



SUI NORTHERN GAS PIPELINES LIMITED

GAS HOUSE, 21 KASHMIR ROAD, P.O. BOX 56, LAHORE (PAKISTAN)

CA/PSX/ 2324

Thru: PUCARS / Courier

November 29, 2024

The General Manager,
Pakistan Stock Exchange Limited (PSX),
Stock Exchange Building,
Stock Exchange Road,
KARACHI.

The Executive Director/HOD,
Offsite-II Department, Supervision Division,
Securities and Exchange Commission of Pakistan
63, NIC Building, Jinnah Avenue, Blue Area,
ISLAMABAD.

**TRANSMISSION OF 2ND QUARTER REPORT
FOR THE PERIOD ENDED DECEMBER 31, 2023**

Dear Sir,

We have to inform you that the 2nd Quarter Report of the Company for the period ended December 31, 2023 have been transmitted through PUCARS and is also available on Company's website.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours sincerely,
SUI NORTHERN GAS PIPELINES LIMITED


(IMTIAZ MEHMOOD)
SGM (Corporate Affairs) / CS



Sui Northern Gas Pipelines Limited



Jinnah Barrage Crossing, Kala Bagh

**Half Yearly Accounts (UnAudited)
For the Period Ended December 31, 2023**

FUELING PROGRESS: A 60-YEAR JOURNEY

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| ڈائریکٹرز جائزہ (اردو ترجمہ) | |



Corporate Information

Present Board of Directors

BOARD OF DIRECTORS

| | |
|--------------------------------|-------------------|
| Mr. Muhammad Ismail Qureshi | Chairman |
| Mr. Amer Tufail | Managing Director |
| Mr. Ahmed Chinoy | Director |
| Mr. Arif Saeed | Director |
| Ms. Faaria Rehman Salah-ud-Din | Director |
| Mr. Jawad Paul Khawaja | Director |
| Mr. Muhammad Ramzan | Director |
| Mr. Osman Saifullah Khan | Director |
| Mr. Saadat Ali Khan | Director |
| Ms. Saira Najeeb Ahmed | Director |
| Mr. Tariq Iqbal Khan | Director |
| Mr. Zafar Abbas | Director |

COMMITTEES OF THE BOARD OF DIRECTORS

BOARD AUDIT COMMITTEE

| | |
|----------------------|----------|
| Mr. Tariq Iqbal Khan | Chairman |
| Mr. Ahmed Chinoy | Member |
| Mr. Saadat Ali Khan | Member |
| Mr. Zafar Abbas | Member |

FINANCE, PROCUREMENT & BUSINESS DIVERSIFICATION COMMITTEE

| | |
|--------------------------|----------|
| Mr. Arif Saeed | Chairman |
| Mr. Muhammad Ramzan | Member |
| Mr. Osman Saifullah Khan | Member |
| Ms. Saira Najeeb Ahmed | Member |
| Mr. Tariq Iqbal Khan | Member |

HUMAN RESOURCE, REMUNERATION & NOMINATION COMMITTEE

| | |
|--------------------------------|-------------------|
| Mr. Muhammad Ismail Qureshi | Chairman |
| Mr. Amer Tufail | Managing Director |
| Mr. Ahmed Chinoy | Member |
| Ms. Faaria Rehman Salah-ud-Din | Member |
| Mr. Tariq Iqbal Khan | Member |
| Mr. Zafar Abbas | Member |

RISK MANAGEMENT & UFG CONTROL COMMITTEE

| | |
|--------------------------------|----------|
| Mr. Muhammad Ismail Qureshi | Chairman |
| Mr. Arif Saeed | Member |
| Ms. Faaria Rehman Salah-ud-Din | Member |
| Mr. Muhammad Ramzan | Member |
| Mr. Osman Saifullah Khan | Member |
| Mr. Saadat Ali Khan | Member |
| Ms. Saira Najeeb Ahmed | Member |

IT / DIGITIZATION COMMITTEE

| | |
|--------------------------|----------|
| Mr. Osman Saifullah Khan | Chairman |
| Mr. Ahmed Chinoy | Member |

CHIEF FINANCIAL OFFICER

Mr. Kamran Akram

SGM CORPORATE AFFAIRS / COMPANY SECRETARY

Mr. Imtiaz Mehmood

AUDITORS

A.F. Ferguson & Co. Chartered Accountants

SHARE REGISTRAR

M/s. CDC Share Registrar Services Limited
Mezzanine Floor, South Tower, LSE Plaza
19-Khayaban-e-Aiwan-e-Iqbal,
Lahore-54000.

Tel:[+92-42] 36362061-66

Fax: [+92-42] 36300072

Website: www.cdcsrsl.com

LEGAL ADVISOR

M/s. Surridge & Beecheno

REGISTERED OFFICE

Gas House, 21-Kashmir Road,
P.O. Box No. 56, Lahore 54000
PAKISTAN

Tel:[+92-42] 99201451-60,99201490-99

Fax:[+92-42] 99201369, 99201302

Website: www.sngpl.com.pk



DIRECTORS' REVIEW

We are pleased to present the unaudited financial statements of your Company for the period ended December 31, 2023. The Company has been able to earn a profit after tax amounting to Rs. 7,023 million as against a profit of Rs. 6,118 million during the corresponding period of last year. The earnings per share for the period under review is Rs. 11.07 as against earnings per share of Rs. 9.65 for the same period last year.

The summary of financial results for the period under review is given below:

| | (Rs. in Million) |
|------------------------|------------------|
| Profit before taxation | 12,949 |
| Provision for taxation | (5,925) |
| Profit after taxation | <u>7,023</u> |

The increase in profit for the period is primarily attributed to the following reasons:

1. Decrease in UFG disallowance due to reduction in the UFG losses during the period under review, from 11,576 MMCF (6.40%age) during Jul-Dec-22 to 9,660 MMCF (4.74%age) during Jul-Dec-23;
2. Increase in the rate of return on avg. operating assets from 16.60%(Jul-Dec-22) to 20.64%(Jul-Dec-23)

Despite unprecedented economic challenges and financial constraints, the performance of your Company has been improved considerably and consistent increase in profitability is commendable. The Board of Directors, Management, and staff of the Company are confident that the performance of the Company will further improve in the years ahead.

PROJECTS

During the period under review your Company has laid 30.93 KMs Transmission Lines with diameters ranging from 6" to 24". In addition to Transmission Lines, 294.45 KMs of Distribution mains were laid during the period ended on December 31, 2023 for improving pressure and supplying gas to new towns which has enhanced the customer satisfaction level.

ONGOING /FUTURE PROJECTS

1. Bannu West Well-DaudKhel Transmission Line, 18"dia x 230 Km

In order to connect newly discovered Bannu West "Bannu West Well-1 (40-100 MMCFD)" and Wali gas field "Wali Well-1 (25-50 MMCFD)" with SNGPL transmission network, your Company has been in the process of laying 18"dia x 230 km transmission line from Bannu West Well to Daudkhel. The construction activities are in progress and out of 230 km, 174.37 km of pipeline has been laid at site, whereas 117.57 km has been commissioned.

2. Lahore Augmentation / Bifurcation Project (Phase-II)

8"dia x 16 km from SMS Barki to SMS Diyal and 16"dia x 6.50 km from SMS Manga to SMS Sunder are planned to be laid under Phase-II augmentation / bifurcation project of Lahore Distribution network. Out of 8"dia x 16 km pipeline, 15.36 km of the pipeline has been laid, whereas, construction activities for 16"dia x 6.50 km pipeline are likely to commence soon.



