140.86

## 3. Timely Half-Yearly Indexations

Subsequently, the management has been filing timely half yearly indexations and invoicing accordingly. Half-yearly indexation application for the period January 2022 to June 2022 was filed with NEPRA on 6th January, 2022 and NEPRA granted its decision on 10th February, 2022. Similarly, half-yearly indexation application for the period July 2022 to December 2022 was filed with NEPRA on 1st July, 2022 and NEPRA granted its decision on 17th August, 2022.

## 4. Rescheduling of Loan Agreement with Finance Department GoS

Sindh Cabinet in their meeting held on 18th January, 2022 approved the restructuring the term of interest free loan of Rs. 730 million from 5 years to 10 years and the consequent repayment schedule of comprising 19 installments. Thereafter, draft second addendum was sent to Finance Department for signing through Energy Department on 21st February, 2022. The same was sent by Finance Department to Law Department for vetting. After receipt of vetting agreement from Law department, the Second Addendum to Loan Agreement was subsequently signed between STDC and Finance Department GoS dated 11-April-2022.






## 5. Compliance of SECP Pending Matters

All the matters pertaining to SECP has been resolved during the current year and the Forms A, 28, 29, 3, 7, 26 till the year 2021 has been approved accordingly by SECP. Furthermore, the pending Form 10 pertaining to the charge on assets have also been approved by SECP. Audited Financial Statements for the year ended 30th June, 2021 were approved by Board via resolution through circulation dated February 01, 2022. Direction for the holding of AGM 2021 was sought from SECP which granted approval vide letter dated 24th February, 2022 to hold the AGM up to 24th March, 2022. AGM for the year 2021 was held on 21st March, 2022 at 11 am to receive, consider and adopt the financial statements for the year ended 30th June, 2021 together with the auditor's report and Directors' Report. SECP compliance of annual returns has also been made.

## 6. Registration with EOBI and SWWF payments to SRB

The Board was informed that the payments of SWWF for the year 2018, 2019, 2020, 2021 as per audited financial statements amounting to Rs. 8,044,896/- has been duly complied and will also be complied in future.

Furthermore, Company has got registered in the EOBI having registration no. AAE05107 and is complying with the payments every month to date within the due time.

## 7. Health Insurance Coverage

Health Insurance tender was awarded to Sindh Insurance Limited during the current financial year. The said policy was obtained and all the employees of the company and their dependents are covered with effect from 1st September 2021.

## Executive Remuneration

Please refer note-26 of Financial Statements.

## Corporate Social Responsibility

As per SECP's Corporate Social Responsibility Voluntary Guidelines 2013, the company established an in-house CSR Guidelines to be implemented in due course of time. Awareness trainings to the employees are provided from time to time.

Also, the in-house HSE department is constantly sending compliance reports to NEPRA.

Detailed CSR reports are being duly submitted with NEPRA as regulatory compliance.





### Pattern of Shareholding

The pattern of Shareholding as of 30<sup>th</sup> June 2022 of the company is as under:-

S.No.	Name	Capacity	Number of Shares
1.	Sindh Energy Holding Company (Pvt.) Limited	Parent Company	65,899,994
2.	Mr. Khizar Pervaiz	Chairman/ Independent Director	1
3.	Mr. Muneer Ahmed Shaikh	Non-Executive Director	1
4.	Mr. Imtiaz Ali Shah	Non-Executive Director	1
5.	Ms. Rahaila Aleem	Independent Director	1
6.	Ms. Riffat Mughal	Independent Director	1
7.	Mr. Muhammad Saleem Shaikh	Deemed Director (Acting CEO)	1
<b>TOTAL SHARES</b>			<b>65,900,000</b>

### Auditors

The present auditors, M/s Yousuf Adil (Chartered Accountants), being eligible, has provided consent for re-appointment as auditors for the year ending 30<sup>th</sup> June 2023. The appointment of the auditors for the year ending 2023 is under consideration by the board of directors on the suggestion of Audit Committee.

### Acknowledgement

As per Clause 17 of Public Sector Companies (Corporate Governance) rules, 2013, as amended from time to time, it is acknowledged as under:-

- A. The board has complied with the relevant principles of corporate governance, and has identified the rules that have not been complied with, and reasons for such non-compliance as under:-

Sr.#	Rule	Provision of Rules	Future Course of Action to make it compliant
1	13	The Company does not have CFO and CIA.	The Company will comply in future by appointing taking approval from the board.
2	14	Chief financial Officer is not employed. Company Secretary was appointed by the Government.	The Company is in the process of appointing CFO; compliance will be ensured in the future years
3	15	Chief Financial Officer is not employed. Company Secretary has attended all the meetings of the board.	
4	20	Chief Financial Officer is not employed in the Company due to which endorsement of	General Manager Finance endorses the financials till





		financials is made by GM Finance.	the appointment of CFO.
5	21 (3)	Chief Financial Officer and Chief Internal Auditor are not employed in the Company due to which they do not attended all meetings of the audit committee.	Compliance will be ensured in the future years.
6	22	The Company has not set up an effective internal audit function as company has no Chief Internal Auditor who is reportable to the audit committee.	Compliance will be ensured by employing CIA in the future years.

\*Subsequent to year end, Board of Directors of the company in their 27<sup>th</sup> meeting held on 30<sup>th</sup> September, 2022 approved Mr. Sajjad Junejo, GM Finance as Chief Financial Officer of the company on Acting Charge.

- B. The Financial statements prepared by the management of the STDC, present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- C. Proper books of account of the STDC have been maintained;
- D. Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- E. The board recognized their responsibility to establish and maintain sound system of internal control, which is regularly reviewed and monitored; and
- F. The appointment of chairman and other members of the board and the terms of their appointment along with the remuneration policy are in the best interests of STDC as well as in line with the best practices

The Board of directors is pleased to place on record its appreciation to the workers, staff, officers and management of the company who have performed with dedication and perseverance for the betterment of the company.

The Board is also thankful to the shareholders for their cooperation and the confidence they reposed in the management.

**For and on behalf of board of directors**

  
**Chief Executive Officer STDC**

  
**Chairman STDC**



## **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 Transmission and Dispatch Company (Private) Limited** (the Company) for the year ended June 30, 2022.

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 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 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 requirements contained in the Rules as applicable to the Company for the year ended June 30, 2022.



**Yousuf Adil**  
Chartered Accountants

**Karachi**

**Date:** October 20, 2022

**UDIN:** CR202210186g7k1fJ9m3

## Statement of Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

Name of Company	Sindh Transmission and Dispatch Company
Name of the line ministry	Energy Department, Government of Sindh
For the year ended	June 30, 2022

I. This statement presents the overview of the compliance with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "the Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector Company is managed in compliance with the best practices of public sector governance.

II. The Company has complied with the provisions of the Rules in the following manner:

S No.	Provision of the Rules	Rule no.	Yes	No																		
			Tick the relevant box																			
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	✓																			
2.	The Board has at least one-third of its total members as independent directors. At present the Board includes: <table border="1" style="margin: 10px auto; width: 80%;"> <thead> <tr> <th>Category</th> <th>Names</th> <th>Date of Appointment</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Independent Directors</td> <td>Mr. Khizar Pervaiz (Chairman of Board)</td> <td>25-10-2019</td> </tr> <tr> <td>Ms. Rahaila Aleem</td> <td>25-10-2019</td> </tr> <tr> <td>Ms. Riffat Sultana</td> <td>17-03-2021</td> </tr> <tr> <td>Executive Directors</td> <td>Muhammad Saleem Shaikh</td> <td>29-Jul-21</td> </tr> <tr> <td rowspan="2">Non-Executive Directors</td> <td>Mr. Imtiaz Ali Shah</td> <td>21-Sep-21</td> </tr> <tr> <td>Mr. Muneer Ahmed Shaikh</td> <td>07-Jan-22</td> </tr> </tbody> </table>	Category	Names	Date of Appointment	Independent Directors	Mr. Khizar Pervaiz (Chairman of Board)	25-10-2019	Ms. Rahaila Aleem	25-10-2019	Ms. Riffat Sultana	17-03-2021	Executive Directors	Muhammad Saleem Shaikh	29-Jul-21	Non-Executive Directors	Mr. Imtiaz Ali Shah	21-Sep-21	Mr. Muneer Ahmed Shaikh	07-Jan-22	3(2)	✓	
Category	Names	Date of Appointment																				
Independent Directors	Mr. Khizar Pervaiz (Chairman of Board)	25-10-2019																				
	Ms. Rahaila Aleem	25-10-2019																				
	Ms. Riffat Sultana	17-03-2021																				
Executive Directors	Muhammad Saleem Shaikh	29-Jul-21																				
Non-Executive Directors	Mr. Imtiaz Ali Shah	21-Sep-21																				
	Mr. Muneer Ahmed Shaikh	07-Jan-22																				
3.	No Independent Director shall participate in share options or any similar schemes of the Public Sector Company which entitle him to acquire any interest in the Public Sector Company.	3(3)	✓																			

