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TARIFF PETITION

SUBMITTED BEFORE

THAR COAL AND ENERGY BOARD

BY

SINO SINDH RESOURCES (PRIVATE) LIMITED

FOR DETERMINATION OF

INITIAL MULTI YEAR STAGE TARIFF

IN RESPECT OF

OPEN CAST LIGNITE MINING PROJECT (7.8 MTPA)

LOCATED AT

THAR BLOCK-I, DISTRICT THARPARKAR, SINDH, PAKISTAN

DATED

August 31, 2026

Sino Sindh Resources (Pvt.) Limited
Karachi

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1.1 PETITIONER DETAILS

SINO SINDH RESOURCES (PRIVATE) LIMITED

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Tel: +92-21-38892128

PETITIONER'S REPRESENTATIVE'S DETAILS

Name: Li Jigen

Designation: Chief Executive Officer

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1.2 LIST OF ABBREVIATIONS

BCM	BANK CUBIC METERS
CSA	COAL SUPPLY AGREEMENT (S)
EPC	ENGINEERING, PROCUREMENT AND CONSTRUCTION
GoS	GOVERNMENT OF SINDH
IPP	INDEPENDENT POWER PRODUCER
KIBOR	KARACHI INTERBANK OFFER RATE
Mt/a	MILLION TONS PER ANNUM
NEPRA	NATIONAL ELECTRIC POWER REGULATORY AUTHORITY
O&M	OPERATIONS AND MAINTENANCE
PKR	PAKISTANI RUPEES
SBP	STATE BANK OF PAKISTAN
SCA	SINDH COAL AUTHIORITY
SOFR	SECURED OVERNIGHT FINANCING RATE
TCEB	THAR COAL AND ENERGY BOARD
USD	UNITED STATES DOLLAR

Note:

It is submitted before TCEB that all numbers contained in this Tariff Petition are based on and taken from the Financial Model, as submitted together with this Tariff Petition. All numbers have been rounded off to the nearest decimal places.

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DEFINITIONS

Unless otherwise defined herein or if the context otherwise requires, all capitalized terms used in this petition shall have the meanings assigned to them hereunder:

"Annexure" means a reference to an annexure of this Tariff Petition.

"Auditor" means A.F. Ferguson's and Co., Chartered Accountants, a member firm of the PWC network.

"Coal/Lignite" means the lignite reserves in Thar Block-I.

"Coal Purchaser" means the entity that entering into the Coal Supply Agreement with the Petitioner for the purchase of coal, the same being the owner of the Power Plant of Thar Coal Block-1 Power Generation Company Ltd.

"Commercial Operations Date or COD" shall bear the meaning ascribed to the term 'Commercial Operations Date', February 5, 2023.

"Commercial Operations Stage Tariff" shall bear the meaning ascribed thereto in the Rules, being, in respect of the Mine, the tariff submitted by Petitioner for determination by the TCEB.

"COD Stage Tariff Petition" means the tariff petition filed by the Petitioner before TCEB dated December 04, 2024 for determination by TCEB of the 'COD stage tariff' for the Project.

"COD Stage Tariff Determination" means the Determination No. TCEB/Registrar/2-2/2015/COD-Stage of TCEB dated July 29, 2025.

"Financial Model" means the financial model submitted to the TCEB by the Petitioner together with this Tariff Petition, as attached hereto at SCHEDULE 7.

"GoS" means the Government of Sindh.

"Interburden" means all material that lies between the coal seams and/or found associated with the coal.

"Law or Laws" means any applicable statute, ordinance, rule, decree, notices, requirement, national, provincial or local legislation, statutes, ordinances and other laws and regulations including Mines Act 1923, Mines Act 1954, Sindh Mining Concession Rules 2002, labor laws, health, safety, environment laws, bye-laws, rules, orders, decrees, judicial decisions, delegated legislation, directives, guidelines (to the extent mandatory) policies or code of GoS/GoP or any Public Sector Entity or Relevant Authority or agency, whether federal, provincial, municipal, local or other government subdivision of Pakistan, or of any legally constituted Relevant Authority, as amended from time to time.

"Mine or Mining Facility" means the open cast lignite mine at Thar Block-I and

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associated Mine Surface Facilities, Mine Infrastructure, Lignite Stock Yard, Interconnections, Outside Dump, Inside Dump, surface and mine drainage system, floods prevention dams, dust suppression system and any other system required for a safe, credible, sustainable efficient and most cost effective Operations & Maintenance of the Mining Facility.

"Mine Infrastructure" means the roads, utilities & effluent network, electric network, transmission line, communication network, mine & production planning & control system and other requisite infrastructure within Thar Block-I associated with the Mine, stock, outside dump, inter connections etc.

"Mine Service Facilities (MSF)" means the facilities required for the safe, sustainable and cost-effective operations and maintenance of the mining facility including office buildings, workshop, motor pool, training center, utilities, warehouse etc.