3. **Transmission Pipeline from Charsadda-Khazana-Tangi, 10”dia x 72.55 Km**

In order to address the acute low gas pressure issues during the winter season in Mardan and Peshawar regions owing to system capacity constraints, Company has planned to undertake the system augmentation in the following two phases:

Phase-I

- i. 10”dia x 27.75 km Charsadda Offtake (Gulabad) – Charsadda transmission loopline
- ii. 10”dia x 20.80 km Charsadda – Khazana transmission loopline

10”dia x 27.75 km Charsadda Offtake (Gulabad) – Charsadda transmission loopline has been completed, whereas, out of 10”dia x 20.80 km Charsadda-Khazana transmission loopline, 20.13 km of the pipeline has been laid at site.

Phase-II

- i. 10”dia x 24 km Charsadda – Tangi Transmission loopline

Survey and Engineering design of Project Phase-II has been completed. Construction activities are likely to commence soon after the completion of Phase-I.

4. **Transmission Pipeline from Sheikh Dheri to Yar Hussain, 8”dia x 22.50 Km**

A project for the supply of gas to various villages of NA-12, District Swabi, has been approved which comprises of laying 8”dia x 22.50 km transmission pipeline. The pipeline has been laid and commissioned successfully.

5. **TBS Metering Project**

Monitoring of UFG losses was previously carried out at macro level i.e. at Sales Meter Station (SMSs) level. In order to focus the vulnerable areas, project for micro monitoring of losses at Town Border Stations (TBSs) level is envisaged. The execution of project involves following activities:

- ✓ Planning Phase:
 - o Assigning of unique code to each TBS
 - o TBS to consumer mapping in CC&B
 - o Plotting of mapped consumers on GIS to verify its location
 - o Initiation of procurement of meters, EVCs and allied material
- ✓ Designing Phase:
 - o Demarcation of TBS service area
 - o Network segmentation, where required
 - o Grouping of TBSs where network is interconnected
 - o Network digitization of GIS (upto 4” dia)

- ✓ Execution Phase:

Based on contribution in overall Distribution loss, 5 major loss contributing Regions (i.e. 70%) are identified i.e. LHR-E & W, PSR, ISL, RWP, MDN & FSD. It is further analyzed that 40% of total distribution loss is contributed by major cities i.e. LHR, PSR, ISL, RWP, MDN & FSD. Meter installation at 1,470 TBSs of these cities is prioritized.



6. Complaint Management Dashboard:

Your Company has also developed Complaints Management Dashboard which is an advanced tool designed for monitoring and analyzing the resolution of Consumer Complaints. It is utilized by Regional Heads, the Management, and the Head Office Customer Services team to monitor timely resolution of complaints.

ACKNOWLEDGMENTS

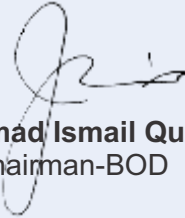
Your Directors wish to place on record their appreciation for the continued support and patronage received from shareholders and its valued consumers. We also wish to acknowledge the dedication and commitment of all the employees who contributed valuable services, to sustain all operations of the Company.

We acknowledge and appreciate the continued guidance and support received from the Government of Pakistan, Ministry of Energy (Petroleum Division) and Oil & Gas Regulatory Authority (OGRA).

On behalf of the Board



(Amer Tufail)
Managing Director



(Muhammad Ismail Qureshi)
Chairman-BOD

Lahore.
November 20, 2024



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF SUI NORTHERN GAS PIPELINES LIMITED
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Sui Northern Gas Pipelines Limited (the 'Company') as at December 31, 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of this interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three-month period ended December 31, 2022 and 2023 have not been reviewed, as we are required to review only the cumulative figures for the six-month period ended December 31, 2023.

Scope of Review


We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Emphasis of Matter

We draw attention to note 14.1 to the interim financial statements which explains that the settlement of circular debt, including tariff adjustment (refer notes 17.1 and 17.3) is dependent upon the resolution of intercorporate balances by the Government of Pakistan and increase in gas prices or subsidy by the Government of Pakistan to the Company.

 Our conclusion is not modified in this respect.

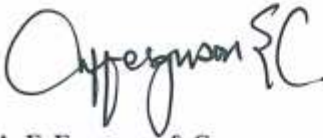
*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network
308-Upper Mall, Shahrah-e-Quaid-e-Azam, P.O. Box 39, Lahore-54000, Pakistan.
Tel: +92 (42) 3519 9343-50 / Fax: +92 (42) 3519 9351 www.pwc.com/pk*

■ KARACHI ■ LAHORE ■ ISLAMABAD

Other Matter

The interim financial statements of the Company for the six-month period ended December 31, 2022 and the annual financial statements of the Company for the year ended June 30, 2023 were reviewed and audited, respectively, by another firm of Chartered Accountants who vide their reports dated November 16, 2023 and July 31, 2024 expressed an unmodified conclusion and unmodified opinion on those statements respectively.

The engagement partner on the audit resulting in this independent auditor's report is Khurram Akbar Khan.



A. F. Ferguson & Co.
Chartered Accountants
Lahore

Date: November 27, 2024

UDIN: RR202310070MnZq9SbTd

Condensed Interim Statement of Financial Position (Un-audited)

As at December 31, 2023

| | | Un-audited December 31, 2023 | Audited June 30, 2023 |
|---|------|------------------------------------|-----------------------------|
| | Note | (Rupees in thousand) | |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorised share capital | | 15,000,000 | 15,000,000 |
| Issued, subscribed and paid up share capital | | 6,342,167 | 6,342,167 |
| Revenue reserves | | 45,315,591 | 39,243,428 |
| Shareholders' equity | | 51,657,758 | 45,585,595 |
| NON-CURRENT LIABILITIES | | | |
| Long term financing: | | | |
| -Secured | 4 | 24,503,128 | 19,463,172 |
| -Unsecured | 5 | 101,721 | 97,568 |
| Lease liabilities | | 24,859,135 | 26,145,317 |
| Security deposits | | 58,948,398 | 58,227,213 |
| Deferred grant | | 57,735,248 | 58,037,101 |
| Contract liabilities | 6 | 24,101,179 | 24,090,013 |
| Employee benefits | | 16,214,162 | 14,613,239 |
| | | 206,462,971 | 200,673,623 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 7 | 1,199,036,574 | 1,038,817,871 |
| Contract liabilities | 6 | 7,812,854 | 8,344,499 |
| Unclaimed Dividend | | 235,359 | 176,736 |
| Unpaid Dividend | | - | 53,791 |
| Interest and mark-up accrued on loans and other payables | 8 | 328,788,015 | 261,112,742 |
| Short term borrowing-secured | 9 | 111,555,414 | 118,179,300 |
| Current portion of lease liabilities | | 4,762,819 | 4,954,838 |
| Current portion of long term financing | 10 | 6,816,585 | 6,816,585 |
| | | 1,659,007,620 | 1,438,456,362 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 11 | - | - |
| | | 1,917,128,349 | 1,684,715,580 |

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.


