



LNG Easy Private Limited

**INFORMATION ON WHICH THE APPLICANT PROPOSES TO RELY ON SHOWING THE
ADEQUACY AND AVAILABILITY TO IT OF RESOURCES FOR FINANCING THE PROJECT**

Pakistan's first LNG Virtual Pipeline Project is being set up with joint resources of LNG Easy Pte. Limited, Singapore (LNGe) and Punjab Group which one of the leading industrial and commercial groups of Pakistan. LNGe owns the proprietary Mobile Filling Platform (MFP) which will be brought into Pakistan on issuance of Construction Licence from OGRA. MFP is a critical part of the project, ready availability of which gives the project a winning advantage over all the upcoming Virtual Pipeline Projects in Pakistan.

The attached Financial Statements of Punjab Group confirm availability of sufficient financial resources for supporting the implementation and operation of the project. Additionally, the company has credit arrangements with all the major scheduled banks of Pakistan from where arrangement for financing could be made.

LNG Easy Pte. Limited Singapore has very old and traditional banking relations with international banks including Standard Chartered Bank through which required financing arrangements could be arrived at.



LNG Easy (Pvt) Limited
Head Office 726, 7th Floor, Executive Tower
Dolmen Clifton, Karachi. +92-21-35826274-5

Partner Office 12 Tuas Avenue 1
Singapore 639497

www.Ingeasy.com

To: LNG EASY (PRIVATE) LIMITED
Address: Office #726, 7th floor, Executive Towers, Dolman Mall, Clifton, Pakistan

Date: 18th May 2020

Attn: Project: LNG Easy Pakistan – Virtual pipeline financing

Dear Sirs,

We refer to the above matter and our recent discussions on the same. We understand that PETROCHINA INTERNATIONAL (MIDDLE EAST) COMPANY LIMITED (the "Investor"), a company incorporated in Dubai, UAE and having its registered address in Unit OT 29-30, OT 29-31, OT 29-32, OT 29-33, Level 29, Central Park Offices, DIFC, PO Box 506728, Dubai, UAE is considering a potential acquisition of LNG EASY (PRIVATE) LIMITED (the "Target") company through acquiring existing shares from LNG Easy PTE. LTD (the "Vendor"), registered in 12 Tuas Avenue 1, Singapore 639497, Registration No. 201611232H., existing shareholder of LNG EASY (PRIVATE) LIMITED. We understand that LNG EASY (PRIVATE) LIMITED will be developing the LNG import and distribution project in Pakistan (the "Transaction").

We understand that funds of up to [USD 20'000'000 (twenty million US Dollars)] is required for the Transaction (the "**Financing**").

Based on our discussions and the information provided by you, we are interested in further considering the Financing on the terms set out in this letter. We confirm that we intend to enter into negotiations with you in relation to the Financing, subject to the terms and conditions of this letter, with a view towards entering into a legally binding agreement (provided that any such agreement shall include terms and conditions that are acceptable us).

This letter has been provided at your request based on our preliminary understanding of the Transaction and without any internal approvals.

This letter is not intended to be a commitment or offer by us or any of our affiliates (together, the "SCB Group") to provide or arrange or underwrite any financing in connection with the Transaction. Nothing in this letter/ (including any act, omission or representation by or on our behalf) shall render any member of the SCB Group liable to you or any other person in any manner whatsoever.

Any commitment and subsequent offer of finance from us will be subject to conditions customary for financings of this nature, including, without limitation, the completion of due diligence, loan and capital market conditions, the issuance of all internal and external approvals, and the execution of financing documents, in each case, in form and substance satisfactory to us.

This letter is given as of the date set out above. The SCB Group is under no obligation to update, revise or reaffirm statements made in this letter and subsequent developments or information may affect the statements set out in this letter.

We have provided this letter on the basis that (i) it is for the sole purposes of your consideration of the Transaction and (ii) the issuance of this letter and its contents are confidential and shall not be disclosed to any person or be reproduced, disseminated or quoted at any time and in any manner without our prior written consent other than disclosure on a confidential and non-reliance basis to your professional advisers (or as otherwise required by applicable law or regulation).

This letter and any non-contractual obligations arising out of or in connection with it are governed by English law.

We look forward to working with you on the Transaction.

Yours faithfully,
For and on behalf of

Standard Chartered Bank

Betty Tsai

Name: Betty Tsai
Title: Executive Director, Relationship Manager

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**PUNJAB GROUP
CONSOLIDATED FINANCIAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**



REPORT OF THE INDEPENDENT AUDITOR ON CONSOLIDATED FINANCIAL STATEMENTS OF PUNJAB GROUP

The accompanying consolidated financial statements, which comprise the consolidated statement of financial position as at June 30, 2021, the consolidated statement of profit or loss, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended, and related notes, are derived from the audited financial statements of following Companies (also referred to as Group Companies) for the year ended June 30, 2021.

- Educational Excellence Limited
- National Communications Services (SMC PVT) Limited
- National Educational Network (Pvt.) Limited
- EFA-E-Taleem (Private) Limited
- Punjab College Rahim Yar Khan (Pvt.) Limited
- Allied Supplies and Services (Private) Limited
- Liberty Stores (Private) Limited
- University of Central Punjab
- Capital University of Science and Technology
- Mohammad Ali Jinnah University
- Zero Carbon (Private) Limited
- Union Developers (Private) Limited

Unmodified audit opinion is expressed by the auditors on those financial statements in the audit report(s).

The consolidated financial statements do not contain all the disclosures required by accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017. Reading the consolidated financial statements, therefore, is not a substitute for reading the separate audited financial statements of above-mentioned Group Companies

Responsibility of the Management for the Consolidated Financial Statements

Management is responsible for the preparation of consolidated financial statements derived from separate audited financial statements of Group Companies on the basis described in Note 2.1 of the consolidated Financial Statements.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing.

We have performed following procedures to form an opinion on the consolidated financial statements;

- Evaluate whether the consolidated financial statements adequately disclose their nature and identify the audited financial statements on which consolidated financials are based
- Evaluate whether the consolidated financial statements adequately disclose the applied criteria

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QADEER & COMPANY
CHARTERED ACCOUNTANTS

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- Compare the consolidated financial statements with the related information in the audited financial statements to determine whether the consolidated financial statements agree with or can be recalculated from the related information in the audited financial statements.
- Evaluate whether the consolidated financial statements are prepared in accordance with the applied criteria.

Opinion

In our opinion, the consolidated financial statements derived from the audited financial statements of Group Companies for the year ended June 30, 2021 are consistent, in all material respects, with those financial statements, on the basis described in Note 2.1 of the consolidated Financial Statements.