*[Handwritten Signature]*

S No.	Provision of the Rules	Rule no.	Yes	No
			Tick the relevant box	
4.	The directors have confirmed that none of them is serving as a director on more than five Public Sector Companies and listed Companies simultaneously, except their subsidiaries.	3(5)	✓	
5.	The appointing authorities have applied the fit and proper criteria given in the Annexure to the Rules in making nominations of the persons for election as Board members under the provisions of the Act.	3(7)	✓	
6.	The chairman of the Board is working separately from the chief executive of the Company.	4(1)	✓	
7.	The chairman has been elected by the Board of directors except where Chairman of the Board has been appointed by the Government	4(4)	✓	
8.	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission. (Not applicable where the chief executive has been nominated by the Government)	5(2)	✓	
9.	(a) The Company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place.  (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures, including posting the same on the Company's website.  (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	✓  ✓  ✓	
10.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓	
11.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations where a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b) (ii)	✓	
12.	A declaration by the directors and executives that they shall not offer or accept any payment, bribe, favor or inducement which might influence, or appear to influence, their decisions and actions.	5(5)(b)(v)	✓	
13.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the Company.	5(5)(b) (vi)	✓	

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S No.	Provision of the Rules	Rule no.	Yes	No
			Tick the relevant box	
14.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c) (ii)	✓	
15.	The Board has ensured compliance with the law as well as the Company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c) (iii)	✓	
16.	The Board has developed a vision or mission statement and corporate strategy of the Company.	5(6)	✓	
17.	The Board has developed significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7)	✓	
18.	The Board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation, and has submitted its request for appropriate compensation to the Government for consideration.	5(8)	Not applicable	
19.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	Not applicable	
	(a) The Board has met at least four times, each quarter, during the year.  In case of non-compliance, the reason of non-compliance shall be reported to the commission within 14 days of the end of the quarter in which the meeting should have been held.	6(1)	✓	
	(b) Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings.	6(2)	✓	
	(c) The minutes of the meetings were appropriately recorded and circulated after approval of the chairman, to directors and officers entitled to attend Board meetings, not later than fourteen days of the approval.	6(3)	✓	
20.	The Board has monitored and assessed the performance of senior management on annual and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8 (2)	✓	
21.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓	

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S No.	Provision of the Rules	Rule no.	Yes	No		
			Tick the relevant box			
22.	(a) The Board has approved the statement of profit or loss for, and statement of financial position as at the end of, the first, second and third quarter of the year as well as the financial year end.	10	✓			
	(b) In case of listed PSCs, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors.		Not applicable as the company is not listed on PSX			
	(c) The Board has placed the annual financial statements on the Company's website.		✓			
23.	All the Board members underwent an orientation course arranged by the Company to apprise them of the material developments and information as specified in the Rules.	11	✓			
24.	(a) The Board has formed the requisite committees, as specified in the Rules.	12	✓	The procurement committee is formed as per need and case to case basis.		
	(b) The committees were provided with written term of reference defining their duties, authority and composition.		✓			
	(c) The minutes of the meetings of the committees were circulated to all the Board members.		✓			
	(d) The committees were chaired by the following non-executive directors:		✓			
	<b>Committee</b>		<b>Number of members</b>		<b>Name of Chairperson</b>	
	Audit Committee		3		Ms. Rahaila Aleem	
	Risk Management Committee		N/A		N/A	
	Human Resources Committee		3		Ms. Rifat Sultana Mughal	
Procurement Committee	N/A	N/A				
Nomination Committee	3	Mr. Imtiaz Ali Shah				
25.	The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, by whatever name called, with their remuneration and terms and conditions of employment.	13		✓		
26.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.	14		✓		
27.	The Chief Financial Officer and the Company Secretary have attended all meetings of the Board.	15		✓		
28.	The Company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.	16	✓			
29.	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.	17	✓			





S No.	Provision of the Rules	Rule no.	Yes	No															
			Tick the relevant box																
30.	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the Company except those disclosed to the Company.	18	✓																
31.	(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration.  (b) The annual report of the Company contains criteria and details of remuneration of each director.	19	✓  ✓																
32.	The financial statements of the Company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the audit committee and the Board.	20		✓															
33.	The Board has formed an audit committee, with defined and written terms of reference, and having the following members:  <table border="1" data-bbox="289 772 906 1071"> <thead> <tr> <th>Name of Member</th> <th>Category</th> <th>Professional background</th> </tr> </thead> <tbody> <tr> <td>Ms. Rahaila Aleem</td> <td>Chairperson</td> <td>Chartered Accountant</td> </tr> <tr> <td>Mr. Imtiaz Ali Shah</td> <td>Non-executive director</td> <td>Engineer</td> </tr> <tr> <td>Ms. Riffat Mughal</td> <td>Independent director</td> <td>Lawyer</td> </tr> <tr> <td>Mr. Azaz Muhuddin</td> <td>Secretary</td> <td>ACCA Finalist</td> </tr> </tbody> </table> The chief executive and chairman of the Board are not members of the audit committee.	Name of Member	Category	Professional background	Ms. Rahaila Aleem	Chairperson	Chartered Accountant	Mr. Imtiaz Ali Shah	Non-executive director	Engineer	Ms. Riffat Mughal	Independent director	Lawyer	Mr. Azaz Muhuddin	Secretary	ACCA Finalist	21 (1) and 21(2)	✓    ✓	
Name of Member	Category	Professional background																	
Ms. Rahaila Aleem	Chairperson	Chartered Accountant																	
Mr. Imtiaz Ali Shah	Non-executive director	Engineer																	
Ms. Riffat Mughal	Independent director	Lawyer																	
Mr. Azaz Muhuddin	Secretary	ACCA Finalist																	
34.	(a) The chief financial officer, the chief internal auditor, and a representative of the external auditors attended all meetings of the audit committee at which issues relating to accounts and audit were discussed.  (b) The audit committee met the external auditors, at least once a year, without the presence of the chief financial officer, the chief internal auditor and other executives.  © The audit committee met the chief internal auditor and other members of the internal audit function, at least once a year, without the presence of chief financial officer and the external auditors.	21(3)		✓															
			✓																
			Not applicable as there is no CIA and CFO in the company																
35.	(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee.  (b) The chief internal auditor has requisite qualification and experience prescribed in the Rules.  (b) The internal audit reports have been provided to the external auditors for their review.	22		✓															
			Not applicable as there is no CIA in the company.																
			✓																
36.	The external auditors of the Company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	✓																

*Handwritten signatures and initials.*

S No.	Provision of the Rules	Rule no.	Yes	No
			Tick the relevant box	
37.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	✓	
38.	The Company has published and circulated a statement along with its annual report to disclose status of its compliance with PSC rules 2013.	24	✓	
39.	We confirm that all other requirements of the regulations have been compiled.		✓	

NA

  
 \_\_\_\_\_  
 CHIEF EXECUTIVE OFFICER

  
 \_\_\_\_\_  
 CHAIRMAN

## Explanation for Non-Compliance with the Public Sector Companies (Corporate Governance) Rules, 2013

We confirm that all other material requirements envisaged in the Rules have been complied with [except for the following, toward which reasonable progress is being made by the Company to seek compliance by the end of next accounting year]:

Sr. No.	Rule / Sub Rule No.	Reasons for non-compliance	Future course of action
1	13	The Company does not have CFO and CIA.	The Company will comply in future by appointing taking approval form the board.
2	14	Chief financial Officer is not employed. Company Secretary was appointed by the Government.	The Company is in the process appointing CFO, the compliance will be ensured in the future years.
3	15	Chief Financial Officer is not employed. Company Secretary has attended all the meetings of the board.	
4	20	Chief Financial Officer is not employed in the Company due to which endorsement of financials is made by GM Finance.	General Manager Finance endorses the financials till the appointment of CFO.
5	21 (3)	Chief Financial Officer and Chief Internal Auditor are not employed in the Company due to which they do not attended all meetings of the audit committee.	Compliance will be ensured in the future years.
6	22	The Company has not set up an effective internal audit function as company has no Chief Internal Auditor who is reportable to the audit committee.	Compliance will be ensured by employing CIA in the future years.