"Operations & Maintenance (O&M)" means removal, transfer and dumping of Overburden/Interburden, production, loading and dispatch of lignite, construction and maintenance of ramps, benches, and mine service roads, construction and maintenance of surface water prevention dams, installation, maintenance and operations of surface drainage system, installation, operations and maintenance of all other temporary and permanent works required for safe, sustainable and most cost-effective operations of mine and production of lignite at the most economical price.

"Overburden (OB)" means the top soil / all materials above the coal which are required to be removed to expose the coal seams and allow extraction of the coal as per the mine production plan.

"Petitioner" means Sino Sindh Resources (Private) Limited ("SSRL").

"Power Plant" means the 2 x 660 MW Coal based mine mouth power generation facility owned and developed by the Coal Purchaser.

"Pricing Framework" means the Thar Coal Pricing Framework, 2015, as amended from time to time.

"Project" means development of Open Pit Lignite Mine in Thar Block-I with an initial capacity of 7.8 Million tons/annum.

"Project Cost" means the total cost incurred or accrued on the 7.8 Mtpa Mine of Block I, including project development cost, project execution cost including EPC costs and all expenses incurred for consultancy and studies, project management, project supervision, financing, insurances, infrastructure development cost, financial advisors' fees, legal advisors' fees, duties, taxes any other payments to the Relevant Authority or Public Sector Entity, land acquisition cost, resettlement and all other associated costs related to achievement of COD of the 7.8Mta Mine by the Petitioner and approved by Lenders.

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"Public Sector Entity" means (a) the GoP, the GoS, any subdivision of either, or any local governmental authority with jurisdiction over the Petitioner, the Project, or any part thereof, (b) any department, authority, instrumentality, agency, or judicial body of the GoP, the GoS or any such local governmental authority, (c) courts and tribunals in Pakistan, and (d) any commission or regulatory agency or body having jurisdiction over the Petitioner, the Project or any part thereof.

"Relevant Authority(ies)" means the department, authority, agency or other relevant entity from which consent is to be obtained and any authority, body or other person having jurisdiction under the Laws of Pakistan with respect to the Project.

"Schedule" means a reference to a schedule of this Tariff Petition.

"Section" means a reference to a section of this Tariff Petition.

"Tariff Rules or Rules" means The Coal Tariff Determination Rules, 2014.

"Tariff Petition" means this petition submitted by the Petitioner before TECB for determination by TCEB of the Initial Multi Year Stage Tariff.

"TCB-1" means Thar Coal Block-1 Power Generation Company Ltd., being an entity that has entered into a CSA with the Petitioner for the purchase of Coal/Lignite from Thar Block-I.

"TCEB Act" means the Thar Coal and Energy Board Act, 2011.

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1.3 APPLICABLE LAW AND POLICY

Under the TCEB Act, TCEB has been set up, inter alia, as a one window facilitator in matters relating to coal mining projects being established in the region of Thar, Sindh, Pakistan. Pursuant to section 5 of the TCEB Act, TCEB is mandated to determine the tariff of coal from Thar, Sindh, Pakistan subject to the need to comply with guidelines, not inconsistent with the provisions of the TCEB Act, laid down by the GoS. In addition, TCEB is also responsible for determining the process and procedures for reviewing tariff and recommending tariff adjustments.

In accordance with the requirements of the relevant laws of Pakistan (including, without limitation, the TCEB Act and rules and regulations made thereunder), the Petitioner hereby submits this Tariff Petition for tariff determination by the TCEB of the Initial Multi Year Stage Tariff, as submitted herein, for the Petitioner's Mining Facility located at Thar Block I.

This Tariff Petition is being filed under Part III (Tariff Determination Procedure) Section 4 (4)(b)(i) of the Tariff Rules. This Tariff Petition and the matters contained herein have been prepared on the basis of the guidelines presented in part IV (Standards and Guidelines) of the Tariff Rules and the Economic Coordination Committee's approved incentive package for the Project. Further, any other information required to be filed is included in and /or with this Tariff Petition.

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1.4 GROUNDS AND FACTS FORMING BASIS OF TARIFF PETITION

Pakistan has been blessed with the world's seventh largest lignite reserves of around 186 Bt. The largest reserves are located in the Tharparkar District in the province of Sindh, Pakistan where 95% of total lignite (175Bt) have been identified.

It is in recognition of this potential that the Petitioner was incorporated as a special purpose vehicle to construct, develop, own and operate a coal mine at Block I of the Thar Coal Fields.

The Mine was to be developed that would fuel the mine mouth Power Plant. The Mine is now fully operational to supply coal to mine mouth power generation facility at Block I on quite competitive coal tariff to produce cheap power from Block-1 integrated Project.

In addition to offering the lowest tariff among thermal independent power producers in the country, the use of Coal has already led to substantial foreign exchange savings and will continue to save precious forex reserves.