(Kamran Akram)
Chief Financial Officer



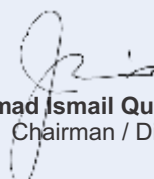
Condensed Interim Statement of Financial Position (Un-audited)

As at December 31, 2023

| | | Un-audited December 31, 2023 | Audited June 30, 2023 |
|---|------|------------------------------------|-----------------------------|
| | Note | (Rupees in thousand) | |
| ASSETS | | | |
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 12 | 260,669,779 | 246,044,203 |
| Intangible assets | | 274,227 | 243,363 |
| Right of use assets | | 24,695,496 | 26,515,939 |
| Deferred taxation | | 6,151,087 | 6,204,293 |
| Long term loans | | 1,212,053 | 1,077,763 |
| Employee benefits | | 4,612,746 | 4,035,348 |
| Long term deposits and prepayments | | 546,619 | 546,358 |
| | | 298,162,007 | 284,667,267 |
| CURRENT ASSETS | | | |
| Stores and spare parts | | 9,514,909 | 7,622,352 |
| Stock in trade | 13 | 32,418,026 | 18,247,043 |
| Trade debts | 14 | 304,306,870 | 293,928,228 |
| Loans and advances | 15 | 2,487,882 | 3,397,444 |
| Trade deposits and short term prepayments | 16 | 691,001 | 519,816 |
| Contract assets | | 188,422 | 12,029 |
| Income tax receivable | | 202,230 | 57,390 |
| Accrued interest | | 116,766 | 75,461 |
| Other receivables | 17 | 1,127,546,529 | 953,479,856 |
| Sales tax recoverable | | 124,293,325 | 106,474,938 |
| Cash and bank balances | 18 | 17,200,382 | 16,233,756 |
| | | 1,618,966,342 | 1,400,048,313 |
| | | 1,917,128,349 | 1,684,715,580 |



(Amer Tufail)
Managing Director/CEO



(Muhammad Ismail Qureshi)
Chairman / Director



Condensed Interim Statement of Profit or Loss (Un-audited)

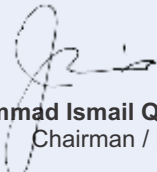
For the Half Year Ended December 31, 2023

| | Note | Quarter Ended | | Half Year Ended | |
|--|------|-------------------|-------------------|-------------------|-------------------|
| | | December 31, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| (Rupees in thousand) | | | | | |
| Revenue from contracts with customers - Gas sales | 19 | 306,069,294 | 223,473,366 | 624,541,988 | 521,214,039 |
| Add: Tariff adjustment | 20 | 103,585,071 | 102,453,453 | 174,519,421 | 148,476,204 |
| | | 409,654,365 | 325,926,819 | 799,061,409 | 669,690,243 |
| Less: Cost of gas sales | 21 | 361,453,019 | 301,392,053 | 708,537,464 | 623,289,013 |
| Gross profit | | 48,201,346 | 24,534,766 | 90,523,945 | 46,401,230 |
| Add: Other income | 22 | 9,168,927 | 10,786,043 | 20,671,722 | 19,342,402 |
| | | 57,370,273 | 35,320,809 | 111,195,667 | 65,743,632 |
| Less: Operating expenses | | | | | |
| Selling cost | | 2,779,561 | 2,347,895 | 5,146,822 | 4,430,885 |
| Administrative expenses | | 2,847,818 | 2,348,905 | 5,155,336 | 4,535,038 |
| Other operating expenses | 23 | 361,658 | 937,412 | 833,466 | 1,240,056 |
| Net impairment loss on financial assets | | 1,195,256 | 30,842 | 1,195,256 | 956,684 |
| | | 7,184,293 | 5,665,054 | 12,330,880 | 11,162,663 |
| Operating profit | | 50,185,980 | 29,655,755 | 98,864,787 | 54,580,969 |
| Less: Finance cost | 24 | 43,312,666 | 23,893,872 | 85,916,012 | 44,487,720 |
| Profit before taxation | | 6,873,314 | 5,761,883 | 12,948,775 | 10,093,249 |
| Taxation | 25 | 3,555,462 | 2,220,829 | 5,925,287 | 3,974,985 |
| Profit for the period | | 3,317,852 | 3,541,054 | 7,023,488 | 6,118,264 |
| Earnings per share | | | | | |
| Basic and diluted (rupees) | | 5.23 | 5.58 | 11.07 | 9.65 |

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.


(Kamran Akram)
Chief Financial Officer


(Amer Tufail)
Managing Director/CEO


(Muhammad Ismail Qureshi)
Chairman / Director



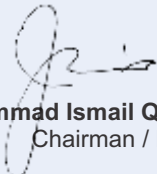
Condensed Interim Statement of Comprehensive Income (Un-audited) for the Half Year Ended December 31, 2023

| | Quarter ended | | Half year ended | |
|---|----------------------|-------------------|----------------------|-------------------|
| | December 31, 2023 | December 31, 2022 | December 31, 2023 | December 31, 2022 |
| | (Rupees in thousand) | | (Rupees in thousand) | |
| Profit for the period | 3,317,852 | 3,541,054 | 7,023,488 | 6,118,264 |
| Other comprehensive income for the period | | | | |
| Items that will not be reclassified to profit or loss in subsequent periods | - | - | - | - |
| Items to be reclassified to profit or loss in subsequent periods | - | - | - | - |
| | - | - | - | - |
| Total comprehensive income for the period | 3,317,852 | 3,541,054 | 7,023,488 | 6,118,264 |

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.


(Kamran Akram)
Chief Financial Officer


(Amer Tufail)
Managing Director/CEO


(Muhammad Ismail Qureshi)
Chairman / Director

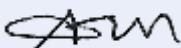


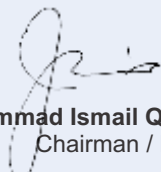
Condensed Interim Statement of Changes in Equity (Un-audited) for the Half Year Ended December 31, 2023

| | Share Capital | Revenue Reserves | | | Total | Total share holders' equity |
|---|---------------|------------------|-------------------------------|-----------------------|-------------|-----------------------------|
| | | General Reserve | Dividend Equalization Reserve | Unappropriated Profit | | |
| (Rupees in thousand) | | | | | | |
| Balance as at July 01, 2022 (Audited) | 6,342,167 | 4,127,682 | 480,000 | 28,698,209 | 33,305,891 | 39,648,058 |
| Total transactions with owners, recognised directly in equity | | | | | | |
| Final dividend for the year ended June 30, 2021 @ rupees 5 per share | - | - | - | (3,171,083) | (3,171,083) | (3,171,083) |
| Interim dividend for the year ended June 30, 2022 @ Rupees 2.5 per share | - | - | - | (1,585,542) | (1,585,542) | (1,585,542) |
| | - | - | - | (4,756,625) | (4,756,625) | (4,756,625) |
| Total comprehensive income for the period | | | | | | |
| Profit for the period | - | - | - | 6,118,264 | 6,118,264 | 6,118,264 |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income from July 01, 2022 to December 31, 2022 | - | - | - | 6,118,264 | 6,118,264 | 6,118,264 |
| Balance as at December 31, 2022 (Un-audited) | 6,342,167 | 4,127,682 | 480,000 | 30,059,848 | 34,667,530 | 41,009,697 |
| Balance as at July 01, 2023 (Audited) | 6,342,167 | 4,127,682 | 480,000 | 34,635,746 | 39,243,428 | 45,585,595 |
| Total transactions with owners, recognised directly in equity | | | | | | |
| Final dividend for the year ended June 30, 2022 @ rupees 1.50 per share | - | - | - | (951,325) | (951,325) | (951,325) |
| Total comprehensive income for the period | | | | | | |
| Profit for the period | - | - | - | 7,023,488 | 7,023,488 | 7,023,488 |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive income from July 01, 2023 to December 31, 2023 (Un-audited) | - | - | - | 7,023,488 | 7,023,488 | 7,023,488 |
| Balance as at December 31, 2023 (Un-audited) | 6,342,167 | 4,127,682 | 480,000 | 40,707,909 | 45,315,591 | 51,657,758 |

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.