  
CHIEF EXECUTIVE OFFICER

  
CHAIRMAN

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Sindh Transmission and Dispatch Company (Private) Limited**

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the annexed financial statements of **Sindh Transmission and Dispatch Company (Private) Limited (the Company)**, which comprise the statement of financial position as at June 30, 2022, 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, 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, 2022 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

#### **Basis for Opinion**

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

#### **Information Other than the Financial Statements and Auditor's Report Thereon**

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

Our opinion on the 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 financial statements of the Company, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work 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 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.
- 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).

The engagement partner on the audit resulting in this independent auditor's report is Shafqat Ali.

  
Chartered Accountants

Place: Karachi

Date: October 20, 2022

UDIN: AR202210186ymAGWj6tL

**SINDH TRANSMISSION AND DISPATCH COMPANY (PRIVATE) LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2022**

	Note	2022 ----- (Rupees)	2021 -----
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Plant and equipment	4	1,685,830,722	1,692,192,300
Right of use asset	5	-	1,293,390
Long term deposits		1,679,800	1,095,000
		<u>1,687,510,522</u>	<u>1,694,580,690</u>
<b>CURRENT ASSETS</b>			
Stores, spares and loose tools		77,958,412	49,759,497
Advances and prepayments	6	8,734,379	4,402,785
Trade debts	7	99,993,694	77,992,072
Short term investments	8	-	100,000,000
Accrued markup	9	7,172,494	2,595,130
Cash and bank balances	10	783,706,507	407,062,476
		<u>977,565,486</u>	<u>641,811,960</u>
<b>TOTAL ASSETS</b>		<u><b>2,665,076,008</b></u>	<u><b>2,336,392,650</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital	11	659,000,000	609,000,000
Advance against issuance of shares	12	-	50,000,000
Interest free element of long term finance		190,650,986	87,986,655
Unappropriated profit		577,805,552	232,786,008
		<u>1,427,456,538</u>	<u>979,772,663</u>
<b>NON CURRENT LIABILITIES</b>			
Long-term finance	13	611,372,396	528,737,029
Deferred tax	14	235,696,261	117,317,987
		<u>847,068,656</u>	<u>646,055,016</u>
<b>CURRENT LIABILITIES</b>			
Current portion of long-term finance	13	189,905,579	531,426,044
Lease liabilities	15	-	-
Creditors, accrued and other payables	16	74,117,905	159,890,600
Sales tax payable		11,675,250	8,972,539
Taxation - net	17	114,852,080	10,275,788
		<u>390,550,814</u>	<u>710,564,971</u>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	18		
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>2,665,076,008</b></u>	<u><b>2,336,392,650</b></u>

The annexed notes from 1 to 35 form an integral part of these financial statements.

  
**CHIEF EXECUTIVE**

  
**CHAIRMAN / DIRECTOR**



**SINDH TRANSMISSION AND DISPATCH COMPANY (PRIVATE) LIMITED**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2022**

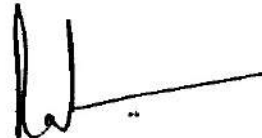
	Note	2022 ————— (Rupees) —————	2021 —————
Revenue from contracts with customers	19	714,492,864	412,985,736
Cost of revenue	20	(172,954,723)	(162,999,118)
Gross profit		<u>541,537,941</u>	<u>249,986,618</u>
Administrative expenses	21	(72,882,912)	(55,627,756)
Other operating expenses	22	(40,011,445)	(8,411,705)
Other income	23	185,168,023	1,896,993
Financial charges	24	(73,947,030)	(74,347,091)
Profit before taxation		<u>539,864,577</u>	<u>113,497,060</u>
Taxation	25	(232,182,299)	(102,636,759)
Profit for the year		<u>307,682,278</u>	<u>10,860,301</u>
Other comprehensive income for the year		-	-
Total comprehensive income for the year		<u><u>307,682,278</u></u>	<u><u>10,860,301</u></u>

The annexed notes from 1 to 35 form an integral part of these financial statements.

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CHIEF EXECUTIVE



CHAIRMAN / DIRECTOR

**SINDH TRANSMISSION AND DISPATCH COMPANY (PRIVATE) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Issued, subscribed and paid capital	Advance against issuance of shares	Interest free element of long term finance (13.2.1)	General reserve	
				Unappropriated profit	Total
(Rupees)					
Balance at July 01, 2020	609,000,000	50,000,000	126,016,826	183,895,536	968,912,362
Amortisation of interest free element of loan	-	-	(38,030,171)	38,030,171	-
Profit for the year	-	-	-	10,860,301	10,860,301
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	10,860,301	10,860,301
Balance at June 30, 2021	609,000,000	50,000,000	87,986,655	232,786,008	979,772,663
Amortisation of interest free element of loan (pre modification)	-	-	(26,675,087)	26,675,087	-
Present value adjustment due to modification of loan from GoS	-	-	140,479,932	-	140,479,932
Amortisation of interest free element of loan for the year (post modification)	-	-	(11,140,514)	11,140,514	-
Shares issued against advance	50,000,000	(50,000,000)	-	-	-
Shares issuance cost	-	-	-	(478,335)	(478,335)
Profit for the year	-	-	-	307,682,278	307,682,278
Other comprehensive income	-	-	-	-	-
Total comprehensive income	-	-	-	307,682,278	307,682,278
Balance at June 30, 2022	659,000,000	-	190,650,986	577,805,552	1,427,456,538

The annexed notes from 1 to 35 form an integral part of these financial statements.

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**CHIEF EXECUTIVE**

  
**CHAIRMAN / DIRECTOR**

**SINDH TRANSMISSION AND DISPATCH COMPANY (PRIVATE) LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

	Note	2022 (Rupees)	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		539,864,577	113,497,060
<b>Adjustments for</b>			
Depreciation on plant and equipment	4	80,762,967	80,262,499
Depreciation on right of use asset	5	1,293,390	2,217,239
Profit on saving accounts	23	(48,270,113)	(758,733)
Profit on term deposit receipts	23	(16,370,206)	(997,260)
Liabilities written back - Modification of loan		-	-
Liabilities written back	23	(118,959,704)	-
Sindh Workers' Welfare Fund	22	11,017,644	2,316,267
Sindh Workers' Profit Participation Fund	22	28,993,801	6,095,438
Financial charges	24	73,947,030	74,347,091
		<u>552,279,386</u>	<u>276,979,600</u>
<b>(Increase) / decrease in current assets</b>			
Stores, spares and loose tools		(28,198,915)	(25,461,757)
Advances and prepayments		(4,331,594)	(1,256,825)
Trade debts		(22,001,622)	389,960,364
<b>Increase / (decrease) in current liabilities</b>			
Creditors, accrued and other payables		(1,226,158)	3,204,173
Sales tax payable		2,702,711	(5,324,685)
<b>Cash generated from operations</b>		<u>499,223,808</u>	<u>638,100,870</u>
Taxes paid	17	(9,227,733)	(72,012,273)
Sindh Workers' Welfare Fund paid		(8,044,896)	-
<b>Net cash generated from operating activities</b>		<u>481,951,179</u>	<u>566,088,597</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Long term deposit paid		(584,800)	-
Additions to plant and equipment		(65,520,389)	(1,394,869)
Addition in capital work-in-progress		(8,881,000)	-
Profit received on term deposit receipts		17,011,303	-
Profit received from bank on saving accounts		43,051,653	208,657
<b>Net cash used in investing activities</b>		<u>(14,923,233)</u>	<u>(1,186,212)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term finance	13	(118,405,167)	(173,920,928)
Financial charges paid		(71,500,413)	(72,516,389)
Repayment of lease liabilities	14	-	(2,723,226)
Share issuance cost		(478,335)	-
<b>Net cash used in financing activities</b>		<u>(190,383,915)</u>	<u>(249,160,543)</u>
<b>Net increase in cash and cash equivalents</b>		<u>276,644,031</u>	<u>315,741,842</u>
<b>Cash and cash equivalents at the beginning of the year</b>		<u>507,062,476</u>	<u>191,320,634</u>
<b>Cash and cash equivalents at the end of the year</b>		<u>783,706,507</u>	<u>507,062,476</u>
<b>Cash and cash equivalents at the end of the year</b>			
- Short term investments	8	-	100,000,000
- Cash and bank balance	10	783,706,507	407,062,476
		<u>783,706,507</u>	<u>507,062,476</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.