The development of the Mine and associated power plant in Thar has also provided unprecedented opportunities to the locals. Over 3,000 people have been directly employed at these projects. In addition, the region has also witnessed an investment by the companies involved in the Thar Coal projects in several fields including but not limited to of healthcare, education, and infrastructure.

FACTS FORMING BASIS OF THE PETITION

This Tariff Petition is being submitted with reference to the COD Stage Tariff Petition and Determination (including subsequent indexation determinations issued by TCEB). The principles and outcomes set forth in the aforementioned documents have been duly incorporated into the Financial Model submitted as part of this Tariff Petition (attached herewith as Schedule 7).

The basis for the proposed tariff in this Petition is aligned with the allowed cost structure and regulatory assumptions adopted by TCEB in prior determinations, whereas the actual cost figures included herein reflect the incurred expenditures and reserve accumulations under each respective cost head to date.

In accordance with the applicable legal framework - including the TCEB Act, the Pricing Framework, the rules and regulations enacted thereunder, and the Tariff Rules - the Petitioner hereby submits this Tariff Petition for the determination of

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the Initial Multi Year Stage Tariff, to be approved by TCEB pursuant to the relevant provisions of law.

This Petition incorporates both historical actual costs and forward-looking projections to support a long-term tariff trajectory. As per the regulatory guidance provided by TCEB, the tariff period under this Tariff Petition commences on February 5, 2023, and spans a total duration of thirty (30) years.

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2 TARIFF HEADS

2.1 FUEL

The Petitioner submits that during the previous tariff periods, actual fuel costs incurred during the current MYT period have exceeded the amounts provided in the approved tariff. This variance has arisen primarily because the actual stripping ratio (averaging approximately 10.4) was significantly higher than the originally planned ratio (averaging 8.8). Furthermore, the fuel consumption baseline in the approved tariff was underestimated, which exacerbated the cost overrun.

As the pit continues to deepen, slope stability risks are progressively intensifying. To eliminate the risk of slope failure at its root, the Petitioner has implemented a systematic remediation approach via overall buttressing from bottom to top. During implementation, to accelerate the remediation progress and ensure the desired outcomes, it is necessary to temporarily adjust the original mining and stripping sequence, expand the stripping scope, and expedite advancement, thereby releasing sufficient dumping space for in-pit dumping. During this period, the systematic remediation will increase the stripping volume by approximately 20 million BCM, leading to a corresponding increase in the stripping ratio. However, this is a temporary, passive increase incurred during the slope remediation process. As the mining face continues to advance, this temporary spike in the stripping ratio will gradually recede and eventually align with the original design specifications of the whole mine life.

Additionally, during the previous monsoon season, the mine experienced substantial sludge accumulation at the pit bottom due to rainwater ingress. In tandem with mine development, slope failure incident occurred from time to time. A considerable amount of material had to be rehandled on account of sludge and slope failure during the first two operation years, which further drove up fuel consumption.

In accordance with the Pricing Framework, the Petitioner notes that all actual and prudently incurred costs during the MYT period, including those exceeding the initially allowed benchmarks, are eligible for recognition and adjustment.

The Petitioner therefore respectfully requests that the actual fuel cost overrun, having been prudently incurred, be fully recognized by TCEB and appropriately incorporated into the MYT tariff, ensuring transparency, fairness, and compliance with the cost recovery principles set out in the regulatory framework.

Going forward, the Petitioner submits that fuel consumption is highly dynamic and subject to various ongoing operational, geological, and environmental factors that will inevitably lead to increased fuel requirements across the remaining life-of-mine

(LOM):

- **Geological and Endwall Instability:** Influenced by groundwater and weak strata, localized failures regularly occur along the north and south endwalls between the +5m and -25m benches, from the time of their initial exposure until they are stabilized by internal dumping backfill. Standard mitigation methods, such as flattening the slope angle or retaining double benches, have proven ineffective. Consequently, further remediation measures - including slope trimming, toe buttressing, and blind drain construction - are required. This perpetually demands additional fuel consumption and dedicated engineering expenditures for slope maintenance throughout the entire life cycle of the mine.

- **Groundwater Infiltration and Surface Drainage:** Seepage of surface drainage back into the open pit has increased the groundwater dewatering volume. More critically, it has elevated the moisture content of the overburden materials above the Quaternary phreatic aquifer across the entire first mining area. This leads to severe muddiness and softening of the working faces, which degrades haulage efficiency. Consequently, supplementary equipment such as bulldozers and loaders must be deployed to clean and level the working faces, while dry materials are required to backfill and repair hauling roads and operating platforms. This creates substantial additional workloads involving re-stripping, secondary rehandling, and auxiliary construction, thereby further driving up fuel consumption.

- **Escalating Climate and Rainfall Impacts:** In recent years, the frequency and volume of rainfall in the Thar region have shown an increasing trend, with adverse weather exerting a significantly greater impact on open-pit mining operations. Following rain events, the mining working faces, haul roads, and waste dump platforms must be re-graded and rehabilitated, which inevitably drives up incremental fuel consumption.

- **Pre-emptive Monsoon and Preventative Measures:** To prevent recurrence and to enable safe and continuous operations, the Petitioner undertook a series of pre-emptive monsoon measures prior to the current monsoon season. These included the construction of diversion channel surrounding the ex-pit dump to channel rainwater into buffer ponds, and the excavation and cleaning of trenches to direct water away from the in-pit dump and pit bottom. Pipeline installations and other civil engineering measures were also completed to reduce water accumulation and erosion. Similar activities will be required each year and necessarily contribute to incremental fuel consumption going forward. These essential preventative measures have contributed to increased fuel consumption. However, it should be noted that even with these pre-emptive actions, sludge accumulation cannot realistically be reduced to zero.

- **Progressive Aging of Slopes and Fleet:** As the mine deepens and the slopes are progressively exposed and aged over time, the likelihood of further slope failures will inevitably increase. Even with proactive geotechnical monitoring, such occurrences cannot be entirely prevented and will require continuous fuel consumption for material rehandling and slope stabilization. Furthermore, fuel consumption naturally varies across the life-of-mine, typically starting lower during the initial years of equipment life and gradually increasing as the fleet ages and mine development advances.

To further reduce fuel consumption, the Petitioner is gradually transitioning its truck fleet from diesel to electric power, starting with an initial deployment of 40 electric trucks. Upon completion of the 132kV transmission line and grid station, the majority of the stripping trucks will be replaced with electric alternatives. This transition will significantly lower fuel consumption and accelerate the Project's green, low-carbon transformation.

Given these evolving conditions, the Petitioner has prudently revised its future fuel cost assumptions and incorporated them into Schedule 1 and Schedule 7 submitted with this Tariff Petition. All projections have been made in alignment with the principles of transparency and prudency. The Petitioner will continue to reconcile actual costs against allowed benchmarks in future MYT submissions to ensure appropriate adjustments are made in a structured and compliant manner.

2.2 VARIABLE O&M

The Petitioner respectfully submits that during the previous tariff periods, actual Variable O&M cost (Services/Spares), which mainly pertain to spares and consumables, tires and lubricants, have exceeded the amounts provided in the approved tariff. For the same reason as in 2.1 Fuel above, this variance has arisen primarily because the actual stripping ratio (averaging approximately 10.4) was significantly higher than the originally planned ratio (averaging 8.8). Furthermore, the spares consumption baseline in the approved tariff was underestimated, which exacerbated the cost overrun.

It should be noted that, the Petitioner has adopted a conservative and transparent approach by recognizing only the cost that have actually been consumed during the period, even though the total cost procured is higher due to the need to maintain an adequate inventory which is now reflected as the higher working capital requirement. The unconsumed inventory to the tune of PKR 8.3 Bn is not being claimed at this stage and remains on the Petitioner's books as stock of spares.

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The Petitioner has transparently disclosed the basis of cost recognition and requests that all costs prudently incurred be allowed under the MYT framework. The remaining net overrun amount, after accounting for these justified costs, is accordingly submitted for TCEB's review and consideration.

In view of the above, the Petitioner respectfully requests TCEB to recognize all prudently incurred Variable O&M cost in line with the applicable regulatory principles and to accept the accompanying net overrun amount as a full and final reconciliation for the period under review.

For future years, the Petitioner has made certain assumptions in projecting Variable and Fixed O&M cost. This assumption is based on prevailing market trends where, due to the deteriorating security environment in Pakistan, vendors are increasingly demanding higher pricing to reflect elevated risk premiums.

Additionally, it is important to note that as equipment - both mining and non-mining -advances further into its operating life cycle, the rate of wear and tear will naturally increase, resulting in a higher demand for spares over time. Given that both Fixed and Variable O&M cost heads now involve certain forward-looking assumptions, the Petitioner affirms that any actual deviation, whether above or below the allowed tariff, will be transparently submitted and reconciled in the subsequent MYT period, in accordance with the applicable legal framework.

2.3 ASSET REPLACEMENT

The Petitioner respectfully submits that under the Pricing Framework, an Asset Replacement Reserve component is expressly provided as part of the revenue allowed to enable the Petitioner to accumulate a dedicated Asset Replacement Fund over the MYT period. This fund is structured as a proactive provisioning mechanism to finance the replacement of critical operational assets across the lifecycle of mining operations. It is not intended as a direct proxy for immediate capital expenditures; rather, it is reserve for key obligations such as when mining equipment and infrastructure reach end-of-life, experience obsolescence, or require substantial overhaul.

The Petitioner further submits that future asset replacement assumptions are based on its long-term requirements over the next 28 years, covering main mining equipment, auxiliary machinery, coal handling and preparation systems, dewatering pumps and pipelines, power generation, transmission lines, utilities, and all associated infrastructure and attached as Schedule 3. These projections take into account the specific replacement cycles of each asset class to ensure continued operational efficiency, safety, and reliability across the mine's entire lifecycle.