(Kamran Akram)
Chief Financial Officer


(Amer Tufail)
Managing Director/CEO


(Muhammad Ismail Qureshi)
Chairman / Director



Condensed Interim Statement of Cash Flows (Un-audited)


for the Half Year Ended December 31, 2023

| | Note | Half year Ended | |
|---|------|----------------------|----------------------|
| | | December 31, 2023 | December 31, 2022 |
| | | (Rupees in thousand) | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash generated from operations | 26 | 51,387,072 | (13,047,368) |
| Finance cost paid | | (16,870,091) | (3,461,101) |
| Income taxes paid | | (6,016,914) | (4,190,639) |
| Employee benefits paid/contributions paid | | (1,441,764) | (1,474,810) |
| Security deposits received / (refunded) | | 721,184 | (381,956) |
| Receipts against government grants and consumer contributions | | 978,338 | 2,785,205 |
| Long term loans to employees - net | | (295,705) | 94,588 |
| Long term deposits and prepayments | | (261) | (308,200) |
| Net cash generated from / (used in) operating activities | | 28,461,859 | (19,984,281) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditure on property, plant and equipment | | (22,384,293) | (16,132,972) |
| Capital expenditure on Intangible assets | | (125,610) | (44,471) |
| Proceeds from sale of property, plant and equipment | | 85,214 | 15,217 |
| Return on bank deposits | | 824,550 | 593,742 |
| Net cash used in investing activities | | (21,600,139) | (15,568,484) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from long term financing- secured | | 8,350,000 | 675,000 |
| Repayment of long term financing- secured | | (3,312,959) | (2,872,953) |
| Payment of lease liability | | (3,361,756) | (131,213) |
| Dividend paid | | (946,493) | (4,707,330) |
| Net cash generated from / (used in) financing activities | | 728,792 | (7,036,496) |
| Net increase / (decrease) in cash and cash equivalents | | 7,590,512 | (42,589,261) |
| Cash and cash equivalents at the beginning of the period | | (101,945,544) | (3,225,920) |
| Cash and cash equivalents at the end of the period | 26.2 | (94,355,032) | (45,815,181) |

The annexed notes from 1 to 32 form an integral part of these condensed interim financial statements.


(Kamran Akram)
Chief Financial Officer


(Amer Tufail)
Managing Director/CEO


(Muhammad Ismail Qureshi)
Chairman / Director



Selected Notes to and forming part of the Condensed Interim Financial Statements (un-audited) for Half Year Period Ended December 31, 2023

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Sui Northern Gas Pipelines Limited (the Company) is a public company limited by shares incorporated in Pakistan under the repealed Companies Act, 1913 (now, the Companies Act, 2017) and listed on the Pakistan Stock Exchange Limited. The principal activity of the Company is the purchase, transmission, distribution and supply of natural gas. The registered office of the Company is situated at 21 Kashmir Road, Lahore. The Company's pipe coating plant is situated at Uch Sharif, Bahawalpur. The addresses of other regional offices of the Company are as follows:

| Region | Address |
|------------------------|--|
| Abbottabad | Jub Pul. PO Jhangi, Main Manshera Road, Abbottabad. |
| Bahawalpur | 6-1-D, Model Town-A, Bahawalpur. |
| Faisalabad | Sargodha Road, Faisalabad. |
| Gujranwala | M.A. Jinnah Road, Gujranwala. |
| Sialkot | Al-Hamid plaza, Malkay Kalan, Marala Link Road, Sublime chowk, Sialkot. |
| Gujrat | State Life Building, 120 and 121, G.T. Road, Gujrat. |
| Islamabad | Plot No. 28-30, I-9 Industrial Area, Islamabad. |
| Rawalpindi | Al-Mansha Plaza, near DHA phase-II, Main G.T. Road, Rawalpindi. |
| Lahore (east and west) | 21-Industrial Area, Gulberg-III, Lahore. |
| Multan | Piran Ghaib Road, Multan. |
| Peshawar | Plot No. 33, Sector B-2, Hayatabad, Peshawar. |
| Mardan | Riffat Mehal, Near Mardan Industrial Estate, Main Nowshera Road, Mardan. |
| Sahiwal | 79-A and 79-C, Canal Colony, Sahiwal. |
| Sargodha | House No. 15, Muslim Town, Sargodha. |
| Sheikhupura | Sheikhupura Bypass Road near Sultan Grand, Sheikhupura. |
| Wah | Gudwal Link Road, Wah Cantt. |

- 1.2 These condensed interim financial statements are presented in Pak Rupee, which is the company's functional and presentation currency.

2. BASIS OF PREPARATION

Statement of compliance

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017 and State-Owned Enterprises (Governance and Operations) Act, 2023.

Where provisions of and directives issued under the Companies Act, 2017 and State-Owned Enterprises (Governance and Operations) Act, 2023 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 and State-Owned Enterprises (Governance and Operations) Act, 2023 have been followed.

- 2.2 These condensed interim financial statements are un-audited and are being submitted to the shareholders as required by section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited.
- 2.3 These condensed interim financial statements do not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements of the Company for the year ended June 30, 2023. Selected explanatory notes are included to explain events and transactions that are significant to and understanding of the changes in the Company's financial position and performance since the last annual financial statements.



3. MATERIAL ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

3.1 The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the preceding annual financial statements of the Company for the year ended June 30, 2023 except for the adoption of amended standard as set out in note 3.3 and estimation of income tax (see note 3.4).

3.2 The preparation of these condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense i.e. Workers' Profit Participation Fund, Unaccounted for Gas ('UFG') estimates and Taxation which are subject to final adjustments in the annual audited financial statements. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements for the year ended June 30, 2023.

3.3 Material accounting policies

The Company adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2 'Making Materiality Judgements') from July 1, 2023. Although these amendments did not result in any changes to the accounting policies themselves, they impact the accounting policy information disclosed in the financial statements.

The amendments require disclosure of 'material', rather than 'significant' accounting policies. The amendments also provide the guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful entity specific accounting policy information that users need to understand other information in the financial statements.

3.4 Taxation

Income tax expense is recognized in each interim period based on best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimate of the annual income tax rate changes.

4. LONG TERM FINANCING - SECURED

Conventional financing

| | Note | Un-audited December 31, 2023 | Audited June 30, 2023 |
|-------------------------------|------|------------------------------------|-----------------------------|
| Local currency - term finance | 4.1 | 307,333 | 461,000 |
| Local currency - term finance | 4.2 | 6,361,250 | 6,815,625 |
| Local currency- term finance | 4.3 | 10,625,333 | 12,396,223 |
| | | 17,293,916 | 19,672,848 |

Islamic model of financing

| | | | |
|---|-------|-------------|-------------|
| Islamic finance under musharaka arrangement | 4.4.1 | 4,666,667 | 5,444,444 |
| Islamic finance under lease arrangement | 4.4.2 | 859,375 | 1,015,625 |
| Islamic finance under musharaka arrangement | 4.4.3 | 8,350,000 | - |
| | | 31,169,958 | 26,132,917 |
| Transaction cost | | (40,913) | (43,828) |
| Current portion shown under current liabilities | 10 | (6,625,917) | (6,625,917) |
| | | 24,503,128 | 19,463,172 |



4.1 Term Finance

| Lender | Mark-up rate | No. of outstanding installments | Maturity date |
|---------------------|-----------------------------------|---------------------------------|-----------------|
| Allied Bank Limited | Six months KIBOR+ 0.45% per annum | 2 half yearly installments | August 06, 2024 |

This loan of Rs. 922,000 thousand has been obtained from Allied Bank Limited out of total loan amounting to Rs. 1,076,281 thousand. The loan is secured by a first pari passu charge created by way of hypothecation over all present and future movable fixed assets of the Company excluding the assets of Regasified Liquefied Natural Gas (RLNG) project to the extent of Rs. 1,435,041 thousand (June 30, 2023: 1,435,041 thousand). The effective mark-up charged during the period ranges from 18.45% to 23.39% (June 30, 2023: 11.18% to 18.45%) per annum.

4.2 Term Finance

| Lender | Mark-up rate | No. of outstanding installments | Maturity date |
|---------------------|-----------------------------------|---------------------------------|-------------------|
| United Bank Limited | Six months KIBOR+ 0.65% per annum | 14 half yearly installments | November 04, 2030 |

This loan facility of Rs. 7,270,000 thousand has been obtained from syndicate of banks (with United Bank Limited acting as the agent) out of total loan facility of Rs. 8,455,000 thousand. The loan is secured by a first pari passu charge created by way of hypothecation over all present and future movable fixed assets of the Company excluding the assets of Regasified Liquefied Natural Gas (RLNG) project to the extent of Rs. 11,273,333 thousand (June 30, 2023: Rs. 11,273,333 thousand). The effective mark-up charged during the period ranges from 22.34% to 22.72% (June 30, 2023: 15.48% to 22.73%) per annum.