*MA*

*[Signature]*

CHIEF EXECUTIVE

*[Signature]*

CHAIRMAN / DIRECTOR

**SINDH TRANSMISSION AND DISPATCH COMPANY (PRIVATE) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

Sindh Transmission and Dispatch Company (Private) Limited (the Company) was incorporated in Pakistan on January 07, 2015 as a private limited company under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). Registered office of the Company is situated at State Life Insurance Building No.3, Dr. Ziauddin Ahmed Road, Karachi in the province of Sindh.

The Company is wholly owned subsidiary of Sindh Energy Holding Company (Private) Limited (the Parent Company) and ultimately controlled by Government of Sindh (GoS) (i.e. the ultimate controlling party). The principal activity of the Company is to procure electric power from electricity generation projects and transmission of it to distribution companies through its transmission infrastructure and network facilities. The Company obtained special purpose transmission license from National Electric Power Regulatory Authority (NEPRA) and Electrical Contractor license from Government of Sindh for the construction of double circuit transmission line project of 95km from Nooriabad Power Project to K-Electric grid station.

The NEPRA has granted the transmission license for a period of 30 years from December 17, 2015. The Company physically completed its transmission line by June 24, 2017 and revenue from the project is generated after the commercial operation date i.e. January 18, 2018.

The Company has also acquired Provincial Grid Company (PGC) license from NEPRA to engage in Transmission Business for its different projects to be executed in the Province of Sindh. After acquiring PGC the company has signed memorandum of undertaking (MOUs) with few parties and is in process of negotiating with other parties.

The NEPRA determined tariff, to be charged by the Company for the provision of transmission service, for a period of 25 years from the commercial operation date.

**2. BASIS OF PREPARATION**

**2.1 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 applicable in Pakistan comprise of:

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

These financial statements have been prepared under the historical cost convention except for lease liability against right of use asset which are measured at present value.

**2.3 Functional and presentation currency**

These financial statements are presented in Pakistani Rupees which is Company's functional and presentation currency.

**2.4 Critical accounting estimates and judgments**

The preparation of the financial statements in conformity with accounting and reporting standards, as applicable in Pakistan, requires management to make estimates, assumptions and use judgments that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

*MA*

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision. Areas where judgments and estimates made by the management that may have a significant effect on the amounts recognised in the financial statements are included in the following notes:

- useful lives and depreciation rates of plant and equipment (note 3.1 & 4)
- useful life and depreciation rates of right of use asset (3.2 & 5)
- investments, its clarification, valuation and impairments (note 3.4.1 & 8)
- impairment of financial and non-financial assets (note 3.4.5)
- assumption and estimation in recognition of current and deferred taxation (note 3.7)

## 2.5 Amendments to standards that are effective for the year ended June 30, 2022

The following amendments are effective for the year ended June 30, 2022. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	<b>Effective from accounting period beginning on or after</b>
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 01, 2021
Amendment to IFRS 16 'Leases' - Covid-19 related rent concessions extended beyond June 30, 2021	April 01, 2021

## 2.6 Amendments to accounting standards that are not yet effective for the year ended June 30, 2022

The following amendments are only effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

<b>Amendments</b>	<b>Effective from accounting period beginning on or after</b>
Amendments to IFRS 3 'Business Combinations' - Reference to the conceptual framework	January 01, 2022
Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before intended use	January 01, 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts — cost of fulfilling a contract	January 01, 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle (related to IFRS 9, IFRS 16 and IAS 41)	January 01, 2022
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 01, 2023
Amendments to IAS 1 'Presentation of Financial Statements' - Disclosure of accounting policies	January 01, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of accounting estimates	January 01, 2023
Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred indefinitely

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Other than the aforesaid amendments the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted in Pakistan by the Securities and Exchange Commission of Pakistan (SECP):

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 17 – Insurance Contracts

The above standards are not expected to have any material impact on the Company's financial statements in the period of initial application.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies as set out below are consistently applied / adopted for all periods presented in these financial statements.

#### 3.1 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Depreciation is charged to statement of profit or loss and other comprehensive income by applying the reducing balance method except for transmission line which is depreciated by applying straight line method at the rates specified in note 4. Additions to the transmission line are depreciated over the remaining useful life of transmission line. Depreciation on all additions is charged from the month on which the asset is available for use and continued till the month preceding the month of disposal.

The depreciation method and assets' useful lives are reviewed and adjusted, if appropriate, at each reporting date.

When parts of an item of plant and equipment have different useful lives, they are recognised as separate items of plant and equipment.

Maintenance and normal repairs are charged to statement of profit or loss and other comprehensive income as and when incurred. Improvements are capitalised when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably. Assets so replaced, if any, are derecognised.

Any gain or loss on disposal of assets are taken to the statement of profit or loss and other comprehensive income in the year when the asset is derecognised.

#### 3.2 Right of use asset and lease liabilities

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### Right of use asset

At the commencement date of the lease, the right of use assets is initially measured at the present value of lease liability. Subsequently, right of use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. Right of use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

##### Lease liabilities

At the commencement date of the lease, the Company recognises lease liability measured at the present value of the consideration (lease payments) to be made over the lease term and is adjusted for lease prepayments. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use the incremental rate of borrowing. After the commencement date, the carrying amount of lease liability is increased to reflect the accretion of interest and reduced for the lease payments made.

#### 3.3 Stores, spares and loose tools

Stores, spares and loose tools excluding items in transit are valued at lower of moving average cost and net realisable value. Items in transit are valued at cost comprising invoice values plus other charges incurred thereon accumulated to the reporting date.

### 3.4 Financial instruments

#### 3.4.1 Financial assets

Initial recognition, classification and measurement. Consequent to the adoption of IFRS 9, financial assets are classified as financial assets at Amortised Cost, Fair Value through Other Comprehensive Income (FVOCI) or Fair Value through Profit or Loss (FVPL). The management determines the classification of financial assets at initial recognition based on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset is measured at amortised cost if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) 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.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) 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.

A financial asset is measured at fair value through profit or loss if it is not measured at amortised cost or at fair value through other comprehensive income.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets at amortised cost are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, if any. Interest income and impairment losses are recognised in profit or loss. Financial assets carried at FVOCI are initially and subsequently measured at fair value, with gains and losses arising from changes in fair value recognised in other comprehensive income. Financial assets carried at FVPL are initially recorded at fair value and transaction costs are expensed in the statement of profit or loss and other comprehensive income, in profit or loss for the period. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVPL are included in the statement of profit or loss and other comprehensive income in the period in which they arise.

#### 3.4.2 Financial liabilities

The Company recognises a financial liability in its statement of financial position when, and only when, it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial liability at its fair value, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability. Subsequently, financial liabilities are stated at amortised cost.

#### 3.4.3 Derecognition

##### a) Financial asset

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

- i) Transferred substantially all of the risks and rewards of the asset or;
- ii) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

**b) Financial liability**

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 statement of profit or loss and other comprehensive income.

**3.4.4 Offsetting of financial assets and financial liabilities**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**3.4.5 Impairment**

**a) Financial assets**

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. When there is an objective evidence that an impairment loss has been incurred,

The Company assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there as been a significant increase in credit risk.

**b) Non-financial assets**

The Company assesses at each reporting date whether there is any indication that non-financial assets may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amount, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in statement of profit or loss and other comprehensive income. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in statement of profit or loss and other comprehensive income.

**3.5 Cash and cash equivalents**

For the purpose of statement of cash flows, cash and cash equivalents consist of cash in hand, balances with banks, short-term running finances and term deposit receipts of less than 3 months.

**3.6 Provisions**

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of the 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 of the amount can be made. However, provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.



**Taxation****Current**

Provision for current taxation is based on taxable income at the current tax rates after taking into account tax credits and rebates available, if any or on turnover at the specified rates as defined in section 153(1)(b) of the Income Tax Ordinance, 2001 or Alternate Corporate Tax as defined in section 113C of the Income Tax Ordinance, 2001, whichever is higher. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise due to assessment framed / finalised during the year.