Lahore,
Dated: April 25, 2022

QADEER AND COMPANY
CHARTERED ACCOUNTANTS

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PUNJAB GROUP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2021

EQUITY AND LIABILITIES

SHARE CAPITAL AND RESERVES

Issued, subscribed and paid up share capital
 Surplus on revaluation of freehold land
 Unappropriated profit

NON-CURRENT LIABILITIES

Long term loans
 Liabilities against assets subject to finance lease
 Long term advances and security deposits
 Liabilities against business acquisitions
 Deferred capital grant
 Deferred license fee
 Deferred taxation

CURRENT LIABILITIES

Trade and other payables
 Current portion of long term loans
 Current portion of finance lease
 Current portion of liabilities against business acquisitions
 Short term running finance
 Accrued mark-up
 Advance from customers
 Deferred revenue
 Provision for taxation

CONTINGENCIES AND COMMITMENTS

ASSETS

NON-CURRENT ASSETS

Property, plant and equipment
 Investment properties
 Long term investment
 Intangible assets
 Long term security deposits
 Deferred tax asset

CURRENT ASSETS

Stock in trade
 Trade debts
 Loan to associated undertaking
 Loans and advances
 Short term deposits and prepayments
 Other receivables
 Accrued markup receivable
 Cash and bank balances

NOTES	2021 RUPEES	2020 RUPEES
5	1,026,211,490 3,173,976,067 17,874,699,361 22,074,886,918	951,211,490 3,173,976,067 15,436,507,455 19,561,695,012
6	3,415,495,638 75,201,424 571,988,862 66,266,415 929,596,230 943,061,251 6,001,609,820	4,245,227,324 72,051,711 572,247,862 13,802,473 63,304,469 1,218,760,433 694,328,776 6,879,723,048
7		
8	13,464,407,928 2,440,170,045 14,527,029 55,209,892 3,061,398,118 101,729,257 11,497,743,953 243,815,142 490,503,030 31,369,504,393	4,828,714,996 860,894,888 29,849,078 41,407,419 2,184,343,594 143,999,948 160,031,118 471,967,034 417,410,939 9,138,619,013
9		
10	59,446,001,132	35,580,037,073
11	18,590,271,273 821,293,043 758,125,287 47,703,275 161,145,208 20,378,538,086	18,527,798,063 592,468,457 643,125,287 55,235,283 192,848,603 1,207,772 20,012,683,464
12		
13	14,006,551,571 2,987,921,450 1,345,596,404 15,426,272,267 310,716,165 3,132,558,999 1,857,846,190 39,067,463,046 59,446,001,132	383,849,098 2,634,583,709 372,093,452 9,136,610,028 289,620,935 1,125,402,846 10,594,636 1,614,598,906 15,567,353,609 35,580,037,073
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The annexed notes 1 to 23 form an integral part of these financial statements.


 CHIEF EXECUTIVE


 DIRECTOR

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PUNJAB GROUP
CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2021

	NOTES	2021 RUPEES	2020 RUPEES
Revenue			
Cost of revenue	16	16,868,418,804	17,175,118,287
Gross profit	17	(9,278,709,661)	(9,934,526,555)
		<u>7,589,709,143</u>	<u>7,240,591,732</u>
Administrative expenses	18	(4,717,733,323)	(3,978,949,491)
Marketing and business promotion expenses	19	(998,090,655)	(519,302,459)
Other income	20	1,850,886,027	304,149,283
Operating profit		<u>3,724,771,192</u>	<u>3,046,489,065</u>
Finance cost			
Profit before taxation	21	(538,088,789)	(858,194,032)
		<u>3,186,682,403</u>	<u>2,188,295,033</u>
Taxation			
Profit after taxation	22	(748,490,497)	(472,100,131)
		<u>2,438,191,906</u>	<u>1,716,194,902</u>

The annexed notes 1 to 23 form an integral part of these financial statements.


 CHIEF EXECUTIVE


 DIRECTOR

PUNJAB GROUP
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2021

Profit after taxation

Other comprehensive income for the year

TOTAL COMPREHENSIVE INCOME FOR THE YEAR

The annexed notes 1 to 23 form an integral part of these financial statements.

2021	2020
RUPEES	RUPEES
2,438,191,906	1,716,194,902
2,438,191,906	1,716,194,902


CHIEF EXECUTIVE


DIRECTOR

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PUNJAB GROUP
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2021

PARTICULARS	SHARE CAPITAL	SURPLUS ON REVALUATION OF FREEHOLD LAND	UNAPPROPRIATED PROFIT	"RUPEES" TOTAL
Balance as on 30 June 2019	951,211,490	3,173,976,067	13,720,312,553	17,845,500,110
Total comprehensive income for the year ended 30 June 2020			1,716,194,902	1,716,194,902
Balance as on 30 June 2020	951,211,490	3,173,976,067	15,436,507,455	19,561,695,012
Share Capital issued	75,000,000			75,000,000
Total comprehensive income for the year ended 30 June 2021			2,438,191,906	2,438,191,906
Balance as on 30 June 2021	1,026,211,490	3,173,976,067	17,874,699,361	22,074,886,918

The annexed notes 1 to 23 form an integral part of these financial statements.


 CHIEF EXECUTIVE


 DIRECTOR

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PUNJAB GROUP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

Adjustments for:

(Gain) / loss on disposal fixed assets

Finance cost

Markup income

Depreciation & Amortization

Operating profit before working capital changes

Working capital changes

Decrease / (increase) in current assets

Stock in Trade

Trade Debts

loans and advances

Short term deposits and prepayments

Other receivables

Long term security deposits

(Decrease) / increase in current liabilities

Trade and other payables

Deferred license fee

Advances from Customers

Deferred Revenue

Income tax paid/ Adjusted

Markup received

Finance cost paid

Net cash generated from / (used in) operating activities

CASH FLOWS TO INVESTING ACTIVITIES

Proceeds / (payments) of Loans to related parties

Investment Property

Security Deposit

Capital expenditure incurred

Proceeds from sale of property, plant and equipment

Long term investment

Net cash generated from / (used in) investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Long term loans (repaid) / disbursed from banking companies - net

Liability against assets subject to finance lease

Deferred capital grant

Share Capital Issues

Change in short term financing - net

Net cash generated from / (used in) financing activities

NET (INCREASE) / DECREASE IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR

CASH AND CASH EQUIVALENTS AT END OF THE YEAR

The annexed notes 1 to 23 form an integral part of these financial statements.

2021 RUPEES	2020 RUPEES
3,186,682,403	2,188,295,033
(852,123,879)	80,887,586
538,088,789	858,194,032
(642,588,219)	(10,594,854)
870,110,344	829,403,166
(86,512,965)	1,757,889,931
3,100,169,438	3,946,184,964

(13,622,702,473)	93,880,750
(353,337,741)	(500,498,998)
(6,289,662,239)	585,624,047
(21,095,230)	61,969,788
(2,007,156,153)	(5,304,360)
31,703,395	5,998,990
8,635,692,932	649,775,061
(289,164,203)	(151,351,022)
11,337,712,835	(36,011,644)
(228,151,892)	98,995,485
(2,806,160,769)	803,078,096
294,008,668	4,749,263,060
(425,460,570)	(424,910,259)
653,182,855	184,193,808
(580,359,480)	(823,813,907)
(58,628,527)	3,684,732,702

(973,502,952)	(209,674,750)
(228,824,586)	2,414,665
(259,000)	140,000
(455,503,980)	(3,536,758,435)
382,578,725	212,884,098
(115,000,000)	(643,125,287)
(1,390,511,794)	(4,174,119,710)