4.3 Term Finance

| Lender | Mark-up rate | No. of outstanding installments | Maturity date |
|--------------------|------------------------------------|---------------------------------|---------------|
| Syndicate of banks | Six months KIBOR - 0.25% per annum | 6 half yearly installments | July 07, 2026 |

This loan facility of Rs. 15,938,000 thousand has been obtained from syndicate of banks (with United Bank Limited acting as the agent) for refinancing of term finance facility for LNG Project Phase-II. The loan is secured by sovereign guarantee of Government of Pakistan. The effective mark-up charged during the period ranges from 16.85% to 22.72% (June 30, 2023: 11.26% to 16.85%) per annum.

4.4 Arrangements under Islamic financing

| 4.4.1 | Lender | Mark-up rate | No. of outstanding installments | Maturity date |
|-------|--------------------|------------------------------------|---------------------------------|---------------|
| | Syndicate of banks | Six months KIBOR - 0.25% per annum | 6 half yearly installments | July 06, 2026 |

This loan facility of Rs. 7,000,000 thousand has been obtained from syndicate of banks (with United Bank Limited acting as the agent) for refinancing of term finance facility for LNG Project Phase-II. The loan is secured by sovereign guarantee of Government of Pakistan. The effective mark-up charged during the period ranges from 16.85% to 22.72% (June 30, 2023: 11.26% to 16.85%) per annum.



| | | | | |
|-------|---------------------------------|--------------------------------------|---------------------------------|---------------|
| 4.4.2 | Lender | Mark-up rate | No. of outstanding installments | Maturity date |
| | Habib Metropolitan Bank Limited | Three months KIBOR - 0.55% per annum | 11 Quarterly installments | July 24, 2026 |

This loan of Rs. 1,250,000 thousand has been obtained from Habib Metropolitan Bank Limited for refinancing of term finance facility for LNG Project Phase-II and is secured by sovereign guarantee of Government of Pakistan. The effective mark-up charged during the period ranges from 21.38% to 22.51% (June 30, 2023: 13.07% to 21.53%) per annum.

| | | | | |
|-------|---------------------|--------------------------------------|---------------------------------|--------------------|
| 4.4.3 | Lender | Mark-up rate | No. of outstanding installments | Maturity date |
| | Meezan Bank Limited | Three months KIBOR + 0.44% per annum | 20 Quarterly installments | September 01, 2030 |

This loan of Rs. 8,350,000 thousand has been obtained from Meezan Bank Limited for infrastructure development project for the injection of additional gas discovered from Bannu West Well-II Gas Field & Wali Well-I Gas Filed. The loan is secured by a first pari passu charge created by way of hypothecation over all present and future fixed assets of the Company (excluding Land & Building) to the extent of Rs. 13,334,000 thousand . The effective mark-up charged during the period ranges from 21.91% to 23.61% per annum.

| | Note | Un-audited December 31, 2023 | Audited June 30, 2023 |
|---|------|------------------------------------|-----------------------------|
| (Rupees in thousand) | | | |
| 5. LONG TERM FINANCING - UNSECURED | | | |
| Other loans - Local currency: | | 292,389 | 288,236 |
| Less: Current portion shown under current liabilities | 10 | (190,668) | (190,668) |
| | | 101,721 | 97,568 |

5.1 These loans carry effective mark-up at variable rates which ranges from 6.55% per annum to 14.10% per annum (June 30, 2023: 6.55% per annum to 14.25% per annum).

| | Note | Un-audited December 31, 2023 | Audited June 30, 2023 |
|---|------|------------------------------------|-----------------------------|
| (Rupees in thousand) | | | |
| 6. CONTRACT LIABILITIES | | | |
| Consumer contribution | 6.1 | 24,101,179 | 24,090,013 |
| Due to customers against construction contract | | 7,314,776 | 7,891,490 |
| Advances from customers against gas bill and new connection | | 498,078 | 453,009 |
| | | 31,914,033 | 32,434,512 |
| Current portion shown under current liabilities | | (7,812,854) | (8,344,499) |
| | | 24,101,179 | 24,090,013 |



| | Un-audited December 31, 2023 | Audited June 30, 2023 |
|---|------------------------------------|-----------------------------|
| (Rupees in thousand) | | |
| 6.1 Consumer contribution against: | | |
| - Completed jobs | 37,707,693 | 37,414,913 |
| - Jobs-in-progress | 13,333,767 | 13,189,506 |
| | 51,041,460 | 50,604,419 |
| Less: Accumulated amortization: | | |
| Opening balance | 26,514,406 | 25,590,288 |
| Amortization for the year/period | 425,875 | 924,118 |
| | 26,940,281 | 26,514,406 |
| | 24,101,179 | 24,090,013 |

6.1.1 The Company has recognized the contract liabilities in respect of the amount received from the customers as contribution towards the cost of supplying and laying transmission, service and main lines. These are being amortised over the useful lives of the transmission and distribution system.

| | Note | Un-audited December 31, 2023 | Audited June 30, 2023 |
|---|------|------------------------------------|-----------------------------|
| (Rupees in thousand) | | | |
| 7. TRADE AND OTHER PAYABLES | | | |
| Creditors for: | | | |
| Gas | 7.1 | 1,180,344,204 | 1,020,029,229 |
| Supplies | | 3,937,421 | 3,660,248 |
| Accrued liabilities | | 11,823,105 | 12,719,795 |
| Provident fund | | 195,829 | - |
| Gas infrastructure development cess payable | 7.2 | 259,716 | 98,865 |
| Interest free deposits repayable on demand | | 1,296,496 | 1,232,331 |
| Earnest money received from contractors | | 168,176 | 130,526 |
| Workers' profit participation fund | | 1,011,627 | 946,877 |
| | | 1,199,036,574 | 1,038,817,871 |

7.1 Included in trade payables is an amount of Rs. 397,984,734 thousand (June 30, 2023: Rs. 331,638,619 thousand) and Rs. 110,773,019 thousand (June 30, 2023: Rs. 96,217,419 thousand) due to Pakistan State Oil Company Limited (PSO) and Pakistan LNG Limited (PLL), respectively, representing payable against Liquefied Natural Gas (LNG) and/or Regasified Liquefied Natural Gas (RLNG) supplied by them. In this regard, the agreement for the supply of LNG/RLNG between the parties have not yet been finalized and is under negotiation. Additional liability or adjustment, if any, that may arise would be recorded accordingly on the finalization of the agreement.

7.2 The Honorable Islamabad High Court vide its decision dated January 31, 2013, declared Gas Infrastructure Development Cess (GIDC) Act, 2011 as ultra vires to the Constitution and directed the Company to adjust the amount already received on this account in the future bills of the petitioners. However, the Honorable Islamabad High Court vide its decision dated March 18, 2013, directed that neither the appellant shall recover the disputed amount from the respondents, nor the amount which has become payable to the respondents on the basis of impugned judgment shall be paid back to the respondents.



An order on the subject matter was also passed by the Peshawar High Court vide its judgment dated June 13, 2013, whereby the Court declared the GIDC Act, 2011 as ultra vires to the Constitution. An appeal was filed in the Supreme Court of Pakistan, which by its order dated December 30, 2013 suspended the judgment of Peshawar High Court. On December 31, 2013, the Oil and Gas Regulatory Authority (OGRA) issued a notification directing levy of GIDC at revised rates.

In September 2014, a GIDC Ordinance was issued by President of Pakistan, pursuant to which, on directions of the OGRA, the Company charged GIDC from its consumers with effect from September 2014. The Ordinance was superseded by GIDC Act 2015 passed by Parliament of Pakistan. The Act ratified the preceding GIDC Act, 2011 and GIDC Ordinance, 2014 and its provisions. However, a special committee has been constituted by the Parliament to decide on previous arrears of GIDC due from customers and to make recommendations for removal of any anomalies in the GIDC Act. Based on the report of the sub-committee of the special committee requisite amendment in GIDC Act, 2015 had already been laid in the Senate through GIDC Amendment Bill and the same was referred to the Senate Standing Committee on Energy. However, a number of consumers of the Company contested and have obtained stay order from various courts against recovery of GIDC. Later, certain amendments were introduced in GIDC Act, 2015 through GIDC (Amendment) Act, 2018, which inter alia include change in effective date for applicability of mark-up on delayed payments of GIDC and a settlement option for CNG consumers for GIDC payable pertaining to the period January 1, 2012 to May 21, 2015, subject to agreement with the Company.

During the year ended June 30, 2021, the Honorable Supreme Court of Pakistan has ordered the recovery of previous year GIDC in 24 monthly installments and till the recovery of outstanding GIDC no further GIDC will be charged / recovered from the consumers.

Furthermore, principal amount of GIDC amounting to Rs. 134,842,348 thousand (June 30, 2023: Rs. 136,135,289 thousand) is recoverable from consumers and payable to Government of Pakistan. These financial statements do not reflect the said amounts since the provisions of the GIDC Act require the Company to pay GIDC as and when the same is collected from consumers. Furthermore, some consumers have obtained stay orders against recovery of the same and consequently in view of the legal advisors of the Company, the Company is not liable to pay such amounts until the same are recovered. Both the principal amount and sales tax on GIDC shall be paid as and when these balances are collected from the consumers.

| | Note | Un-audited December 31, 2023 | Audited June 30, 2023 |
|--|------|------------------------------------|-----------------------------|
| (Rupees in thousand) | | | |
| 8. INTEREST AND MARK-UP ACCRUED ON LOANS AND OTHER PAYABLES | | | |
| Accrued mark-up / interest on: | | | |
| Long term financing - secured | | 2,148,477 | 2,065,731 |
| Long term financing - unsecured | | 215,949 | 210,934 |
| Short term borrowing - secured | | 5,814,479 | 6,417,450 |
| Deposits from customers | | 4,923,628 | 4,684,369 |
| Late payment of gas creditors and gas development surcharge | | 315,685,482 | 247,734,258 |
| | | 328,788,015 | 261,112,742 |
| 9. SHORT TERM BORROWING - SECURED | 9.1 | 111,555,414 | 118,179,300 |



9.1 The Company has utilized short term running finance facilities from various banking companies aggregating to Rs. 111,555,414 thousand (2023: Rs. 118,179,300 thousand) which includes financing facilities utilized under Islamic mode amounting to Rs. 45,299,454 thousand (2023: Rs. 16,998,365 thousand). These above mentioned facilities also include financing utilized under money market amounting to Rs. 12,900,000 thousand (2023: NIL). The markup rates applicable during the period ranges from one to three months KIBOR plus 20 bps to minus 18 bps (2023: one to three months KIBOR plus 05 bps to minus 30 bps) per annum on the balance outstanding. These are secured by way of first pari passu/ranking charge over current assets of the Company to the extent of Rs. 113,168,331 thousand (2023: Rs. 119,501,666 thousand) and secured by sovereign guarantee of Government of Pakistan to the extent of Rs. 50,000,000 thousand (2023: Rs. 50,000,000 thousand). Mark-up is payable on quarterly basis. The effective interest rate charged during the period ranges from 21.14% to 22.96% (2023: 14.20% to 21.99%) per annum.

| | Note | Un-audited December 31, 2023 | Audited June 30, 2023 |
|---|------|------------------------------------|-----------------------------|
| (Rupees in thousand) | | | |
| 10. CURRENT PORTION OF LONG TERM FINANCING | | | |
| Long term financing - secured | 4 | 6,625,917 | 6,625,917 |
| Long term financing - unsecured | 5 | 190,668 | 190,668 |
| | | 6,816,585 | 6,816,585 |

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There is no significant change in contingencies from the preceding audited financial statements of the Company for the year ended June 30, 2023, except for the following:

- a) With reference to the matter disclosed in Note 18.1.1 (r) of the annual audited financial statements of the Company for the year ended June 30, 2023 wherein the Income Tax Authorities raised a demand of Rs. 3,389,112 thousand for tax year 2019 on December 8, 2020, disallowing tax credit under section 65B, tax deposited under section 147 and tax deducted under section 148 of the Income Tax Ordinance, 2001 ('ITO'). Being aggrieved, the Company filed an appeal with the Commissioner Inland Revenue (Appeals) (CIR(A)), which was partially decided in the Company's favor on July 23, 2021. Resultantly, both the Company and the Income Tax Authorities preferred an appeal before Appellate Tribunal Inland Revenue (ATIR) which has subsequently been decided in favor of the Company vide order dated October 13, 2023 except for the disallowance of tax credit under Section 65B of the ITO amounting to Rs 2,187,287 thousand. The Company had already made the provision of this amount in its financial statements.
- b) Subsequent to the period end, the Additional Commissioner Inland Revenue (AdCIR) issued an order to amend the original assessment under Section 122 (5A) of the ITO against the Company's revised income tax return filed on October 18, 2023 for Tax Year 2022. The AdCIR, through this amendment order, raised a demand of Rs 10,724,861 thousand under section 137(2) of the ITO. This demand is primarily due to additions made on account of disallowances of Unaccounted for Gas (UFG) expense, lease rentals paid, loss on remeasurement of defined benefit plan, and taxes paid on imports etc. Being aggrieved, the Company has filed an application with the FBR for the constitution of an Alternate Dispute Resolution Committee (ADRC), which is currently pending. Based on its tax advisor's opinion, the Company's management expects a favorable outcome. Therefore, no provision has been recorded in these condensed interim financial statements.



Further, following the amendment in Section 134A of the ITO and Section 47A of the Sales Tax Act, 1990 through the Tax Laws (Amendment) Act, 2024, it is now mandatory for an aggrieved State Owned Enterprise ('SOE') to apply to the Federal Board of Revenue (FBR) for the appointment of an Alternative Dispute Resolution Committee (ADRC) to resolve any dispute between the SOE and FBR. Since the Company is an SOE, it is in the process of filing application with the FBR for the constitution of ADRCs to adjudicate its disputes with the FBR.

- c) With reference to the matter disclosed in Note 18.1.1 (aa) of the annual audited financial statements of the Company for the year ended June 30, 2023, wherein the Sales Tax Authorities raised a demand on December 12, 2023 of Rs. 95,402,117 thousand along with the penalty of Rs. 4,963,119 thousand on account of Gas Swapping with SSGC from July 2014 to June 2021. An appeal was filed by the Company with CIR(A) which was decided against the Company. Being aggrieved with the decision of the CIR(A), an appeal was filed with the ATIR which was decided against the Company. The Company had filed an application with the tax authorities for creating ADRC in order to contest the matter decided against the Company by ATIR as it is mandatory for an SOE under Tax Laws (Amendment) Act, 2024 to plead tax related issues before ADRC. Subsequent to the period end, the proceedings of ADRC were initiated and the ADRC has unanimously decided the matter in the Company's favor vide decision dated November 1, 2024.
- d) With reference to the matter disclosed in Note 18.1.1 (w) of the annual audited financial statements of the Company for the year ended June 30, 2023, wherein Sales Tax Authorities raised a demand of Rs. 60,196,097 thousand along with the penalty of Rs. 3,009,805 thousand on account of Gas Swapping with SSGC, inadmissible input tax adjustment against UFG, inadmissible input tax claimed under section 8 of Sales Tax Act, 1990 and exempt supply of gas to SWAT Area on March 9, 2023. An appeal was filed by the Company with the CIR(A) which was decided against the Company. The Company then filed an application with the tax authorities to create an ADRC to contest the matters of gas swapping with SSGC and inadmissible input tax claimed under Section 8 of the Sales Tax Act, 1990, as it is mandatory for an SOE under the Tax Laws (Amendment) Act, 2024, to plead tax related issues before the ADRC. Subsequent to the period end, ADRC proceedings were initiated, and the ADRC unanimously decided the issue of gas swapping with SSGC in the Company's favor, substantially reducing the demand to Rs. 70,021 thousand on account of input tax disallowed under Section 8 of the Sales Tax Act, 1990, as per the decision dated November 1, 2024.

| | Note | Un-audited December 31, 2023 | Audited June 30, 2023 |
|-------------------------------|--------|------------------------------------|-----------------------------|
| (Rupees in thousand) | | | |
| 11.2 Commitments: | | | |
| Capital Commitments | | | |
| Property, plant and equipment | | 619,996 | 477,752 |
| Intangible assets | | 67,744 | 69,325 |
| Stores and spares | 11.2.1 | 13,796,607 | 16,183,022 |
| | | 14,484,347 | 16,730,099 |
| Other Commitments | | 1,509,418 | 897,188 |

11.2.1 This includes commitments given to related party amounting to Rs. 5,675,356 thousand (2023: Rs. 98,948 thousand).



| | Note | Un-audited December 31, 2023 | Audited June 30, 2023 |
|--|------|------------------------------------|-----------------------------|
| (Rupees in thousand) | | | |
| 12. PROPERTY, PLANT AND EQUIPMENT | | | |
| Operating fixed assets | | | |
| Tangible | | | |
| Opening book value | | 213,047,259 | 199,707,594 |
| Additions during the period/year | 12.1 | 13,701,048 | 29,180,536 |
| | | 226,748,307 | 228,888,130 |
| Book value of Fixed assets disposed off during the period/year | 12.2 | (10,381) | (3,256) |
| Depreciation charged during the period/year | | (8,521,388) | (15,837,615) |
| | | (8,531,769) | (15,840,871) |
| Closing book value | | 218,216,538 | 213,047,259 |
| Capital work-in-progress | 12.3 | 42,453,241 | 32,996,944 |
| | | 260,669,779 | 246,044,203 |
| 12.1 Additions during the period / year | | | |
| Freehold land | | - | 321,228 |
| Buildings and civil construction on freehold land | | - | 337,638 |
| Transmission system | | 1,559,759 | 7,726,709 |
| Distribution systems | | 6,691,210 | 14,031,723 |
| Consumer meter and town border stations | | 4,605,244 | 4,426,559 |
| Compressor stations and equipment | | 66,825 | 1,194,606 |
| Plant and machinery | | 97,005 | 765,695 |
| Furniture and equipment | | 33,807 | 74,890 |
| Tools and accessories | | 95,487 | 51,989 |
| Transport vehicles | | 126,908 | 53,001 |
| Computers, telecommunication and ancillary equipment | | 424,803 | 196,498 |
| | | 13,701,048 | 29,180,536 |
| 12.2 Disposals during the period / year | | | |
| Transport vehicles | | 10,381 | 3,234 |
| Computers and ancillary equipment | | - | 22 |
| | | 10,381 | 3,256 |
| 12.3 Capital work-in-progress | | | |
| Transmission system | | 5,622,929 | 4,262,834 |
| Distribution system | | 21,435,318 | 17,403,772 |
| Stores and spares including in transit | | | |
| Rs. 2,766,111 thousand (June 30, 2023: | | | |
| Rs. 1,243,595 thousand) | | 13,660,984 | 9,806,993 |
| Advances for land and other capital expenditure | | 1,734,010 | 1,523,345 |
| | | 42,453,241 | 32,996,944 |



| | Note | Un-audited December 31, 2023 | Audited June 30, 2023 |
|---|--|------------------------------------|-----------------------------|
| (Rupees in thousand) | | | |
| 13. STOCK-IN-TRADE | | | |
| - Gas in pipelines | | 10,359,650 | 8,260,923 |
| - Gas in floating storage regassification unit (FSRU) | 13.1 | 22,058,376 | 9,986,120 |
| | | 32,418,026 | 18,247,043 |
| 13.1 | This represents gas purchased by the Company that is yet to be delivered by Engro Elengy Terminal (Private) Limited ("EETL") and Pakistan GasPort Consortium Limited (PGPC). | | |
| | Note | Un-audited December 31, 2023 | Audited June 30, 2023 |
| (Rupees in thousand) | | | |
| 14. TRADE DEBTS | | | |
| Secured | | 117,814,956 | 111,980,725 |
| Unsecured | 14.1 | 218,266,414 | 211,313,518 |
| Deferred gas sales | | (2,127,777) | (914,548) |
| | | 333,953,593 | 322,379,695 |
| Loss allowance | | (29,646,723) | (28,451,467) |
| | | 304,306,870 | 293,928,228 |

14.1 Included in trade debts are amounts receivable from Government owned power generation companies, independent power producers and Sui Southern Gas Company Limited (SSGCL) of Rs. 123,596,160 thousand (2023: Rs. 167,259,944 thousand) along with interest thereon of Rs. 51,659,163 thousand (2023: Rs. 42,637,466 thousand) due to delayed payments. While trade and other payables as referred to in note 7 include an amount of Rs. 1,098,230,337 thousand (2023: Rs. 963,630,890 thousand) due to Pakistan Petroleum Limited, SSGCL, Oil and Gas Development Company Limited, Pakistan State Oil, Pakistan LNG Limited and Government Holding (Private) Limited on account of gas purchases along with interest accrued on delayed payments of Rs. 302,508,140 thousand (2023: Rs. 239,036,329 thousand) referred to in note 8 and interest accrued on delayed payment of Gas Development Surcharge of Rs. 4,101,732 thousand (2023: Rs. 4,101,732 thousand) payable to Government of Pakistan referred to in note 8. OGRA while deciding FRR of the Company for the years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 have though acknowledged these liabilities but has not included aforesaid accrued interest in the determined shortfall and has pending unpaid Rs. 217,317,015 thousand (2023: Rs. 217,317,015 thousand) being the interest on delayed payments payable to Government owned entities till the eventual payment / settlement of circular debt by Government of Pakistan. The settlement of principal and interest on delayed payments is dependent upon the resolution of inter-corporate circular debt by the Government of Pakistan. Furthermore, recoverability of amounts of Rs. 799,524,217 thousand (2023: Rs. 649,527,539 thousand) and Rs 327,775,207 thousand (2023: Rs. 303,252,464 thousand) as referred to in note 17 is dependent upon settlement by the Government of Pakistan directly or indirectly inter alia including increase in future gas prices and / or subsidy or through some alternate mechanism.



| | Note | Un-audited December 31, 2023 | Audited June 30, 2023 |
|--|------|------------------------------------|-----------------------------|
| (Rupees in thousand) | | | |
| 15. LOANS AND ADVANCES | | | |
| Current portion of long term loans to employees | | 303,692 | 268,261 |
| Advances | | | |
| - Employees | | 2,115,431 | 3,077,460 |
| - Suppliers and Contractor | | 68,759 | 51,723 |
| Advances to suppliers and contractors | | 3,227 | 3,227 |
| Less: Impairment loss | | 3,227 | 3,227 |
| | | - | - |
| | | 2,487,882 | 3,397,444 |
| 16. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS | | | |
| Trade deposits and short term prepayments | | 713,291 | 542,106 |
| Loss allowance | | (22,290) | (22,290) |
| | | 691,001 | 519,816 |
| 17. OTHER RECEIVABLES | | | |
| Excise duty recoverable | | 108,945 | 108,945 |
| Less: Loss allowance | | 108,945 | 108,945 |
| | | - | - |
| Tariff adjustment (indigenous) | 17.1 | 799,524,217 | 649,527,539 |
| Tariff adjustment (RLNG) | 17.3 | 327,775,207 | 303,252,464 |
| Current account with SSGCL | | 30,763 | 29,557 |
| Others | | 216,342 | 670,296 |
| | | 1,127,546,529 | 953,479,856 |
| 17.1 Tariff adjustment (indigenous) | | | |
| Opening balance | | 649,527,539 | 437,346,524 |
| Recognised for the period/year | | 149,996,678 | 212,181,015 |
| | 17.2 | 799,524,217 | 649,527,539 |

17.2 This includes an amount as mentioned below, consisting of various expenses which have either been deferred or disallowed by the OGRA on various grounds, however, the Company has recognized tariff adjustment on such deferments / disallowances in these financial statements as the Company believes that the OGRA in its various determinations in the past years has consistently allowed such expenses and/or pending such expenses till its resolution by Federal Government. Accordingly, the Company has filed a review appeal against the Final Revenue Requirements (FRR) decision by the OGRA and is confident of favourable outcome. Detailed break up of the deferred and / or disallowed expenses is as follows:



| | Note | Un-audited December 31, 2023 | Audited June 30, 2023 |
|---|--------|------------------------------------|-----------------------------|
| | | (Rupees in thousand) | |
| Late payment surcharge to gas creditors | 17.2.1 | 217,317,015 | 217,317,015 |
| Others | 17.2.2 | 400,000 | 400,000 |
| | | 217,717,015 | 217,717,015 |

17.2.1 This represents late payment surcharge payable to various gas suppliers deferred by the OGRA till actual payment. This amount has not been disallowed instead has been pending / deferred till resolution of circular debt by Federal Government

17.2.2 This represents the impact of super tax on the Rate of Return, Company has recognized its impact and will take up the matter with OGRA as per precedent set by OGRA in its decision for Motion for review of FRR 2021-22. Accordingly, the Company has filed a review appeal against the Final Revenue Requirements (FRR) decision by the OGRA and is confident of favorable outcome.

| | Note | Un-audited December 31, 2023 | Audited June 30, 2023 |
|--------------------------------------|-----------------|------------------------------------|-----------------------------|
| | | (Rupees in thousand) | |
| 17.3 Tariff adjustment (RLNG) | | | |
| Opening balance | | 303,252,464 | 165,032,746 |
| Recognised for the period/year | | 24,522,743 | 165,332,715 |
| Received from GoP | | - | (27,112,997) |
| Closing balance | 17.3.1 and 17.4 | 327,775,207 | 303,252,464 |

17.3.1 The balance represents the difference of average cost of RLNG and the average sale price of system gas of the diverted RLNG volumes to system gas consumers. During the period, 23,933,324 MMBTUs of RLNG were diverted and sold as system gas. The tariff adjustment receivable resulting from RLNG sold as system gas will be adjusted upon directional changes in tariff adjustments in future periods to be determined by the OGRA. Federal Government released subsidy amounting to Rs 87,805,400 thousand till December 31, 2023.

17.4 This includes amounts as mentioned below, consisting of various expenses which have either been deferred or disallowed by the OGRA on various grounds, however, the Company has recognized tariff adjustment on such deferrals / disallowances in these financial statements. Accordingly, the Company has filled a review appeal against the Final Revenue Requirements (FRR) decision by the OGRA and is confident of favourable outcome. Detailed break up of the deferred and / or disallowed expenses is as follows:



| | Note | Un-audited December 31, 2023 | Audited June 30, 2023 |
|--|--------|------------------------------------|-----------------------------|
| (Rupees in thousand) | | | |
| Gas internally consumed | 17.4.1 | 41,000 | 41,000 |
| Take or pay adjustment relating to prior years | 17.4.2 | 13,768,112 | 13,768,112 |
| Finance cost on encashment of security | 17.4.3 | 5,056,909 | 5,056,909 |
| Finance cost on short term borrowing | 17.4.4 | 9,702,480 | 9,702,480 |
| LPS Gas creditors | 17.4.5 | 148,000 | 148,000 |
| Operating cost | 17.4.6 | 320,000 | 320,000 |
| | | 29,036,501 | 29,036,501 |

17.4.1 This represents the difference in the amounts allowed by the OGRA in respect of cost of gas internally consumed by SSGC and actual invoices received from SSGC. This matter has been taken up by the Company in the Motion for review and is confident of favourable outcome.

17.4.2 This represents Take or pay adjustment of prior years for diversion of RLNG to domestic sector consumers. This amount has not been disallowed by OGRA instead has been pended and has directed the Company to bring the claims in upcoming FRR enabling OGRA to review and decide the matter in totality with other claims in this respect.

17.4.3 This represents the finance cost on encashment of security of M/s National Power Parks Management Company Limited ("NPPMCL") against the take or pay invoices. This amount has not been disallowed by OGRA instead has been pended and has directed the Company to bring the claims in upcoming FRR enabling OGRA to review and decide the matter in totality with other claims in this respect.

17.4.4 This represents the finance cost on short term borrowing availed to make payments to RLNG gas creditors. This amount has not been disallowed by OGRA instead has been pended till the provision of certificate from independent auditors that this finance cost is incurred to make the RLNG supply chain afloat.

17.4.5 This represents the LPS on delayed payments to RLNG gas creditors. This amount has been disallowed by OGRA on the pretext that finance cost on RLNG financing is being allowed. Company has not recognized this impact instead will take up the matter with OGRA for allowing the same in cost of service as this amount is in addition to the finance cost claimed by the company. Accordingly, the Company has filed a review appeal against the Final Revenue Requirements (FRR) decision by the OGRA and is confident of favourable outcome.

17.4.6 This represents the operating cost incurred by the Company in respect of cases of take or pay with GPPs which has not been disallowed by OGRA instead has been pended and has directed the Company to bring the claims in upcoming FRR enabling OGRA to review and decide the matter in totality with other claims in this respect.



| | Note | Un-audited December 31, 2023 | Audited June 30, 2023 |
|-----------------------------------|---------------|------------------------------------|-----------------------------|
| (Rupees in thousand) | | | |
| 18. CASH AND BANK BALANCES | | | |
| Deposit accounts | 18.1 | 9,176,534 | 7,825,722 |
| Current accounts | 18.2 and 18.3 | 8,017,089 | 8,406,874 |
| | | 17,193,623 | 16,232,596 |
| Cash in hand | | 6,759 | 1,160 |
| | | 17,200,382 | 16,233,756 |

18.1 Included in deposit accounts are amounts deposited by the Company in separate bank account(s) for funds released by the Government as grant to finance distribution development projects being the Government share of cost. Withdrawal from this account(s) is made on periodic basis to the extent of projects approved and sanctioned there from and until then, these funds amounting to Rs. 6,757,305 thousand (June 30, 2023: Rs. 6,270,621 thousand) are not used for the normal treasury operations of the Company. Any profit earned thereon is credited to the funds instead of accounting for as Company's income.

18.2 This includes Rs 235,359 thousand (June 30, 2023: Rs 230,527 thousand) restricted for outstanding dividend payments.

18.3 Included in current accounts are amounts not remitted by General Post Office to the Company on account of amounts collected from the customers against gas bills amounting to Rs 5,167,000 thousand (June 30, 2023: Rs 5,167,000 thousand).

| | Quarter ended | | Half year ended | |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Un-audited December 31, 2023 | Un-audited December 31, 2022 | Un-audited December 31, 2023 | Un-audited December 31, 2022 |
| (Rupees in thousand) | | | | |
| 19. REVENUE FROM CONTRACTS WITH CUSTOMERS - GAS SALES | | | | |
| Gross sales - Indigenous gas | 138,158,598 | 63,782,228 | 213,364,071 | 118,093,255 |
| Gross sales - RLNG | 224,336,820 | 196,183,154 | 522,204,123 | 487,479,310 |
| | 362,495,418 | 259,965,382 | 735,568,194 | 605,572,565 |
| Sales tax - