

QUARTER 3

July – September 2025

Phase II Quarter 12



SECMC

Sindh Engro Coal Mining Company

16th Floor, The Harbor Front Building,
HC#3, Marine Drive, Block 4, Clifton,
Karachi-75600, Pakistan

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12th DECEMBER 2025

To,
REGISTRAR
THAR COAL ENERGY BOARD
KARACHI, SINDH

Reference: SECMC-1839-10-2025

Subject: Filing of Motion for Indexation of Tariff for July to September 2025 Quarter

Dear Sir,



I, Muhammad Muddasir, Chief Financial Officer, duly authorized representative of Sindh Engro Coal Mining Company Limited ("SECMC") having its registered office at 16th Floor, the Harbor Front Building, HC-3, Marine Drive, Block 4, Clifton, Karachi, hereby submit to the Thar Coal & Energy Board ("Authority"), motion for indexation of tariff components for the quarter July to September 2025 on account of applicable indexations including duties and taxes, as per Initial Multi Year Stage Tariff TCEB/Registrar/2-1/2014/MYT - dated 22nd October 2025 ("Tariff").

Attached is an Instrument No. 60275933 (Stationary Ref No.1900002625) dated 24th October 2025 drawn on Industrial Commercial Bank of China being the TCEB tariff petition fee in accordance with Schedule I of Thar Coal Tariff Determination Rules, 2014.

Furthermore, we would request that going forward SECMC should be allowed to invoice customers based on the last available indexation determination (*Initial invoice*) until the subsequent indexation is determined. It is to highlight that SECMC will file the motion for indexations for the subsequent quarter preferably by the third week of the month following the previous quarter's end and as soon as the same is determined by TCEB, SECMC will issue debit or credit notes (as applicable) to customers, based on the difference between the initial invoicing and the indexation determination (*Adjustment notes*). This process will ensure that our filings are based on the most accurate and up-to-date data points, thereby aligning with the actual macroeconomic conditions.

We look forward to your usual support in determining the same.

Best Regards,



MUHAMMAD MUDDASIR
CHIEF FINANCIAL OFFICER

12th DECEMBER 2025

To,
REGISTRAR
THAR COAL ENERGY BOARD
KARACHI, SINDH

REFERENCE NO: SECMC-1840-10-2025

Subject: Filing of Indexations for the Quarter Based on Actual Macros and Duties

Inline with the prevailing practice for filing indexations, we are submitting the indexation for the quarter July to September 2025, revised in line with the MYT-determined tariff and prepared in compliance with the approved methodology. We will continue to use the same format for this quarter as well, which is based on actual macroeconomic indicators prevalent during the quarter and the actual duties and taxes paid during the quarter. The details of and mechanism of the same are as follows:

Macroeconomic Indicators and Assumptions

For each quarter, the following macroeconomic indicators and assumptions will be used for the indexation:

1. **1-month KIBOR:**
 - o Average of daily rates of 1-month offer KIBOR published by SBP during the quarter.
2. **6-month KIBOR:**
 - o Average of daily rates of 6-Month offer KIBOR published by SBP during the quarter.
3. **6-month SOFR and Exchange Rate:**
 - o (a) Average of daily rates SOFR published by Federal Reserve Economic Data as per applicable look-back period for the quarter.
 - o (b) Average of daily selling PKR/USD exchange rates published by NBP during the quarter.
4. **Diesel Prices:**
 - o Day-wise weighted average of retail prices of HSD at Shell Pakistan Petrol Pumps in Islamkot, as published by OGRA during the quarter.
5. **Local CPI:**
 - o Average of monthly rates published by the Pakistan Bureau of Statistics during the quarter.
6. **US CPI:**
 - o Average of monthly rates published by the US Bureau of Labor Statistics during the quarter.
7. **Power Generation Mix:**
 - o Details of power generation mix during that quarter from Diesel and Solar.
8. **RMB/USD Exchange Rate:**
 - o Average of daily selling and buying rates published by the Bank of China.
9. **Duties and Taxes:**
 - o Actual duties and taxes paid during the quarter.

Mechanism for Quarterly Indexation Filing and Billing to Customers

The following mechanism will be followed for filing indexations each quarter along with an example for ease of explaining:

1. **Initial Invoicing:**
 - o For the months within a given quarter (for e.g., April, May and June), SECMC will initially invoice customers based on the last available indexation determination, which would be for the previous quarter (e.g., January to March).



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2. Indexation Filing and Determination:

- SECMC will file the indexation for the completed quarter preferably by the third week of the month following the quarter's end (for e.g., by the third week of July for the April to June quarter).
- TCEB will then determine indexation for that quarter.

3. Adjustment Notes:

- Once TCEB determines the indexation, SECMC will issue debit or credit notes (as applicable) to customers for the July – September 2025 quarter, based on the difference between the initial invoicing and the indexation determination.

This process ensures that our filings are based on the most accurate and up-to-date data points, thereby aligning with the actual macroeconomic conditions and duties and taxes paid.

We believe this approach will lead to more accurate and fairer indexation. Should you have any questions or require further clarification, please do not hesitate to contact us.

Best Regards,




MUHAMMAD MUDDASIR
CHIEF FINANCIAL OFFICER

QUARTERLY INDEXATION/ ADJUSTMENT OF TARIFF FOR SINDH ENGRO COAL MINING COMPANY

For the Quarter Jul-25 to Sep-25

| Tariff Components | Reference Tariff (PKR/Ton) | Revised Jul-25 to Sep-25 Quarter (PKR/Ton) |
|---------------------------------------|-------------------------------|--|
| CAPACITY (FIXED) PAYMENTS | | |
| Fixed O&M - Foreign | 1,092.26 | 1,119.71 |
| Fixed O&M - Local | 1,054.62 | 1,101.54 |
| Cost of Working Capital | 467.24 | 327.33 |
| Insurance | 152.87 | 152.87 |
| Power Cost - By Solar | 9.31 | 4.79 |
| Power Cost - By Diesel | 517.76 | 622.72 |
| ROE | 1,413.11 | 1,438.72 |
| ROEDC | 581.12 | 591.65 |
| Principal Debt Repayment - Local SG | 604.62 | 604.62 |
| Principal Debt Repayment - Local NSG | 22.97 | 22.97 |
| Principal Debt Repayment - Foreign | 753.13 | 766.78 |
| Interest Payment - Local SG | 859.93 | 648.37 |
| Interest Payment - Local NSG | 64.29 | 49.14 |
| Interest Payment - Foreign | 331.94 | 341.34 |
| Total | 7,925.17 | 7,792.55 |
| PRODUCTION (VARIABLE) PAYMENTS | | |
| Fuel | 1,911.37 | 2,121.26 |
| Variable O&M - Foreign | 1,156.02 | 1,185.08 |
| Asset Replacement Cost | 1,018.91 | 1,044.52 |
| Royalty | 900.85 | 906.13 |
| Heating Value Adjustment | - | (61.69) |
| Transportation | 150.15 | 166.64 |
| Total | 5,137.30 | 5,361.94 |
| Grand Total | 13,062.47 | 13,154.49 |

| | | |
|----------------------------|---------------|-------------|
| Duties & Taxes* | | PKR |
| Duties & Taxes | As per Actual | 315,500,862 |
| - EPTL | | 157,750,431 |
| - TEL | | 78,875,216 |
| - TNPTL | | 78,875,216 |
| - LEPL | | - |

- Duties & Taxes are to be recovered from IPPs based on their respective capacity quantity allocation for the quarter

| | | |
|--|-----------------------------|-----------------|
| Clawback of Historical Under-runs | | PKR Mn |
| Historical Under-runs | As per MYT determination | 4,782.60 |
| - EPTL | | 2,391.30 |
| - TEL | | 1,195.65 |
| - TNPTL | | 1,195.65 |
| - LEPL | | - |

| Indexation Values | Reference | Revised Jul-25 to Sep- 25 Quarter |
|------------------------------|-----------|--------------------------------------|
| PKR/USD | 278.05 | 283.09 |
| US CPI | 315.30 | 323.94 |
| Local CPI | 260.96 | 272.57 |
| RMB/USD | 7.02 | 7.16 |
| Diesel Notified Ex GST Price | 253.52 | 281.36 |
| % Diesel | 85.29% | 92.43% |
| % Solar | 14.71% | 7.57% |
| 6 Month KIBOR - SG | 16.95% | 12.78% |
| 6 Month KIBOR - NSG | 17.70% | 13.53% |
| 6 Month LIBOR / SOFR | 7.99% | 8.07% |
| 1 Month KIBOR | 19.64% | 13.30% |
| Heating Value | 11.30 | 11.43 |

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