**Deferred**

Deferred tax is provided using the liability method for all temporary differences at the reporting date between tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax asset is recognised for all deductible temporary differences and unused tax losses, if any, to the extent that it is probable that taxable profits and taxable temporary differences will be available against such temporary differences and tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the reporting date.

**3.8 Share capital**

Share capital is classified as equity and recognised at the face value. Incremental costs directly attributable to the issue of new shares are shown as a deduction in equity.

**3.9 Interest free element of long term finance**

Interest free long term finance is initially recognised at the present value of future payments discounted at a market rate of return / interest for a similar debt instrument. The difference between the cash paid or received and present value at initial recognition is recognised as an addition to its equity in order to reflect the economic substance of the transaction. Subsequently, this amount is amortized over the terms of loan.

**3.10 Advance against issuance of shares**

Advance received on account of equity investment by the parent is classified as advance against issuance of shares until shares are issued.

**3.11 Revenue recognition**

Revenue is recognised when or as performance obligations are satisfied by transferring control of a promised goods or services to the customer, over time or at a point in time.

**Revenue from transmission of electricity**

Revenue from transmission of electricity is recognised when electricity is transferred to third party i.e. at the time of transmission of electricity to the K-Electric Limited.

**Interest / Mark-up income**

The Company recognises interest income / mark-up using effective interest rate on bank balances, deposits and investments when the right to receive is established.

**3.12 Expenses**

All expenses are recognized on accrual basis in the statement of profit or loss and other comprehensive income.

4. PLANT AND EQUIPMENT

Operating fixed assets  
Capital work-in-progress

Note	2022	2021
4.1	1,676,949,722	1,692,192,300
4.5	8,881,000	-
	<u>1,685,830,722</u>	<u>1,692,192,300</u>

4.1 Operating fixed assets

Particulars	Cost at July 01, 2021	Additions	Cost at June 30, 2022	Accumulated depreciation at July 01, 2021	Depreciation for the year	Accumulated depreciation at June 30, 2022	Carrying value at June 30, 2022	Rate
Transmission line (4.2 and 4.3)	1,955,012,274	49,824,866	2,004,837,140	273,701,718	78,615,699	352,317,417	1,652,519,723	0.4 - 05
Lease hold improvements	1,852,146	-	1,852,146	649,204	180,441	829,645	1,022,501	15
Office equipment	2,555,311	74,880	2,630,191	1,323,810	379,159	1,702,969	927,222	30
Vehicles	11,186,000	14,948,000	26,134,000	6,554,645	970,554	7,525,199	18,608,801	15
Furniture and fixtures	6,018,060	672,643	6,690,703	2,202,114	617,114	2,819,228	3,871,475	15
	<u>1,976,623,791</u>	<u>65,520,389</u>	<u>2,042,144,180</u>	<u>284,431,491</u>	<u>80,762,967</u>	<u>365,194,458</u>	<u>1,676,949,722</u>	

For comparative year

Particulars	Cost at July 01, 2020	Additions	Cost at June 30, 2021	Accumulated depreciation at July 01, 2020	Depreciation for the year	Accumulated depreciation at June 30, 2021	Carrying value at June 30, 2021	Rate
Transmission line (4.2)	1,955,012,274	-	1,955,012,274	195,501,226	78,200,492	273,701,718	1,681,310,556	04
Lease hold improvements	1,852,146	200,000	1,852,146	461,191	188,013	649,204	1,202,942	15
Office equipment	1,839,521	715,790	2,555,311	888,450	435,360	1,323,810	1,231,501	30
Vehicles	11,186,000	-	11,186,000	5,737,347	817,298	6,554,645	4,631,355	15
Furniture and fixtures	5,538,981	479,079	6,018,060	1,580,778	621,336	2,202,114	3,815,946	15
	<u>1,975,228,922</u>	<u>1,394,869</u>	<u>1,976,623,791</u>	<u>204,168,992</u>	<u>80,262,499</u>	<u>284,431,491</u>	<u>1,692,192,300</u>	

4.2 The transmission line comprises of 522 towers at different locations for which the Company had obtained right to install the towers from relevant authority.

4.3 During the year Company had incurred Rs. 49.82 million on rehabilitation of transmission lines which is capitalized in transmission line. The useful life of rehabilitation is estimated to be the remaining life of transmission lines.

		2022	2021
		(Rupees)	
<b>4.4 Depreciation charged during the year</b>	<b>Note</b>		
Cost of service	20	78,615,699	78,200,492
Administrative expenses	21	2,147,268	2,062,007
		<u>80,762,967</u>	<u>80,262,499</u>
<b>4.5 Capital work-in-progress</b>			
Balance on July 01,		-	-
Advance for purchase of vehicle		8,881,000	-
Balance on June 30,		<u>8,881,000</u>	-
<b>5. RIGHT OF USE ASSET</b>			
<b>Rental premises</b>			
Balance as at July 01,		5,727,868	5,727,868
Accumulated depreciation as at July 01,		4,434,478	2,217,239
Depreciation for the year	21	1,293,390	2,217,239
Accumulated depreciation as at June 30,		5,727,868	4,434,478
Net book value as at June 30,		-	1,293,390
Lease term (in months)		31	31
<b>6. ADVANCES AND PREPAYMENTS</b>			
<b>Advances</b>			
- Advance to employees		62,955	-
<b>Prepayments:</b>			
- Insurance		4,017,155	2,697,786
- Rent		3,034,287	1,081,659
- Other		1,619,983	623,340
		8,671,424	4,402,785
		<u>8,734,379</u>	<u>4,402,785</u>
<b>7. TRADE DEBTS</b>			
<b>Considered good - unsecured</b>			
Trade debts		<u>99,993,694</u>	<u>77,992,072</u>
<b>7.1 The length of credit period offered to K-Electric is 35 days.</b>			
<b>7.2 Ageing of trade debts</b>			
Not yet due		49,177,227	77,992,072
Past due within 30 days		50,816,467	-
		<u>99,993,694</u>	<u>77,992,072</u>

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	Note	2022	2021
		(Rupees)	
<b>8. SHORT TERM INVESTMENTS</b>			
<b>Amortised cost</b>			
Term deposit receipts	8.1	-	100,000,000

8.1 It represented Term Deposits Receipts (TDRs) carrying effective interest rates from 9% - 12.5% (2021: 6.5%) per annum. These were matured on August 05, 2021.

	Note	2022	2021
		(Rupees)	
<b>9. ACCRUED MARKUP</b>			
Profit on Term deposit receipts		-	997,261
Profit on saving accounts		7,172,494	1,597,869
		<u>7,172,494</u>	<u>2,595,130</u>

	Note	2022	2021
		(Rupees)	
<b>10. CASH AND BANK BALANCES</b>			
Balances with banks			
- current accounts		32,165	34,045
- saving accounts	10.1	783,641,668	406,984,309
Cash in hand		32,674	44,122
		<u>783,706,507</u>	<u>407,062,476</u>

10.1 These carry mark-up rates ranging from 5.4% to 6.2% (2021: 5.5% to 6.5%) per annum.

	2022	2021	2022	2021
	Number of ordinary shares		(Rupees)	
<b>11. SHARE CAPITAL</b>				
<b>Authorised capital</b>				
Ordinary shares of Rs. 10 each	<u>65,900,000</u>	<u>60,900,000</u>	<u>659,000,000</u>	<u>609,000,000</u>
<b>Issued, subscribed and paid-up capital</b>				
Ordinary shares of Rs. 10 each fully paid in cash	<u>65,900,000</u>	<u>60,900,000</u>	<u>659,000,000</u>	<u>609,000,000</u>

11.1 100% of shares of the Company are held by the Sindh Energy Holding Company (Private) Limited (Parent Company).

11.2 The Company has one class of ordinary shares which carry no right to fixed income. The shareholders are entitled to receive dividend from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets. One share at par has been issued to each nominee director of the Company.

	Note	2022	2021
		(Rupees)	
<b>12. ADVANCE AGAINST ISSUANCE OF SHARES</b>			
Sindh Energy Holding Company (Private) Limited	12.1	-	50,000,000

12.1 This represented an amount received on March 06, 2019 as advance against issuance of shares. During the year, the Company has issued the shares.