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2.4 FIXED O&M

The Petitioner respectfully submits that the apparent underrun in the Fixed O&M – Foreign/Local component during the current MYT period is primarily a result of the discrepancy between actual expenditures and the tariff allowed under the COD Stage Tariff Determination. The corresponding revenue is recognized within the MYT period, but due to some reasons, some expenditures have not yet been incurred or have been delayed, such as the construction of new drainage wells and drainage pipelines, technical renovation construction (power transmission line renovation), relocation of maintenance sites, technical consulting/services, etc. Moreover, the Petitioner had taken various measures to reduce the relevant cost during the current MYT period.

In addition, it should be noted that in order to save foreign exchange expenditures, the Petitioner converted part of the costs from offshore to onshore during the current MYT period, which resulted in underrun in Fixed O&M – Foreign but overrun in Fixed O&M – Local.

For future years, the Petitioner has re-evaluated and rationalized its future Fixed O&M - Foreign/Local cost projections, balancing prudence with operational necessity. These revised projections have been incorporated in the Schedule 1 and Schedule 7 attached herewith, ensuring transparency, regulatory compliance, and alignment with the MYT framework.

2.5 POWER GENERATION

The Petitioner respectfully submits that power for the Mining Facility has historically been sourced through a combination of HFO generators and solar installations. The costs associated with power generation and consumption under these modalities have been reflected in the allowed tariff and tracked against actual expenditures. The cumulative position, as detailed in Schedule 4 of this Petition, shows a mix of overruns and underruns across different tariff years. On a net basis, a power-related overrun has arisen over the current MYT control period. This variance has arisen primarily due to an insufficient supply of HFO during the early stages of the operation period.

The Petitioner respectfully requests that the overrun cost be fully recognized by TCEB and appropriately incorporated into the MYT tariff in accordance with the applicable principles under the Pricing Framework.

The Petitioner would like to draw TCEB's attention to the fact that, due to the intermittent nature of photovoltaic (PV) power output, solar energy alone cannot serve

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as a stable voltage source to support the grid. When HFO generators act as the primary voltage source, a PV penetration rate exceeding 50% poses a severe risk: during sudden load fluctuations, the HFO generators cannot respond rapidly enough to stabilize grid voltage, potentially damaging operating equipment.

To address these challenges and build a resilient grid, the Petitioner proposes the construction of an energy storage system (ESS). The ESS will store excess solar energy generated during the day, thereby maximizing PV utilization and minimizing curtailment. Furthermore, by reducing reliance on HFO generation, the system will lower HFO consumption and subsequently decrease overall power generation costs.

As noted in prior communications, the Petitioner has consistently endeavored to reduce operational power costs at the Mining Facility by optimizing its power sourcing strategy. Thanks to the close coordination and support from the Ministry of Energy and TCEB, the proposal to supply power from Islamkot to Thar Block I & II (via HSECO) has been officially approved, with all relevant parties progressing in accordance with the established timelines. Once implemented, this arrangement will deliver substantial cost savings, enhance operational efficiency, and significantly reduce reliance on expensive HFO-based generation. Schedule 1 and Schedule 7 have been updated to reflect this shift to the proposed auxiliary power supply from HSECO.

For future years, the Petitioner has accordingly reassessed and rationalized its power consumption requirements, and the same have been reflected in Schedule 1 and Schedule 7 appended to this Petition.

The Petitioner remains committed to pursuing cost optimization while ensuring an uninterrupted power supply to critical mining infrastructure and operations.

2.6 INSURANCE

The Petitioner submits that while there is a net surrender amount the Insurance Component for prior periods reflects actual expenditures below allowed values. However, market conditions and operational risk profiles necessitate a forward-looking reassessment of the insurance cost projections.

It is also pertinent to highlight that the current savings under the Insurance head have partly resulted from the Petitioner having insufficient coverage or not obtaining cover for certain operational risks, specifically slope failures and dewatering system failures resulting in mine flooding, as these coverages are not offered by any global re-insurers hence are not covered under the existing insurance program. Going forward, the Petitioner intends to explore obtaining insurance coverage for these critical risks. Securing these additional covers will enhance risk mitigation but is

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expected to materially increase insurance premiums in the future.

Due to global financial market restrictions on coal mine projects, the insurance market for coal-related infrastructure and mining operations is becoming increasingly constrained, with declining interest from international underwriters and reinsurers to engage with coal linked risks. This trend is expected to intensify further, resulting in reduced competition, narrower coverage, and elevated premium levels across the sector. In the context of Pakistan, this dynamic is further compounded by deteriorating security conditions, heightened sovereign risk perceptions, and a diminishing appetite among insurers for long-term exposures in the region.

In light of the above, the Petitioner has undertaken a re-evaluation of its insurance cost estimates, taking into account both macroeconomic and sector-specific developments. The revised insurance costs have been reflected in the Schedule 1 and Schedule 7 submitted with this Petition, based on prudent assumptions and recent market feedback from local and international brokers.

The Petitioner respectfully requests that TCEB take cognizance of these emerging realities and allow for the updated insurance cost projections to ensure adequate risk mitigation and continued financial sustainability of the project over the MYT period.

2.7 PRINCIPAL REPAYMENTS

As stated in the COD Stage Tariff Determination, due to the delayed disbursement of bank loans during the construction period, the Petitioner sought financial support from shareholders and reached an agreement with the EPC Contractors on deferred payment in order to facilitate the smooth implementation of the Project. The Petitioner finally drew USD 457.5 million in Foreign Bank Loan and USD 141.41 million in Other Sources Loan to finance its approved Project Cost of USD 798.55 million.

It should be further clarified that the composition of Other Sources Loan includes:
1) the amount over and above capitalized equity, which will be deemed as shareholder loan;
2) shareholder loan;
3) Supplier Finance (EPC Contractors' deferred payment).

The Petitioner respectfully submits that the principal repayment component embedded within the approved tariff structure operates as a reserve-based mechanism, wherein funds are recovered on a uniform monthly basis through the tariff, in order to ensure timely and full repayment of project debt obligations over the loan tenure. This structure is essential for financial planning and maintaining lender confidence, particularly in long-tenure, capital-intensive mining projects.

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However, due to the specific terms and amortization schedules agreed with lenders/shareholders, actual principal repayments do not always align with the monthly collections under the tariff. For instance, during the initial operational year(s), bank debt repayments commence from Q2 2024 due to the delayed bank loan disbursement, whereas tariff-based collections begin from COD. As a result, there may arise timing differences between recovered and expended amounts under this head during the control period.

The Petitioner proposes that any interim variance between actual repayments and amounts recovered under the tariff be carried forward and reconciled at the end of the full debt repayment cycle. This approach will ensure a fair and transparent matching of tariff recovery with actual financial outflows, without prematurely adjusting for short-term timing mismatches that are inherent in structured project financing.

The Petitioner accordingly requests that TCEB adopt this end-of-tenure reconciliation methodology, whereby all variances under the Principal Repayment Component are reviewed and adjusted only after the full discharge of the project's debt obligations. This will ensure regulatory fairness while preserving the financial integrity of the repayment mechanism.

2.8 INTEREST PAYMENTS

As stated in the COD Stage Tariff Determination, at COD Stage, only a small component of external bank debt was in place, and the rest of the Project was financed by a mix of Supplier Finance, and Shareholder Loans. Significant chunk of external debt swapped out the Supplier Finance (Payables/Accruals on Balance Sheet), and Shareholder Loan components of the capital structure post-COD. Due to such swap post-COD, exact repayments of external debt, may not align with the debt and interest payments allowed in the tariff table.

The Board has admitted in the COD determinations that any additional interest that may have been paid due to timing differences should be adjusted during MYT. Timing differences may occur wherein a shareholder loan, and external debt may exist at the same time, and are more than requirements, resulting in elevated interest costs - the same needs to be avoided. The Board already hinted in that the tariff table would be updated in the Multi-Year Tariff accordingly, to adjust for any timing differences.

During the current MYT period, the Petitioner was making repayments as required by the lenders and financiers, but considering that the variance will continue for some period, the Petitioner proposes that any interim variance between actual interests and amounts recovered under the tariff be carried forward and reconciled at the end of the full debt repayment cycle.

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The Petitioner, therefore, respectfully requests that TCEB adopt this end-of-tenure reconciliation methodology, under which all variances within the Interest Payment Component are reviewed and adjusted solely upon the full discharge of the project's debt obligations. This approach ensures regulatory fairness while maintaining the financial integrity of the Interest Payment mechanism. Crucially, it reflects the operational realities of the project execution without penalizing the Petitioner for temporary timing differences.

2.9 COST OF WORKING CAPITAL

The Petitioner submits that during the previous tariff periods, the cost of working capital during the current MYT period has exceeded the amounts provided in the approved tariff. This variance has arisen primarily from the longer period of accounts receivable, resulting in a substantial increase in the demand for working capital. As you are aware, the Petitioner has accumulated significant outstanding receivables on a year-on-year basis due to the ongoing circular debt crisis in the power sector, placing intense pressure on operational cash flows.

In order to ensure uninterrupted operations, timely settlement of liabilities, and smooth procurement cycles, the Petitioner raises working capital through various means. Moreover, payments from IPP off-takers continue to be delayed by more than four months on average, further constraining the Petitioner's liquidity position and directly affecting its ability to timely settle its obligations to suppliers and contractors.

Accordingly, assuming these structural payment delays persist, the Petitioner has prudently reassessed the projected cost of working capital in the attached Schedule 1 and Schedule 7 to reflect future cash flow needs, aligned with actual business requirements, and consistent with the principles of prudent financial management under the prevailing tariff framework.

2.10 ROYALTY

The Petitioner submits that Royalty payments claimed under the revenue head have been duly paid to the GoS, as per the Section 2.1 b of the Pricing Framework and in accordance with the determined tariff. The Petitioner paid Royalty in September 2024 and January 2026 respectively. Documentation evidencing these payments attached herewith, ensuring transparency, regulatory compliance, and alignment with the MYT framework.

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3 DUTIES & TAXES AND WPPF/WWF

SSRL had been granted a 30-year exemption from Special Excise Duty, Federal Excise Duty, Workers' Welfare Fund (WWF), and Workers' Profit Participation Fund (WPPF) under Section VI of Annexure II of the ECC's Incentive Package (2010). However, following the Sindh Cabinet's decision on 02-05-2024 (ref: Energy Dept. letter 14-06-2024), this exemption was revoked, making SSRL liable for WWF, WPPF, and Excise Duty, under the Excise Duty on Minerals Act, 1967. Despite SSRL's repeated requests for exemption, the Cabinet upheld the levy, resulting in show-cause notices from the Sindh Revenue Board.

As these costs were not factored into the original tariff(s), TCEB allows a mechanism similar to the one approved for duties and taxes i.e. any duties and taxes paid, which have not been assumed in the calculation of the Tariff shall be treated as a pass through item and reimbursed from the customers on actual incurred basis (i.e. quarter in which the payment is actually remitted and/or transferred to the fund) during that relevant indexation quarter.

Moreover, since TCEB has principally allowed duties & taxes and WPPF/WWF to be reimbursed at actuals, SSRL has not factored in impact of any previous or future duties & taxes and WPPF/WWF amount in the Schedule 1 and Schedule 7. In case of any deviation going forward, SSRL reserves the right to claim the same in future tariff petitions, indexations or subsequent MYT stage petitions.

4 ADJUSTMENT MECHANISM FOR UNDERRUN

The Petitioner respectfully submits that, over the course of the current tariff period, a net underrun has arisen compared to the allowed revenue, primarily due to actual expenditures under certain cost heads being lower than the corresponding tariff allowances. These have been primarily due to better negotiation by Petitioner, timing differences and other factors as mentioned. However, the Petitioner clarifies that this overall position comprises both underruns and overruns across various components and individual tariff years, driven by factors as aforementioned.

This reconciliation has been assessed in PKR, whereas the approved tariff is denominated in USD per ton. This disparity further necessitates a structured reconciliation process to align the allowed and actual revenue in a fair and transparent manner to ensure appropriate and accurate adjustment of the PKR amount finalized.

Consistent with the Pricing Framework, the Petitioner has structured the true-up for recovery in the subsequent MYT period, through equal quarterly adjustments, which shall be incorporated into the quarterly indexation determinations issued by TCEB. These quarterly adjustments will be allocated to off-takers in proportion to their respective capacity quantities for each month within the relevant quarter.

The complete reconciliation of underruns and overruns is attached as Schedule 4 to this Tariff Petition.

The Petitioner submits that this approach is fully aligned with the regulatory principles and cost-recovery mechanism embedded in the Pricing Framework and ensures consistency and transparency in reconciling actual cost outcomes with the approved tariff path.

5 OTHER SUBMISSIONS

5.1 PROVISION OF FURTHER INFORMATION AND CLARIFICATIONS

The Petitioner acknowledges that this submission is the first time the Petitioner itself is submitting a Multi-Year Tariff (MYT) petition. Recognizing the novelty of this process for all parties involved, the Petitioner undertakes to submit any further information, supporting data, detailed workings, or additional clarifications it deems appropriate to facilitate a comprehensive evaluation of the petition.

In addition, the Petitioner will remain at TCEB's disposal and promptly provide any further information or clarification that TCEB may require at any stage of its review, ensuring a transparent and well-substantiated MYT determination process.

5.2 PROJECT PHASE CLAIMS

The Petitioner would highlight that land acquisition and resettlement cost assumptions have evolved as the scope and number of land acquisition and affected households have been updated based on current surveys.

The Petitioner further submits that, as allowed under COD Tariff Determination, certain essential costs required for the completion of infrastructure and related developments were originally accrued prior to COD and have now substantively incurred or contractually committed. These expenditures, amounting to USD 10.4 million, have been treated as part of the capital structure, funded on a 75:25 debt-equity basis. Accordingly, these costs are being claimed in the MYT petition and are reflected in the relevant debt and return on equity (ROE) components of the Schedule 1 and Schedule 7. Such infrastructure development expenses are fundamental to the ongoing operational integrity of the Project and align with the scope of recoverable costs under the applicable tariff framework.

Sino Sindh Resources (Pvt.) Limited Karachi

6 TARIFF SUMMARY

In light of the above, the Petitioner requests that the following Initial Multi Year Stage Tariff is approved and determined by TCEB.