749,543,471	2,514,921,897
(12,172,336)	(25,633,627)
2,961,947	63,304,469
75,000,000	
877,054,524	(1,098,382,415)
1,692,387,605	1,454,210,324
243,247,284	964,823,317
1,614,598,906	649,775,589
1,857,846,190	1,614,598,906


CHIEF EXECUTIVE


DIRECTOR

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PUNJAB GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1 GROUP AND ITS COMPANIES

1.1 Punjab Group consists of following companies;

- Educational Excellence Limited
- National Communications Services (SMC PVT) Limited
- National Educational Network (Pvt.) Limited
- EFA-E-Taleem (Private) Limited
- Punjab College Rahim Yar Khan (Pvt.) Limited
- Allied Supplies and Services (Private) Limited
- Liberty Stores (Private) Limited
- University of Central Punjab
- Capital University of Science and Technology
- Mohammad Ali Jinnah University
- Zero Carbon (Private) Limited
- Union Developers (Private) Limited

1.2 All twelve Companies mentioned in Note 1.1 are under common ownership and for the purpose of these consolidated financial statements, these companies combined are referred to as Punjab Group and / or Group Companies.

1.3 A brief summary for each company and its operation & incorporation is mentioned below;

1.3.1 Educational Excellence Limited

Educational Excellence Limited ('the Company') is a public limited company incorporated in Pakistan on 08 July 1999 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). The Company is principally engaged in encouraging and promoting education and for this purpose, it operates Business Administration, Computer, General Sciences, Commerce and Law institutes in Lahore, Multan, Sargodha, Okara, Gujrat, Bahawalpur, Phalia and Peshawar. These institutes are commonly known as "Punjab Group of Colleges". The registered office of the Company is located at 123 C-E-1 Gulberg III, Lahore (formerly 64-E-1 Gulberg III, Lahore).

1.3.2 National Communications Services (SMC PVT) Limited

"National Communications Services (SMC PVT) Limited" ("the Company") is a single member private limited company incorporated in Pakistan on October 18, 2006 under the repealed Companies Ordinance, 1984 (now the Companies Act 2017). Initially Company was established with the objects related to media industry like TV Channels, broadcasting, News papers and similar other activities under name and style of "Dunya TV", "Lahore News" and "Roznama Dunya". However, effective from July 01, 2009, by the order of Lahore High Court, Lahore, Punjab College of Information Technology (Pvt.) Limited and a portion of Able Diversified Limited (associated undertakings) were merged into the company. The object clause of the memorandum of association of the company was further enhanced. Now, company can maintain, administer and control educational institutions, schools and research centers in addition to electronic and print media related activities. The registered office of the company is situated at 8 - A, Abbot Road, Lahore.

1.3.3 National Educational Network (Pvt.) Limited

National Educational Network (Pvt.) Limited is a company incorporated under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) on January 21, 2010. The Company is an initiative of Punjab Group of Colleges, principally engaged in Joint Venture Network Associates operations of Primary Schools, Comprehensive Schools and Punjab Colleges with the title of Allied Schools, Resource Academia and Punjab Colleges under a Joint Venture Network Association Agreement in various cities of Pakistan. These schools and colleges are commonly known as Allied Schools and Punjab Colleges covering education from Pre School up to Graduation level. The registered office of the Company is located at 123C-E-1 Gulberg III, Lahore.

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PUNJAB GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1.3.4 EFA-E-Taleem (Private) Limited

EFA-E-Taleem (Private) Limited is a company incorporated under the Companies Ordinance, 1984 on November 11, 2014 (now Companies Act 2017). The Company is an initiative of Punjab group of colleges, principally engaged in Joint Venture Network Associates operations of primary schools, comprehensive schools and Punjab colleges with the title of education for all under a joint venture network associates agreement in various cities of Pakistan. These schools and colleges are commonly known as education for all covering education from pre school up to graduation level. The registered office of the company is located at 123 C-E-1 Gulberg III, Lahore.

1.3.5 Punjab College Rahim Yar Khan (Pvt.) Limited

Punjab College Rahim Yar Khan (Pvt.) Limited was incorporated on July 24, 2003 as a Private Limited Company under name Punjab College of Information Technology (Pvt.) Limited under the Companies Ordinance, 1984 (Now the Companies Act, 2017) Company is principally engaged in encouraging and promoting education, and for this purpose, it operates Computer, Science and Commerce institutions in Rahim Yar Khan. The name of the Company has been changed as Punjab College Rahim Yar Khan Private Limited with effect from July 01, 2009. The registered office of the Company is located at Khanpur Road, Rahim Yar Khan.

1.3.6 Allied Supplies and Services (Private) Limited

Allied Supplies and Services (Private) Limited is a company incorporated under the Companies Ordinance, 1984 (now Companies Act 2017) on June 23, 2014. The Company started its business in July 01, 2014. Principal business activity of company is trading of educational material like uniform, school bags and promotional items. Its registered office is situated at 63-E-1 Gulberg III, Lahore.

1.3.7 Liberty Stores (Private) Limited

Liberty Stores (Private) Limited is a Company incorporated under the Companies Ordinance, 1984 (Now the Companies Act, 2017) on November 10, 2009. The Company started its business in May 2014. Principal business activity of Company is trading of educational material like stationery, books and exercise books. The registered office of the Company is located at 123 C-E-1 Gulberg III, Lahore.

1.3.8 University of Central Punjab

University of Central Punjab was chartered on April 10, 2002 pursuant to Ordinance XXIV of 2002 issued by the Government of Punjab. The University has been licensed to grant earned and honorary degrees from associate to doctorate level in any faculty of professional education. University of Central Punjab has been recognized by the Higher Education Commission (HEC) in the top most "W" (A) category. University is located at 1 - Khayaban-e-Jinnah Road, Johar Town, Lahore. The registered office of the University is located at 64-E-1 Gulberg III, Lahore.

1.3.9 Capital University of Science and Technology

Capital University of Science and Technology (CUST), a project of Mohammad Ali Jinnah University (MAJU) Trust, was established under the Capital University of Science and Technology Act, 2015 NO. XVI of 2015 by the Majlis-e-Shoora (Parliament) on September 28, 2015. The University has been licensed to grant earned and honorary degrees from associate to doctorate level in any faculty of professional education. The date of establishment is September 28, 2015. The registered office of the University is located at Islamabad Expressway, Kahuta Road, Zone-V, Islamabad

1.3.10 Mohammad Ali Jinnah University

Mohammad Ali Jinnah University was established under the Mohammad Ali Jinnah University Ordinance No. IV of 2000 by the Government of Sindh on May 18, 2000. The University has been licensed to grant earned and honorary degrees from associate to doctorate level in any faculty of professional education. The registered office of the university is located at 22-E, PECHS, Karachi.

1.3.11 Zero Carbon (Private) Limited

Zero Carbon (Private) Limited ('the Company') was incorporated on 19 March 2019 in Pakistan as a Private Limited Company under the Companies Act, 2017. The principal objects of the Company are to deal in power generation, solar technology, alternate energy solutions and allied services. The registered office of the Company is situated at 63-E-1 Gulberg III, Lahore.