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		2022	2021
		(Rupees)	
<b>13. LONG-TERM FINANCE</b>	<b>Note</b>		
Sindh Energy Holding Company (Private) Limited	13.1	508,742,749	579,819,083
Government of Sindh	13.2	292,535,225	480,343,990
		<u>801,277,974</u>	<u>1,060,163,073</u>
Less: Current portion shown under current liabilities			
- Sindh Energy Holding Company (Private) Limited		(113,063,474)	(113,063,474)
- Government of Sindh		(76,842,105)	(418,362,570)
		<u>(189,905,579)</u>	<u>(531,426,044)</u>
		<u>611,372,395</u>	<u>528,737,029</u>
<b>13.1 From Sindh Energy Holding Company (Private) Limited Parent Company - Secured</b>			
Term finance	13.1.1	691,000,000	691,000,000
Add: Cumulative amount of interest			
- Opening		171,477,768	126,398,602
- Charged for the year	24	41,987,140	45,079,166
		<u>213,464,908</u>	<u>171,477,768</u>
Less: Cumulative repayment of loan			
- Opening		(282,658,685)	(113,063,474)
- Repaid during the year		(113,063,474)	(169,595,211)
		<u>(395,722,159)</u>	<u>(282,658,685)</u>
		<u>508,742,749</u>	<u>579,819,083</u>
Less: Current portion shown under current liabilities		(113,063,474)	(113,063,474)
		<u>395,679,275</u>	<u>466,755,609</u>
<b>13.2 From Government of Sindh</b>			
Term finance	13.2.1	730,000,000	730,000,000
Less: Present value adjustment		(230,002,821)	(230,002,821)
		<u>499,997,179</u>	<u>499,997,179</u>
Add: Cumulative unwinding of interest			
- Opening		210,873,129	183,435,906
- Charged for the year	24	19,129,692	27,437,223
		<u>230,002,821</u>	<u>210,873,129</u>
Less: Cumulative repayment of loan			
- Opening		(230,526,318)	(153,684,212)
- Repaid during the year		(38,421,053)	(76,842,106)
		<u>(268,947,371)</u>	<u>(230,526,318)</u>
		<u>461,052,629</u>	<u>480,343,990</u>
<b>Modification - Rescheduling of interest free loan</b>			
Derecognition of loan due to modification	13.2.1	(461,052,629)	-
		-	-
Rescheduled future repayments		461,052,629	-
Present value adjustment		(140,479,932)	-
Recognition of loan after rescheduling		<u>320,572,697</u>	-
Unwinding of interest during the year	24	10,383,581	-
Repayment of loan		(38,421,053)	-
		<u>292,535,225</u>	-
Less: Current portion shown under current liabilities			
- Amount due but not paid	13.2.2	-	(256,140,348)
- Current portion		(76,842,105)	(162,222,222)
		<u>(76,842,105)</u>	<u>(418,362,570)</u>
		<u>215,693,120</u>	<u>61,981,420</u>

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13.1.1 The Company has received a loan of Rs. 691 million from Parent company Sindh Energy Holding Company (Private) Limited to finance construction of 132 KV double circuit transmission line vide letter No. F.D (FMH) 212 (1) 2015-16 dated February 23, 2018. The loan is secured against hypothecation charge on assets and is repayable in semi-annual installments of Rs. 56.53 million by December 2027 commencing from June 2019. The loan carry an interest at rate of 6 months KIBOR + 3% per annum.

An addendum to the above contract was signed on May 29, 2019 in which both the parties agreed to change the spread on the loan from 6 months KIBOR + 3% to 6 months KIBOR + 2.75% per annum.

13.2.1 The Company has received an interest free loan of Rs. 730 million from Government of Sindh (the ultimate controlling party) to finance construction of 132 KV double circuit transmission line vide letter No. F.D (FMH) 212 (1) 2015-16 dated May 13, 2016. The loan is secured against hypothecation charge on assets and repayable in nine semi-annual instalments of Rs. 81.11 million each by December 2022. The fair value of loan is estimated at Rs. 499.9 million using prevailing market interest rate for an equivalent loan of 8.4% per annum. The difference of Rs. 230 million between the gross proceeds and fair value is the benefit derived from interest free loan (interest free element of loan) and is recognised as equity.

An addendum to the above arrangement was signed on April 11, 2022 in which both the parties agreed to reschedule the repayment of interest free loan obtained from Government of Sindh on May 13, 2016. Accordingly, the Company shall pay in nineteen installments over the period of 10 years with a grace period of 6 months starting from December 31, 2018 and ending on December 31, 2027. The remaining amount of Rs. 461.05 million on April 11, 2022, modified fair value of loan is estimated at Rs. 320.57 million using prevailing market interest rate for an equivalent loan of 13.4% per annum. The total difference of Rs. 140.48 million between the rescheduled liability and modified fair value is the benefit derived from interest free loan (interest free element of loan) and is recognised as equity.

#### 14. DEFERRED TAX

	Deferred tax recognised in			Balance at June 30, 2022
	Balance at July 01, 2021	Profit or loss	Other comprehensive income	
(Rupees)				
<b>Movement for the year ended June 30, 2022</b>				
Deferred tax liabilities on taxable / (deductible) temporary differences arising in respect of :				
- Accelerated tax depreciation allowance	266,213,383	57,556,331	-	323,769,713
- Unabsorbed tax depreciation	(130,620,404)	72,068,761	-	(58,551,643)
- Alternate Corporate Tax	-	(29,521,809)	-	(29,521,809)
- Minimum Tax	(18,274,992)	18,274,992	-	-
<b>Deferred tax liability</b>	<b>117,317,987</b>	<b>118,378,274</b>	<b>-</b>	<b>235,696,261</b>
	Deferred tax recognised in			Balance at June 30, 2021
	Balance at July 01, 2020	Profit or loss	Other comprehensive income	
(Rupees)				
<b>Movement for the year ended June 30, 2021</b>				
Deferred tax liabilities on taxable / (deductible) temporary differences arising in respect of :				
- Accelerated tax depreciation allowance	249,627,960	16,585,423	-	266,213,383
- Unabsorbed tax depreciation	(149,440,418)	18,820,014	-	(130,620,404)
- Minimum Tax	(18,274,992)	-	-	(18,274,992)
<b>Deferred tax liability</b>	<b>81,912,550</b>	<b>35,405,437</b>	<b>-</b>	<b>117,317,987</b>

Due to introduction of Section 4C – "Super Tax on High earning persons" in the Income Tax Ordinance, 2001, rate for future periods on which deferred tax will be realized is considered to be 33% (NTR 29% and 4% Super Tax).

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	Note	2022	2021
		(Rupees)	
<b>15. LEASE LIABILITIES</b>			
Balance as at July 01,		-	2,498,880
Interest on lease liabilities	24	-	224,346
Repayment		-	(2,723,226)
Lease liabilities		-	-
<b>16. CREDITORS, ACCRUED AND OTHER PAYABLES</b>			
Creditors		6,432,632	4,532,988
Accrued liabilities		1,190,195	2,379,984
Sindh Workers' Welfare Fund	16.1	11,017,644	8,044,896
Sindh Workers' Profit Participation Fund	16.2	55,450,394	24,009,976
Retention money	16.3	-	17,156,289
Encash guarantee	16.3	-	94,689,509
Other payable		27,040	9,076,958
		<u>74,117,905</u>	<u>159,890,600</u>
<b>16.1 Sindh Workers' Welfare Fund</b>			
Balance as at July 1		8,044,896	5,728,629
Charged for the year	22	11,017,644	2,316,267
Less: Paid during the year		(8,044,896)	-
Balance as at June 30		<u>11,017,644</u>	<u>8,044,896</u>
<b>16.2 Sindh Workers' Profit Participation Fund</b>			
Balance as at July 1		24,009,976	16,308,182
Charged for the year	22	28,993,801	6,095,438
Interest on funds utilised in the Company's business	16.2.1	2,446,617	1,606,356
Balance as at June 30		<u>55,450,394</u>	<u>24,009,976</u>

16.2.1 Interest on funds utilised in the business of the Company is charged at 6 months KIBOR + 2.5%.

16.3 The Company received a letter No. NABR20190131159667/2019/IW/Inv/284 from NAB dated August 05, 2019, against the plea bargaining deal between Engineering, Procurement and Construction Contractor (EPC Contractor) and NAB, directing the Company to encash performance guarantees of Rs. 93.99 million deposited by EPC with the Company against the EPC Contract.

NAB also instructed to stop payments against any pending invoices or against any unused store items. Retention money of Rs. 17.15 million deducted in prior years from payment to M/S Technoman Kinetics (Private) Limited, the contractor of the Company.