Tariff Components	Year 1 – 10 Average	Year 11 – 30 Average	Year 1 – 30 Levelized
	USD/Ton	USD/Ton	USD/Ton
Variable O&M	10.98	8.90	10.56
Asset Replacement Reserve	3.07	3.36	3.20
Royalty	3.45	2.50	3.14
Production (Variable) Payments	**17.50**	**14.75**	**16.90**
Fixed O&M	11.78	12.22	11.75
Insurance	0.58	0.63	0.58
Cost of Working Capital	1.73	1.39	1.68
Principal Debt Repayment	7.68	0.00	4.73
Interest Payment	3.40	0.00	2.50
ROE	5.21	5.21	5.21
ROEDC	1.61	1.61	1.61
Capacity (Fixed) Payments	**31.99**	**21.06**	**28.06**
Ex-Mine Coal Price	**49.50**	**35.81**	**44.95**

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7 CONCLUSION & DETERMINATION SOUGHT

In light of the foregoing submissions contained in this Tariff Petition, together with all Schedules, Annexures and information referred herein and/or attached hereto, the Petitioner hereby submits before TCEB and requests TCEB to approve and determine the Initial Multi Year Stage Tariff of the Petitioner's incorporating assumption of the Mine from Year 3, as contained herein, together with the cost estimates, indexations, adjustments, escalations, assumptions and all other matters as set out herein.

The Petitioner will be pleased to provide any further information, clarification and explanation that TCEB may require during its evaluation process.

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SCHEDULE 1: YEARLY COAL PRICE PROFILE

Year	Variable O&M	Fixed O&M	Working Capital Interest	Insurance	Asset Replacement Reserve	Royalty	ROEDC	ROE	Principal	Interest	Tariff
1	12.77	8.58	2.48	0.39	1.37	3.26	1.61	5.21	5.38	5.70	46.74
2	14.71	8.17	2.47	0.38	2.69	3.47	1.61	5.21	5.79	5.29	49.80
3	11.77	14.44	1.65	0.63	2.53	3.67	1.61	5.21	6.24	4.84	52.59
4	11.75	13.11	1.62	0.63	3.11	3.61	1.61	5.21	6.72	4.36	51.72
5	11.27	13.01	1.63	0.63	3.35	3.58	1.61	5.21	7.24	3.84	51.37
6	10.51	12.07	1.53	0.63	3.42	3.45	1.61	5.21	7.79	3.29	49.51
7	9.67	11.74	1.50	0.63	3.52	3.37	1.61	5.21	8.39	2.69	48.33
8	9.19	12.43	1.47	0.63	3.00	3.35	1.61	5.21	9.04	2.04	47.96
9	9.19	12.20	1.51	0.63	3.86	3.40	1.61	5.21	9.73	1.35	48.68
10	9.03	12.04	1.46	0.63	3.83	3.37	1.61	5.21	10.48	0.60	48.25
11	9.14	11.91	1.44	0.63	3.72	2.52	1.61	5.21	-	-	36.18
12	9.11	12.13	1.41	0.63	3.40	2.51	1.61	5.21	-	-	36.00
13	9.11	12.43	1.49	0.63	4.55	2.63	1.61	5.21	-	-	37.65
14	9.08	12.77	1.52	0.63	4.45	2.65	1.61	5.21	-	-	37.92
15	9.08	11.39	1.42	0.63	4.21	2.52	1.61	5.21	-	-	36.06
16	9.06	11.50	1.40	0.63	3.86	2.49	1.61	5.21	-	-	35.75
17	8.71	12.34	1.47	0.63	4.35	2.57	1.61	5.21	-	-	36.89
18	8.79	12.28	1.43	0.63	4.14	2.56	1.61	5.21	-	-	36.64
19	8.79	11.86	1.42	0.63	4.02	2.52	1.61	5.21	-	-	36.05
20	8.76	12.11	1.38	0.63	3.41	2.48	1.61	5.21	-	-	35.60
21	8.76	12.29	1.36	0.63	3.51	2.50	1.61	5.21	-	-	35.86
22	8.74	12.03	1.34	0.63	2.92	2.44	1.61	5.21	-	-	34.92
23	8.74	12.34	1.55	0.63	5.63	2.68	1.61	5.21	-	-	38.38
24	8.85	12.46	1.51	0.63	5.23	2.66	1.61	5.21	-	-	38.15
25	8.91	11.36	1.49	0.63	5.61	2.61	1.61	5.21	-	-	37.43
26	8.89	13.63	1.40	0.63	3.20	2.59	1.61	5.21	-	-	37.16
27	8.89	12.48	1.21	0.63	0.45	2.29	1.61	5.21	-	-	32.76
28	8.86	12.25	1.20	0.63	0.45	2.27	1.61	5.21	-	-	32.48
29	8.86	13.05	1.23	0.63	0.00	2.29	1.61	5.21	-	-	32.88
30	8.83	11.80	1.14	0.63	-	2.19	1.61	5.21	-	-	31.40
Levelized	**10.56**	**11.75**	**1.68**	**0.58**	**3.20**	**3.14**	**1.61**	**5.21**	**4.73**	**2.50**	**44.95**

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