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PUNJAB GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

1.3.12 Union Developers (Private) Limited

Union Developers (Private) Limited ("the Company") was incorporated on March 17, 2004, under the Companies Ordinance, 1984, (now Companies Act, 2017) as a private limited company. The Company is engaged in the business of providing construction services, land development, sale of plots and other matters ancillary thereto. The registered office of the Company is situated at 123-C, Block-E/I, Gulberg-III, Hali Road, Lahore.

2 STATEMENT OF COMPLIANCE

2.1 These consolidated financial statements are derived from separate audited financial statements of twelve companies as mentioned in Note 1.1.

For the purpose of consolidation, balance sheet, income statement, statement of changes in equity & cash flow statement for all Group companies are combined line by line. Inter-company receivables & payables including loans due to / due from Group companies are eliminated.

Individual audited financial statements for all group companies have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan.

Applicable accounting & reporting framework for each company is mentioned in Statement of Compliance note of respective company's Audited Financial Statements.

2.2 New standards, amendments to the accounting and reporting standards as applicable in Pakistan

There were certain amendments to accounting and reporting standards which became effective for the Group Companies for the current year. However, these are considered not to be relevant or to have any significant impact on the Group Company's financial reporting except some additional disclosures and, therefore, have not been disclosed in relevant Company's individual financial statements.

2.3 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group Companies as on reporting date.

The following new/revised standards, amendments and improvements with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations:

IAS-1	Presentation of Financial Statements; Classification of liabilities as current or non-current (Amendments).	1-Jan-23
IAS 7 & IAS 9	Interest Rate Benchmark Reform - Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16.	1-Jan-22
IAS-8	Accounting Policies, Changes in Accounting Estimates and Errors; Definition of Accounting estimates (Amendments).	1-Jan-23
IAS-12	Income Taxes (The amendments to narrow the scope of initial recognition exemption.	1-Jan-23
IAS-37	Provision, contingent liabilities and contingent assets. Amendments regarding the cost to include when assessing whether a contract is onerous.	1-Jan-22
IAS-16	Property, Plant and Equipment Amendment prohibiting the company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use.	1-Jan-22
IAS-41	Amendment resulting from Annual Improvements to IFRS Standards 2018-2020 (the requirement in paragraph of IAS 41 for the entities to exclude taxation cash flows when measuring the fair value of biological assets using a present value technique).	1-Jan-22
IFRS-1	First time adoption of International Financial Reporting Standards amendments resulting from Annual improvements of IFRS standards 2018-2020 (Subsidiary as a first-time adopter).	1-Jan-22
IFRS-3	Business combination ; Amendments updating a reference to conceptual framework.	1-Jan-22
IFRS-4	Insurance Contracts ; Amendments regarding the expiry date of the deferral approach.	1-Jan-23
IFRS-9	Financial instruments; Fees in the '10 percent' test for DE recognition of financial liabilities (Amendments)	1-Jan-22
IFRS-16	Leases (Extension in respect of the practical expedient for COVID-19 related to rent concession by one year).	1-Jul-21
IFRS-16	Amendment resulting annual improvements to IFRS standards 2018-2020(to resolve any	1-Jan-22

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PUNJAB GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

potential confusion that might arise in the lease incentives)		
IFRS-10	Consolidated Financial Statements and IAS 28	Not yet finalized
	Investment in associate and joint venture ; amendment regarding sale or contribution of assets between an investor and its associate or joint venture.	
IAS-41	Agriculture; Taxation in fair value measurements (Amendments)	1-Jan-22

It is anticipated that the adoption of the above standards, amendments and interpretations in future periods, will have no material impact on the Group Companies individual financial statements other than the impact on presentation/disclosures.

International Accounting Standards Board (IASB) has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

Further, the following new standards and interpretations have been issued by the International Accounting Standards Board (IASB), which are yet to be notified by the Securities and Exchange Commission of Pakistan (SECP), for the purpose of their applicability in Pakistan:

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

3 BASIS OF PREPARATION

Group Companies' individual financial statement from which Group consolidated financial statements are derived have been prepared under the historical cost convention except for certain financial instruments carried at fair value.

3.1 Functional and presentation currency

Items included in the financial statements are prepared using the currency of the primary economic environment in which the Group Companies operate i.e. Pakistan Rupees which is the Group Companies' functional and presentation currency.

3.2 Use of estimates and Judgments

The preparation of financial statements in conformity with IASs as applicable in Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources, actual results may differ from the estimates. The estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made and in any future periods affected.

Significant management estimates in these financial statements relate to the useful life of property, plant and equipment, provisions for doubtful receivables, slow moving inventory and taxation. However, the management believes that the change in outcome of estimates would not have a material effect on the amounts disclosed in the financial statements.

Judgment made by management in the application of approved standards as applicable in Pakistan that have significant effect on the financial statements and estimates with a risk of material adjustment in subsequent year are as follows:

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3.2.1 Depreciation method, rates and useful lives of property, plant and equipment

The management of group companies reassesses useful lives, depreciation method and rates for each item of property, plant and equipment annually by considering expected pattern of economic benefits that the Group Companies expects to derive from that item.

3.2.2 Recoverable amount of assets/ cash generating units

The management of the group companies reviews carrying amounts of its assets and cash generating units for possible impairment and makes formal estimates of recoverable amount if there is any such indication.

3.2.3 Fair value of financial instruments having no active market

Fair value of financial instruments having no active market is determined using discounted cash flow analysis after incorporating all factors that market participants would consider in setting a price and using inputs that reasonably represent market expectations and measures of the risk-return factors inherent in the financial instrument.

3.2.4 Taxation

The Group Companies takes into account income tax law and decisions taken by appellate authorities. Instances where the Group Companies view differs from the view taken by tax department at the assessment stage and where the Group Companies considers that its view of items of material nature is in accordance with law, the amounts are shown as contingent liabilities.

3.2.5 Provisions

Provisions are based on best estimate of the expenditure required to settle the present obligation at the reporting date, that is, the amount that the Group Companies would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

4 SIGNIFICANT ACCOUNTING POLICIES

These accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Group Companies.

4.1 Property, plant and equipment

Owned assets:

Property, plant and equipments are stated at cost less accumulated depreciation and accumulated impairment losses, (if any)

Depreciation on property, plant and equipment is charged to the profit and loss account at the rates mentioned in Property Plant & Equipment relevant note of Group Companies individual financial statements. Group Companies reviewed useful life of assets at each reporting date. Depreciation charge commences from the month in which asset is available for use and continues until the month of disposal.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Assets are retired when there is no economical benefit. Gains and losses on disposals are determined by comparing sale proceeds with carrying amount and are accordingly adjusted in the profit and loss account.

Investment property

Property not held for own use or for sale in the ordinary course of business is classified as investment property. The investment property of the Group companies comprises land and building and is valued using cost method i.e. at cost less any accumulated depreciation and any identified impairment loss.

Depreciation on investment property is charged to the profit and loss account at the rates specified by applying the Reducing Balance Method, whereby the cost of an asset is written off over its estimated useful life. Group Companies reviewed useful life of assets at each reporting date. Depreciation charge commences from the month in which asset is available for use and continues until the month of disposal. The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the assets is recognized as an income or expense.

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Judgments and estimates:

Residual value and the useful life of assets are reviewed at least at each financial year end and adjusted if impact on depreciation is significant.

Depreciation:

Depreciation on fixed assets is charged to profit and loss account applying the reducing balance method so as to write off the cost/depreciable amount of the assets over their estimated useful lives at the rates given in the note to property, plant and equipment. The Group companies charges the depreciation on additions from the month when the asset is available for use and continues until the month of disposal.

De-recognition:

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the profit or loss account in the year the asset is de-recognized.

Capital work in progress:

Capital work-in-progress is stated at cost less any identified impairment losses, if any, and is transferred to the respective item of property, plant and equipment when available for intended use. No depreciation is charged on capital work-in-progress.

4.2 Accounting for finance lease

IFRS 16 supersedes IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a Lease', SIC 15 'Operating leases - incentives' and SIC 27 'Evaluating the substance of transactions involving the legal form of a lease'. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Leases in terms of which the Group Companies has substantially all the risks and rewards of ownership are classified as finance lease. These are initially recognized at the lower of present value of Minimum Lease Payments (MLP) under the lease agreements and the fair value of assets acquired on lease. Aggregate amount of obligations relating to assets subject to finance lease is accounted for at Net Present Value (NPV) of liabilities.

Depreciation on leased assets is charged to the profit and loss account, applying the Reducing Balance Method, whereby the cost of an asset is written off over its estimated useful life. Depreciation charge commences from the month in which asset is available for use and continues until the month of disposal.

Finance charges are allocated to accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability.

Residual value and useful life of leased assets are reviewed at the end of each financial year and adjusted if impact on depreciation is significant.

Upon adoption of IFRS 16, the Group Companies applied a single recognition and measurement approach for all leases, except for short-term leases. The standard provides specific transition requirements and practical expedients, which has been applied by the Group Companies.

The Group Companies did not change the initial carrying amounts of recognized assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognized under IAS 17).

As a result of adoption of IFRS 16, the Group Companies has adopted following new accounting policy:

A contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. The Group Companies mainly leases vehicles and plant and machinery for its operations. The Group Companies recognizes a right-of-use asset and lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- The initial direct costs; and
- Restoration cost (if any).

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Subsequently, right-of-use assets are recognized at cost less any accumulated depreciation and impairment losses if any, and adjusted for certain re-measurements of the lease liability. The right-of-use asset is depreciated using the reducing balance method over the asset's useful life. The estimated useful lives of assets are determined on the same basis as that for owned assets.

4.3 Trade debts and other receivables

Trade debts and other receivables are recognized initially at fair value and subsequently measured at amortized cost less any identified impairment loss. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group Companies will not be able to collect all amounts due according to original terms of receivables.

4.4 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received.

4.5 Stock in trade

Inventories are stated at the lower of cost and net realized value. Cost is calculated using FIFO method and comprises direct materials, direct labor costs and direct overheads that have incurred in bringing the inventories to their present location and condition. Net realizable value represents the estimated selling price in the ordinary course of business less all estimated costs of completion and estimated costs necessary to be incurred in order to make the sale.

4.6 Stores and Spares

Stores and spares are valued at moving average cost. Items in transit are valued at cost comprising invoice values plus others charges incurred thereon.

4.7 Investment held for sale

Investment held for sale is initially recognized at cost and subsequently measured at the lower of carrying value and fair value less cost to sell.

4.8 Financial Instruments

Financial assets:

a) Financial assets at amortized cost

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

b) Fair value through other comprehensive income

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

c) Fair value through profit or loss

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

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

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

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership. Assets or liabilities that are not contractual in nature and that are created as a result of statutory requirements imposed by the Government are not the financial instruments of the Group Companies.

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

Financial liabilities:

All financial liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instrument. Financial liabilities at amortized cost are initially measured at fair value minus transaction costs. Financial liabilities at fair value through profit or loss are initially recognized at fair value and transaction costs are expensed in the profit or loss.

Financial liabilities other than those at fair value through profit or loss are subsequently measured at amortized cost using effective yield method.

Financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange and modification is treated as a De-recognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognized in the profit or loss.

4.9 Foreign currency translations

All monetary assets and liabilities in foreign currencies, if any, are translated into Pak Rupee at the rates of exchange prevailing at the balance sheet date or at contracted rates while foreign currency translations are initially recorded at the rate of exchange prevailing at the transaction date. The Group Companies charges all the exchange differences to profit and loss account.

4.10 Taxation

Current tax:

Provision for current tax is based on the taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using prevailing tax rates expected to apply to the profit for the year, if enacted.

The Group Companies accounts for deferred taxation, using the statement of financial position method, on all temporary differences arising between the carrying amount of the assets and liabilities in the financial Statements and their corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized.

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

4.11 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalent consist of cash and bank balances, cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, running finance under mark-up arrangements and short term loans which form an integral part of the Group Companies's cash managements.

4.12 Mark-up bearing borrowings

Mark-up bearing borrowings are recognized initially at cost being the fair value of consideration received, less attributable transaction costs. Subsequent to initial recognition, mark-up bearing borrowings are stated at original cost less subsequent repayments.

4.13 Revenue recognition

Revenue recognition policy is mentioned in relevant note of Group Companies individual financial statements.

4.14 Provisions

Provisions are recognized in the statement of financial position when the Group Companies has a legal or constructive obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation and reliable estimate can be made. However, provisions are reviewed at each year end and adjusted to reflect to current best estimate. Where the outflow of resources embodying economic benefits is not probable, a contingent liability is disclosed, unless the possibility of outflow is remote.

4.15 Impairment

Financial assets:

The Group Companies record impairment based on lifetime expected credit loss at the time of initial recognition of financial instrument at a default rate calculated using own historical credit loss experience and forward looking factors. However, in certain cases, the Group Companies may also consider a financial asset to be in default when internal or external information indicates that the Group companies are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the respective company.

Non-financial assets:

The carrying amount of the Group companies assets is reviewed at each statement of financial position date to determine whether there is any indication of impairment loss. If any such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. In the absence of any information about the fair value of a cash-generating unit, the recoverable amount is deemed to be value in use. Impairment losses are recognized as an expense in the profit or loss account.

4.16 Borrowing cost

Mark up, interest and other charges on borrowings are capitalized up to the date of commissioning of the related qualifying assets, acquired out of the proceeds of such borrowings. All other markup, interest and other charges are recognized as an expense in the period in which they are incurred. Interest, mark-up and profit on long term liabilities are charged to profit and loss account in accordance with IAS-23 "Borrowing cost".

4.17 Markup income

Markup income comprises interest income on funds invested in associated concerns and income on bank deposits. These are accrued on a time proportion basis by reference to the principal outstanding and the applicable rate of return.

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4.18 Related party transactions and transfer pricing

The Group Companies enters into transaction with related parties on arm's length basis. Prices for transactions with related parties are determined using admissible valuation methods, except in extremely rare circumstances where, subject to approval of the Board of Directors, it is in interest of the respective Company to do so.

4.19 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

As at June 30, 2021, all financial assets and financial liabilities are carried at amortized cost.

The Group Companies classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- b) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- c) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The Group Companies recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred.

The Group Companies policy for determining when transfers between levels in the hierarchy have occurred includes monitoring of the following factors:

- changes in market and trading activity (eg. significant increases / decreases in activity)
- changes in inputs used in valuation techniques (eg inputs becoming / ceasing to be observable in the market)

There were no transfers between level 1, 2 or 3 of the fair value hierarchy during the year.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

4.20 Deferred capital grant

The Deferred Capital Grant is measured upon initial recognition as the difference between fair value of the loan and loan proceeds. The fair value of the loan is the present value of the loan proceed received, discounted using the prevailing market rates of interest for a similar instrument. Subsequently, the grant is recognized in statement of profit or loss, in line with the recognition of interest expenses the grant is compensating.

4.21 Employee benefits - retirement benefits

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contribution into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in the statement of comprehensive income when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Employee benefit plan details are mentioned in relevant note of Group Companies individual financial statements.

5 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Details for Issued, Subscribed And Paid Up Share Capital are mentioned in relevant note of Group Companies individual financial statements.

6 LONG TERM LOANS FROM BANKING COMPANIES

Details for long term loans along with repayment terms, applicable mark-up rate and security / charge over assets are mentioned in relevant note of Group Companies individual financial statements.

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	NOTES	2021 RUPEES	2020 RUPEES
7 DEFERRED TAXATION			
Balance at the beginning		694,328,776	623,852,933
Tax charge / (credit) recognized in profit and loss		248,732,475	70,475,843
Balance at the end		<u>943,061,251</u>	<u>694,328,776</u>
8 TRADE AND OTHER PAYABLES			
Creditors for supplies - unsecured		994,626,781	1,050,330,652
Duties and taxes		181,055,627	285,389,803
Advance for land - unsecured		10,196,194,634	2,312,369,105
Accrued Liabilities		792,829,153	451,838,135
Other Payables		<u>1,299,701,733</u>	<u>728,787,300</u>
		<u>13,464,407,928</u>	<u>4,828,714,995</u>
9 SHORT TERM RUNNING FINANCE			
Educational Excellence Limited			
The Bank of Punjab	9.1	493,501,179	52,792,790
Soneri Bank Limited	9.2	448,482,751	247,482,684
Silk Bank Limited	9.3	724,564,469	1,124,564,598
Habib Bank Limited	9.4	295,588,888	298,775,770
National Communications Services (SMC PVT) Limited			
Bank Alfalah Limited	9.5 & 9.6	-	180,436,472
Bank of Punjab	9.5 & 9.6	200,000,000	87,045,893
Faysal Bank Limited	9.5 & 9.6	899,260,830	122,908,931
Finance against trust receipt (FATR)	9.7	-	27,228,700
Zero Carbon (Private) Limited			
Finance against trust receipt (FATR)	9.8		43,107,756
		<u>3,061,398,118</u>	<u>2,184,343,594</u>
<p>9.1 This loan facility along with Term Finance Facilities are secured by personal guarantee of the Chief Executive, collaterals by way of specific land situated at Islamabad, Lahore, District Rahim Yar Khan and Rawalpindi. The loan also carries a joint parri passu charge on current assets, receivables, securities and investments of the company registered with the SECP. The loan carries mark up at the rate of 3 month KIBOR + 0.90% per annum.</p>			
<p>9.2 Running Finance Facility of Rs. 450 million has been obtained from Soneri Bank Limited and is secured by a token registered and equitable mortgage of Rs 0.100 Million and Rs. 660 Million respectively on specific property of the company. The facility is further secured by personal guarantees of chairman and executive director. The loan carries mark up at the rate of 3 month KIBOR + 1% per annum.</p>			
<p>9.3 Short Term Running Finance Facility of Rs. 1485 million has been obtained from Silk Bank Limited and secured by corporate guarantee , personal guarantee of chief executive and executive director of the Company. The facility is secured against mortgage on specific property and ranking hypothecation charge of rupees 1980 Million with 25% margin on all present and future current assets of the company. The loan carries mark up at the rate of 3 month KIBOR + 4.5% per annum.</p>			
<p>9.4 Running finance facility amounting to PKR 300 Million has been obtained as a swap for running finance facility of Summit Bank Limited. The facility carries a mark up of 3 month KIBOR + 1% per annum and is secured by a ranking charge on the current assets of the Company along with exclusive charge on specific assets of the company and personal guarantee of chief executive officer.</p>			

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9.5 These finances are obtained from banking companies under mark-up arrangements and are secured against equitable and token mortgage on specific fixed assets of the company, ranking charge on all present and future current assets along with hypothecation of specific machinery and equipments, personal guarantee of Chief Executive and cross corporate guarantee of Educational Excellence Limited in favor of the Company are also provided as security. These form part of total credit facilities of Rupees 1,410 Million (2020: Rupees 1,410 Million). The limits comprise of Bank of Punjab Rupees 210 million (Expiring : 6 April 2022), Bank Alfalah Limited Rupees 300 million (Expiring : 28 February 2022) and Faysal Bank Limited Rupees 900 million (Expiring : 28 February 2022).

9.6 The rates of mark up against these facilities range from 3 MK + 1% per annum to 3 MK +1.25% per annum

9.7 These finances include were from Bank Alfalah Limited carrying mark-up of 3 month KIBOR + 1.25% per annum.

9.8 Short term borrowing of PKR 100 Million is in the form of Finance Against Trust Receipts. The limits are available with Habib Bank Limited and The Bank of Punjab with the price ranging from 3 Month Kibor Plus 1.00% to 3 Month Kibor Plus 2.50%. These facilities are secured against charge over present and future current and fixed assets of the Company, personal guarantee of Chief Executive Officer and cross corporate guarantee of Educational Excellence Limited (an associated Company).

10 CONTINGENCIES AND COMMITMENTS

There is no significant amount observed for contingencies & commitments as on 30 June 2021 (2020: Nil)

11 PROPERTY, PLANT AND EQUIPMENT

Details for Fixed Assets Schedule along with Accumulated Depreciation, useful life, assets categories and WDV etc. are mentioned in relevant note of Group Companies individual financial statements.

	NOTES	2021 RUPEES	2020 RUPEES
12 LONG TERM INVESTMENT			
Educational Excellence Limited			
Hill House-Islamabad	12.1	643,125,287	643,125,287
Zero Carbon (Private) Limited			
Zero Carbon Power (Private) Limited	12.2	90,000,000	
Zero Carbon Energy (Private) Limited	12.3	25,000,000	
		<u>758,125,287</u>	<u>643,125,287</u>

12.1 It is an investment with Hill House Islamabad , an association of person which is operating campus under the name "Punjab College Hill house Islamabad. Said investment has been recognized at cost under equity method.

12.2 This represents 9,000,000 ordinary shares of Rs. 107- each compromising 90% share capital of the subsidiary "Zero Carbon Power (Private) Limited. The principal objects of the subsidiary Company is to generate and sell electricity & to carry on all or any ancillary business relating to generation, production, sale, storage, supply and distribution of electricity.

12.3 This represents 2,500,000,ordinary share of Rs. 10/- each compromising 100% share capital of the subsidiary "Zero Carbon Energy (Private) Limited". The principal object of subsidiary company is to design, install and supply electricity generation equipments/plants.