The Company complied with directions of NAB and informed NAB through a letter having number 2019-092 dated October 16, 2019. During the year on receipt of further Rs. 1.5 million from NAB over and above compensation (apart from encashed guarantee and retained amount of Rs. 118.96 million as explained above), the management became virtually certain that these amounts will not be returned, therefore taken to income.

		2022	2021
		(Rupees)	
<b>17. TAXATION - NET</b>			
Opening balance		10,275,788	15,056,740
Provision for taxation		113,804,025	67,231,322
Advance tax deducted / paid		(9,227,733)	(72,012,274)
Closing balance		<u>114,852,080</u>	<u>10,275,788</u>

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## 18. CONTINGENCIES AND COMMITMENTS

### 18.1 Contingencies

18.1.1 The Company filed modification petition with The National Electric Power Regulatory Authority (NEPRA) to modify / clarify the applicability of transmission line losses limit. Initially the Company claimed 3% line losses in tariff against which NEPRA allowed 1.5% on provisional basis. NEPRA determined the tariff of the Company and allowed 2% transmission losses from the date of decision of NEPRA. The Company filed the modification petition claiming that transmission losses should be allowed from the date of Commercial Operation Date (COD) instead of date of decision.

On November 04, 2020, NEPRA vide letter No. NEPRA/ADG(Tariff).TRF-346/ST&DCPL-2015/39283 has disallowed the claim made by the Company and decided to maintain its earlier decision.

On December 03, 2020, the Company has filed an appeal against above order with the Appellate Tribunal National Electric Power Regulatory Authority but the application has been returned by NEPRA on jurisdiction grounds through letter no. NEPRA/R/TRF-100/2457 dated February 15, 2021.

The Company has filed writ petition dated April 01, 2021 to the honourable Islamabad High Court and Management is confident that decision will be in the favor of the Company.

Subsequently, the Company has filed an appeal against above order with the Appellate Tribunal (NEPRA) on July 04, 2022 and Management is confident that decision will be in the favor of the Company.

18.1.2 The Company had incurred capital expenditure amounting to Rs. 1.955 billion which was transferred from capital work in progress to plant and equipment on January 18, 2018. The tariff approved by National Electric Power Regulatory Authority (NEPRA) on February 10, 2017 and later revised on June 14, 2018 as per the agreement is based on a cost of Rs. 1.7 billion. In this regard, the Company has filed a writ petition in Islamabad High Court regarding the grievances on various matters of tariff, the case is still pending and no hearing has been made yet.

18.2 Commitments	2022	2021
	(Rupees)	
Rental - less than 1 year	1,287,002	952,308

Monthly rental payments are to be made in respect of accommodation of operation staff.

19. REVENUE FROM CONTRACTS WITH CUSTOMERS	Note	2022	2021
		(Rupees)	
Revenue from transmission of electricity		568,266,798	466,673,882
Tariff indexation adjustment	19.1	239,109,912	-
Less: Sindh sales tax	19.2	(92,884,046)	(53,688,146)
		<u>714,492,664</u>	<u>412,985,736</u>

19.1 It pertains to indexation of tariff billed to K-Electric pertaining to prior periods approved by NEPRA on August 05, 2021.

19.2 Sindh sales tax on services is applicable on electric power transmission services at rate of 13%.

19.3 Disaggregation of revenue	Note	2022	2021
		(Units)	
Number of units transmitted (MWh) to:			
K-Electric Limited	19.4	885,286	885,286

NA



	Note	2022 <u>(Units)</u>	2021
<b>19.4 Capacity</b>			
Actual capacity (MWh)		<u>885,286</u>	<u>885,286</u>
Utilised capacity (MWh)		<u>885,286</u>	<u>885,286</u>
No. of days		<u>365</u>	<u>365</u>
<b>20. COST OF REVENUE</b>			
Depreciation on plant and equipment	4.4	78,615,699	78,200,492
Manpower supply services		34,866,729	26,741,733
Surveillance / Transportation		27,757,320	23,176,300
Insurance		16,620,755	16,630,329
Staff salaries and benefits		8,433,178	11,183,285
Accommodation of maintenance staff		3,055,370	2,939,368
Maintenance of towers, poles and fixtures		3,605,672	4,127,611
		<u>172,954,723</u>	<u>162,999,118</u>
<b>21. ADMINISTRATIVE EXPENSES</b>			
Staff salaries and benefits		43,625,165	34,284,558
Legal and professional		3,088,250	6,845,000
Depreciation on plant and equipment	4.4	2,147,268	2,062,007
Depreciation on right of use asset	5	1,293,390	2,217,239
Short term lease		1,248,060	-
Utilities		1,914,275	1,186,040
Vehicles running and maintenance		3,438,390	1,776,569
Advertisement		1,902,377	1,766,205
Fees and subscription		9,007,177	726,114
Traveling and conveyance		1,503,568	62,802
Entertainment		1,152,166	860,441
Printing and stationery		387,431	283,947
Auditor's remuneration	21.1	660,000	825,000
Insurance		556,399	473,484
Staff training and development		367,036	1,308,000
Others		591,961	950,549
		<u>72,882,912</u>	<u>55,627,756</u>
<b>21.1 Auditor's remuneration</b>			
Audit fee and review of Code of Corporate Governance fees		600,000	600,000
Other fees		-	150,000
Out of pocket		60,000	75,000
		<u>660,000</u>	<u>825,000</u>
<b>22. OTHER OPERATING EXPENSES</b>			
Sindh Workers' Welfare Fund		11,017,644	2,316,267
Sindh Workers' Profit Participation Fund		28,993,801	6,095,438
		<u>40,011,445</u>	<u>8,411,705</u>

	Note	2022 ----- (Rupees) -----	2021
<b>23. OTHER INCOME</b>			
Profit on saving accounts		48,270,113	758,733
Profit on term deposits receipts		16,370,206	997,260
Bidding fees		68,000	141,000
Liabilities written back	16.3	118,959,704	-
Regulatory Credits	23.1	1,500,000	-
		<u>185,168,023</u>	<u>1,896,993</u>

23.1 This represents over and above compensation received from NAB relating to EPC contract case. Refer to Note 16.3 for details.

	Note	2022 ----- (Rupees) -----	2021
<b>24. FINANCIAL CHARGES</b>			
- Interest on loan from Sindh Energy Holding Company (Private) Limited Parent Company	13.1	41,987,140	45,079,166
- Unwinding of loan from Government of Sindh	13.2	23,028,256	27,437,223
- Impact of modification of loan		6,485,017	-
- Interest on Sindh Workers' Profit Participation funds utilised in the Company's business	16.2	2,446,617	1,606,356
- Interest on lease liabilities	15	-	224,346
		<u>73,947,030</u>	<u>74,347,091</u>

## 25. TAXATION

### Current

- for the year	25.1	91,776,978	68,530,739
- Provision for super tax under section 4C for tax year 2022		22,027,047	-
- for prior year		-	(1,299,417)
		<u>113,804,025</u>	<u>67,231,322</u>
Deferred tax	14	118,378,274	35,405,437
		<u>232,182,299</u>	<u>102,636,759</u>

### 25.1 Relationship between the tax expense and accounting profit

Profit before taxation		<u>539,864,577</u>	<u>113,497,060</u>
Tax at the applicable rate of 29% (2021: 29%)		156,560,727	32,914,147
Prior year charge		-	1,299,417
Tax effect due to alternate corporate tax		(64,783,749)	-
Tax effect due to super tax		22,027,047	-
Tax charge for the year		<u>113,804,025</u>	<u>34,213,564</u>

25.2 During the year, the Government of Pakistan through Finance Act, 2022 has introduced section 4C – 'Super Tax on high earning persons' in the Income Tax Ordinance, 2001 (the Ordinance). Super tax is applicable for tax year 2022 and onwards at different rates on all persons (including the Company) having taxable income of Rs. 150 million or more and rates vary from 0.5% to 4% as per slabs provided in the Ordinance. The Company has made the provision accordingly.