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	NOTES	2021 RUPEES	2020 RUPEES
13 STOCK IN TRADE			
Project Land			
Stock - Media Business		12,983,892,319	
Work in Process - Other Business		31,255,421	54,682,202
Stock - Other Business		183,363,134	80,211,226
		808,040,697	248,955,670
		<u>14,006,551,571</u>	<u>383,849,098</u>
14 TRADE DEBTS			
Fee Receivable		495,015,581	414,295,536
Advertisement Revenue Receivable		2,393,881,541	2,103,138,187
Other Trade Receivable		99,024,328	117,149,986
		<u>2,987,921,450</u>	<u>2,634,583,709</u>
15 CASH AND BANK BALANCES			
Cash in hand		295,343,040	20,888,004
Cash at banks		1,562,503,150	1,593,710,902
		<u>1,857,846,190</u>	<u>1,614,598,906</u>

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	NOTES	2021 RUPEES	2020 RUPEES
16 REVENUE			
Revenue from Education Business		9,732,641,135	9,895,571,971
Revenue from Media Business		6,235,692,754	6,014,398,942
Revenue from Other Business		900,084,915	1,265,147,374
		<u>16,868,418,804</u>	<u>17,175,118,287</u>
17 COST OF REVENUE			
Stock / raw material consumed		1,017,648,820	1,271,955,766
Salaries, wages & benefits		5,334,967,475	5,294,673,728
Transmission & Production expenses		188,925,722	216,918,993
Printing, stationery and periodical expenses		78,739,153	74,309,532
Utilities		277,383,851	382,136,857
Rent, rates and taxes		792,896,391	760,932,203
Repair, maintenance and renovation		491,770,596	551,176,578
Travelling and vehicle maintenance		168,186,511	229,526,590
Students related expenses		99,786,523	269,932,579
Depreciation and amortization		694,878,917	677,582,042
Insurance		28,403,103	33,398,190
Entertainment		24,534,598	23,210,961
Communication, courier and postage		51,134,729	58,138,208
Fee share expense		16,475,610	22,269,632
Software maintenance expenses		25,814,792	36,270,428
Other expenses		90,314,779	112,264,694
		<u>9,381,861,571</u>	<u>10,014,696,981</u>
Opening work in Progress		80,211,226	40,800
Closing work in Progress		(183,363,136)	(80,211,226)
		<u>9,278,709,661</u>	<u>9,934,526,555</u>
18 ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits		2,713,624,371	2,414,596,480
Utilities		117,649,369	133,406,340
Rent, rates & taxes		223,364,045	194,637,999
Travelling, conveyance & vehicle maintenance		45,401,211	39,061,977
Communication, courier and postage		219,610,136	84,734,660
Repair, maintenance and renovation		204,204,284	215,190,230
Printing, stationery and periodical expenses		58,858,851	48,850,817
Legal and professional charges		129,844,471	117,204,234
Auditors' remuneration		3,720,523	2,957,270
Insurance		49,737,911	32,191,655
Donation		349,483,700	208,420,000
Depreciation and amortization		175,231,427	151,821,124
Entertainment		139,168,156	124,701,459
Other expenses		287,834,869	211,175,247
		<u>4,717,733,323</u>	<u>3,978,949,491</u>

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PUNJAB GROUP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

	NOTES	2021 RUPEES	2020 RUPEES
19 MARKETING AND BUSINESS PROMOTION EXPENSES			
Advertising expenses		735,440,059	393,932,344
Business promotion expenses		262,650,596	125,370,115
		<u>998,090,655</u>	<u>519,302,459</u>
20 OTHER INCOME			
Rental income		205,664,779	205,681,313
Gain / (loss) on disposal of property, plant and equipment		852,123,879	(80,887,586)
Interest income		642,588,219	10,594,854
Miscellaneous income		150,509,150	168,760,703
		<u>1,850,886,027</u>	<u>304,149,283</u>
21 FINANCE COST			
Mark-up on long term loans		212,650,483	234,348,376
Mark-up on musharakah financing		194,423,886	296,730,627
Mark-up on short term borrowings		118,632,722	307,749,801
Rent on ijarah		2,725,333	12,041,123
Bank charges		9,656,365	7,324,104
		<u>538,088,789</u>	<u>858,194,032</u>
22 TAXATION			
Current taxation:			
-Prior years		7,807,048	(14,574,074)
-For the year		490,743,202	417,410,937
Charge for the year		498,550,250	402,836,863
Deferred taxation		249,940,247	69,263,268
		<u>748,490,497</u>	<u>472,100,131</u>
23 General			

Figures have been rounded off to the nearest rupee.


 CHIEF EXECUTIVE


 DIRECTOR



LNG Easy Private Limited

**STATEMENT SETTING FORTH ARRANGEMENTS FOR SUPERVISION,
MANAGEMENT, ENGINEERING, ACCOUNTING, LEGAL SERVICES**

LNG Easy Pte. Limited Singapore has been engaged in Small-Scale LNG Virtual Pipeline Projects in several countries including Myanmar, Bangladesh and Vietnam and are well experienced in successfully operating such projects. Fully qualified and trained professionals including technical, management, financial and legal experts are available with the company with years of relevant experience. The LNG off-loading operations are carried out through a proprietary Mobile Filling Platform (MFP) which will be used for Pakistan operations as well. Technical team from Singapore office will initially handle the operations, simultaneously providing on the job training to the local technical team recruited for this purpose.

LNG Easy (Private) Limited has already engaged highly qualified technical and management staff to successfully implement the project, followed by operations, marketing and distribution of LNG through truck mounted 40 feet ISO Containers. Logistics arrangements for transportation of LNG through specialized trucks have been finalized with National Logistics Cell (NLC) which will ensure safe, economical and efficient delivery of the product to the end consumers all over Pakistan. Details of the technical and managerial manpower available with LNG Easy Singapore and LNG Easy Pakistan are attached.

The LNG in ISO Containers will be delivered to the customer site where it will be stored and subsequently re-gasified for use as fuel by the end user. For setting up these facilities at customer sites, EPC contract will be executed with one of the well reputed international companies with track record of successfully implementing similar projects. Evaluation of these suppliers financial and technical capabilities is being carried out currently and contract will be awarded to the selected company after completion of the evaluation process.

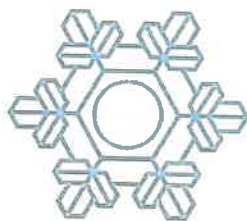
Mian Yasir Hamid
Chief Executive Officer



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Date : 01 September 2022

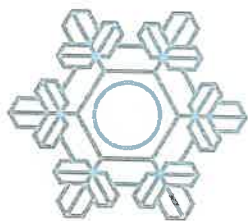
To : OIL AND GAS REGULATORY AUTHORITY (OGRA)

Subject : List of Personnel & Projects

We would like to provide the updated list of personnel of LNG Easy Pte Ltd.