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## 26. REMUNERATION OF CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amount charged in these financial statements in respect of remuneration and benefits to the Chief Executive and other Executives are as follows:

	2022		2021	
	Chief Executive	Executives	Chief Executive	Executives
	(Rupees)			
Remuneration	9,951,579	5,397,684	8,806,717	7,724,434
Bonus	486,000	466,727	395,702	521,609
House rent	-	2,428,958	-	3,475,995
Utility allowance	-	539,768	-	772,443
Cost of Living allowance	-	809,653	-	1,158,665
Special pay	-	819,649	-	1,172,970
	<b>10,437,579</b>	<b>10,462,439</b>	<b>9,202,419</b>	<b>14,826,117</b>
No. of person	1	2	1	2

26.1 An amount of Rs. 2.59 million (2021: Rs. 2.1 million) has been charged in these financial statements in respect of fee paid to Directors for attending Board meetings.

26.2 Chief executive and executives are provided with company maintained vehicles.

	2022	2021
27. NUMBER OF EMPLOYEES		
Average number of employees during the year	33	29
Number of employees as at June 30	35	31

## 28. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise parent company and key management personnel. The transactions between the Company and the related parties are carried out as per agreed terms. Amounts due from and to related parties and key management personnel, if any, are shown under receivables and payables. Remuneration of key management personnel is disclosed in note 26. Other significant transactions with related parties are as follows:

Name and Relationship with the Company	Nature of transactions	Note	2022	2021
			(Rupees)	
Sindh Energy Holding Company (Private) Limited - Holding Company	Repayment of loan	13.1	73,516,715	100,228,522
Sindh Energy Holding Company (Private) Limited - Holding Company	Payment of interest	13.1	39,546,759	69,366,689
Government of Sindh	Repayment of loan	13.2	76,842,106	76,842,106

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## 29. CHANGES ARISING FROM FINANCING ACTIVITIES

The table below states changes in the Company's liabilities arising from financing activities, including cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Company's statement of cash flows as cash flows from financing activities.

	July 01, 2021	Financing cash inflows	Financing cash outflows	Non cash changes	June 30, 2022
	(Rupee)				
Long-term finance	1,060,163,073	-	(189,905,580)	71,500,413	941,757,906

	July 01, 2020	Financing cash inflows	Financing cash outflows	Non cash changes	June 30, 2021
	(Rupee)				
Lease liabilities	2,498,880	-	(2,723,226)	224,346	-
Long-term finance	1,234,084,001	-	(246,437,317)	72,516,389	1,060,163,073

2022                      2021  
----- (Rupees) -----

## 30. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES

### 30.1 Financial Instrument by category

#### Financial assets

##### Amortised cost

- Long term deposit	1,679,800	1,095,000
- Trade debts	99,993,694	77,992,072
- Short term investments	-	100,000,000
- Accrued markup	7,172,494	2,595,130
- Cash and bank balance	783,706,507	407,062,476
	<u>892,552,495</u>	<u>588,744,678</u>

#### Financial liabilities

##### Amortised cost

- Long-term finance	801,277,974	1,060,163,073
- Creditor, accrued and other payables	7,649,867	127,835,728
	<u>808,927,841</u>	<u>1,187,998,801</u>

### 30.2 Financial risk management objectives and policies

The Board of Directors has overall responsibility for the establishment and oversight of the Company's financial risk management. The responsibility includes developing and monitoring the Company's risk management policies. To assist the Board in discharging its oversight responsibility, management has been made responsible for identifying, monitoring and managing the Company's financial risk exposures. The Company's exposure to the risks associated with the financial instruments and the risk management policies and procedures are summarised as follows:

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### 30.2.1 Financial risk factors

#### Introduction and overview

The Company has exposure to the following risks from financial instruments:

- market risk
- credit risk
- liquidity risk

### 30.2.2 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates, foreign exchange rates or the equity prices due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

#### (a) Foreign currency risk management

Foreign currency risk is the risk that the value of financial assets or a financial liability will fluctuate due to a change in a foreign exchange rates. It arises mainly where receivable and payables exist due to transactions in foreign currency. As at the reporting date, the Company is not exposed to the risk.

#### (b) Price risk management

Price risk is 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. As at reporting date, the Company is not exposed to price risk.

#### (c) Interest rates consideration

Interest rate risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

	Carrying amount	
	2022	2021
	----- (Rupees) -----	
<b>Variable rate instruments</b>		
Financial assets - bank balances	<u>783,641,668</u>	<u>406,984,309</u>
<b>Fixed rate instruments</b>		
Financial liabilities - long term loan	<u>508,742,749</u>	<u>579,819,083</u>
<b>Interest rate sensitivity analysis</b>		

If interest rates had been 100 basis points higher / lower and all other variables held constant, the Company's profit for the year would decrease / increase by Rs. 11.25 million (2021 : Rs. 8.42 million). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

### 30.2.3 Credit risk and concentration of credit risk

Credit risk represents the accounting loss that would be recognised at the reporting date if counter parties fail completely to perform as contracted. The financial assets of Rs. 892.52 million (2021: Rs.588.7 million) are subject to credit risk.

The Company is exposed to credit risk from its operating activities primarily for trade debts, long term deposits and other financial instruments. The credit risk on liquid funds is limited because the counter parties are banks with reasonably high credit ratings i.e. A-1+ to A-1 in short term and AAA to A for long term. Further the credit risk on trade debts is also limited because there is only one customer K-Electric Limited.

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## Bank balances

The credit quality of the Company's bank balances as at June 30, 2022 with respect to external credit rating:

Banks	Rating	Long term	Short term	2022		2021	
				(Rupees)			
National Bank of Pakistan	PACRA	AAA	A-1+	152,944,153		214,905,510	
Sindh Bank Limited	VIS	A+	A-1	32,165		34,045	
Al Baraka Bank (Pakistan) Limited	PACRA	A	A-1	630,697,515		192,078,799	
				<u>783,673,833</u>		<u>407,018,354</u>	

The exposure to banks are managed by dealing with major banks and monitoring exposure limits on continuous basis. Balances with banks are assessed to have low credit risk of default since these banks are highly regulated by the State Bank of Pakistan. Accordingly, management of the Company estimates that loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month Expected Credit Loss (ECL). Taking into account the historical default experience and the current credit ratings of the banks, the management of the Company have assessed that there is no impairment, and therefore have not recorded any loss allowances on these balances.

### 30.2.4 Liquidity risk

Liquidity risk reflects the Company's inability to raising funds to meet commitments. The Company manages liquidity risk by maintaining adequate cash reserves.

#### Liquidity and interest risk table

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

	Interest rate	Less than 1 month	1 - 3 months	3 months - 1 years	1 - 5 years	Total
<b>2022</b>		(Rupees)				
Long-term financing	7% - 13.4%	-	-	189,905,579	611,372,395	801,277,974
Creditor, accrued and other payables		-	7,649,867	-	-	7,649,867
		-	<u>7,649,867</u>	<u>189,905,579</u>	<u>611,372,395</u>	<u>808,927,841</u>
<b>2021</b>						
Long-term financing	7% - 8.4%	-	-	531,426,044	528,737,029	1,060,163,073
Creditor, accrued and other payables		-	127,835,728	-	-	127,835,728
		-	<u>127,835,728</u>	<u>531,426,044</u>	<u>528,737,029</u>	<u>1,187,998,801</u>

### 31. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

- (a) Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values as the items are short term in nature.

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(b) Fair value estimation

The Company discloses the financial instruments measured in the balance sheet at fair value in accordance with the following fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: 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: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at June 30, 2022 and June 30, 2021, the Company do not have any financial assets and liabilities which can be classified under above levels.

32. CAPITAL RISK MANAGEMENT

The Company's objectives, policies and processes for managing capital are as follows:

- The Company is not subject to any externally imposed capital requirements.
- 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 benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.
- Consistently with others in the industry, the Company monitors capital on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt is calculated as total debt (as shown in the statement of financial position) less cash and bank balances. Adjusted capital comprises of net debts and all components of equity (i.e. share capital and unappropriated profit). The Company is not required to maintain any Debt : Equity ratio.

33. CORRESPONDING FIGURES

Corresponding figures have been reclassified, wherever necessary, for the purposes of comparison and better presentation. However, there are no material reclassification.

Reclassification		2021
From	To	Rupees
Advance income tax	Taxation - net	31,302,206
Provision for tax	Taxation - net	146,154,286
		<u>114,852,080</u>

34. GENERAL

Figures have been rounded off to the nearest Rupee unless otherwise stated.

35. DATE OF AUTHORISATION FOR ISSUE

These financial statements have been approved by the Board of Directors of the Company and authorised for issue on

30 SEP 2022

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CHIEF EXECUTIVE OFFICER

DIRECTOR / CHAIRMAN