1. The Technical Staff working for the Parent Company

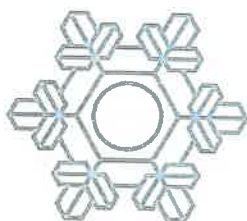
Name	Designation	Qualification	Work Experience	Background
He Yiyong	Director / CEO	MBA, Norwegian School of Economics and Business Administration	27 years	<ul style="list-style-type: none">• Started shipbroking with RS Platou in 1993 in Norway and Singapore, specialised in newbuilding and sale & purchase.• Founded Team Shipbrokers in 1999 which grew into one of Asia's largest independent brokers.• Citizen of Singapore
Hans Jacob Hvide	Director / CTO	BSc from Texas A&M and Science Master, Massachusetts Institute of Technology	30 years	<ul style="list-style-type: none">• Co-founder and CEO of Nortrans Offshore which was eventually sold to BW Offshore.• Founder and shareholder of Compass Energy• More than 30 years of project management, shipping and offshore engineering & operations• Norwegian citizen, lived in Singapore for more than 30 years.
Anders Hvide	Chief Financial Officer	MBA, Harvard University	34 years	<ul style="list-style-type: none">• Partner of Pareto Private Equity from 2005 – 2009• Experience in providing corporate finance work for private and public companies, MBO/LBO



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				<ul style="list-style-type: none"> • Shareholder of Pharos Group and advisor at Pharos Advisors AS • Norwegian citizen
Saravanan Krishna	Operation Manager	Project Management Essentials, The George Washington University (Sri Lankan National)	27 years	<ul style="list-style-type: none"> • Executive leadership with 27 years of operational and business management experience • Maritime consultant to LNG STS Operations & Management, Customized solution for small scale LNG, provide port/terminal consultation, audits/inspections
Erik He	Project Engineer	BEng in Ship Science, University of Southampton	3 years	<ul style="list-style-type: none"> • Internship with Anthony Veder in Holland and Odely in China before joining LNG Easy in 2018 • Norwegian citizen, lived in Singapore since young age • Experience in design work for LNG Projects, LNG transfer barge modification works, ISO Tank filling, procurement, budgeting, etc
Kyi Zaw Min	Project Superintendent	Electrical engineering	37 years	Marine electrical engineer
Nandar Lin	Marine Manager	Marine Safety Engineering	15 years	Experience of working in Offshore Oil and Gas sector
Thu Rein Soe	Floating Terminal (MFP) Operator	Marine Engineering	9 years	Experience of working in Offshore Oil and Gas sector
Zwe Nanda Aung	Floating Terminal (MFP) Mechanical Engineer	Mechanical Engineering with O&G Background	9 years	Experience in On Land LNG and LPG set ups
Aung Kyaw Oo	Electrician		2 years	



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2. Technical Staff working in Myanmar

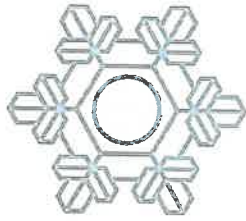
	Name	Current Title per contract	Title
1	Nandar Lin	Marine Manager	Captain
2	Thu Rein Soe	MFP Operator	C/O
3	Zwe Nanda Aung	MFP Electrician	MFP Electrician
4	Aung Kyaw Oo	Electrician	Electrician

Mobile Filling Platform
Singapore LNG Corporation Pte. Limited (SLNG)
Road Transport to Malaysia



MFP™ designed and built by LNgE which can also work as pre-fabricated Manifold platform.

This is a jetty less solution to transfer LNG to shore.
The Term **MFP** is trademark registered in Singapore.



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3. The List of Customers (previous and present) of LNG Easy Singapore.

- Shell
- Singapore LNG Corporation Pte. Limited (SLNG)
- CNITC,
- V-power,
- Gas Malaysia,
- Anran Cutting Gas Company China.

Green STS



**Performed by LNGe in Myanmar for
CNTIC/Vpower 750MW project**



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LNG Easy Private Limited

Date : 01 September 2022

To : Oil & Gas Regulatory Authority

Subject : List of Personnel

Updated list of personnel of LNG Easy (Private) Limited.

Name	Designation	Qualification	Work Experience	Background
Yasir Hamid	Director / CEO	BA International Management SOAS University of London, BSc International Business Management from Regents Business School Regent's Park London	22 years	<ul style="list-style-type: none">• Partner in DA Group of companies (family business) with interests in Oil & Gas, Logistics, Defense, IT, Energy sector in partnership with world renowned Companies like Korea Hydro & Nuclear Power KHNP, Lotte Engineering South Korea, China Pipeline Petroleum CPP, Renault Trucks France, Russia IT Export, Energy China CEEC.
Fahd Hameed	General Manager	Bachelors of Business Administration (Honors) from Coventry Business School, Coventry University, UK	22 years	<ul style="list-style-type: none">• Business Development Consultant & National Sales Manager at Eximpo Cool Chains (Pvt) Ltd, Rehmat Group.• General Manager Sales & Export Development at Venus Pakistan (Pvt) Ltd• Manager Operations & Business Development Gourmet Bakeries, Islamabad.
Ghulam Muhammad Sikandar	Advisor Government Affairs	MA Political Science from Punjab University	45 years	<ul style="list-style-type: none">• Former Secretary to the Government of Pakistan.• Former Secretary to the Government of NWFP/KPK• Former Secretary to the Government of Punjab• Former Commissioner Punjab Social Security Institutions• Former Director Anti-corruption Establishment Punjab• Additional Secretary to CM Punjab.

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LNG Easy Private Limited

Masood Ahmed Bhatti	Head of Commercial & Contracts	Associate of the Chartered Institute of Secretaries & Administrators from Chartered Institute of Secretaries & Administrators, UK (1982) MBA Finance and Marketing from Institute of Business Administration (IBA) Karachi, Pakistan (1973-1975)	44 Years	<ul style="list-style-type: none">• Former Head of Commercial & Contracts Bahria Foundation LNG Terminal Project• Over 30 years of experience in Program Management, Business and Project Development with key focus in the Oil & Gas Industry. Specific expertise in preparing project documentation with regards to investment activities and creating, developing and maintaining relationships with a diverse range of customers, consultants and clients including GOP agencies. Vast knowledge and understanding of the global Oil & Gas Industry including LNG with the ability to interpret and act upon new information effectively.
Muhammad Ahmar Hashmi	Head of Sales	MBA Marketing	16 years	Deputy Sales Manager SSGC LPG, Area Sales Manager PARCO LPG, Sales Executive SHV Energy (Pvt.) Ltd.
Syed Arsalan Afsar	Manager Technical	Masters in Project Manager, B.E in Polymer Engineering	11 years	<ul style="list-style-type: none">• Project Management Expertise• Project Execution Executive.

Yours Sincerely,



Mian Yasir Hamid
CEO
LNG Easy (Private) Limited

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LNG Easy Private Limited

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CERTIFICATE

It is confirmed that the proposed LNG Virtual Pipeline Project employs proven technology and that the criteria set out in the LNG Policy for selecting the location/site has been met.



Yasir Hamid
Chief Executive Officer

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UNDERTAKING

The Applicant undertakes to provide any such other information or documentation as the Authority may, from time to time, require, including without limitation, supplementary information or documentation required by the Authority to clarify the information contained in the application.



Yasir Hamid
Chief Executive Officer

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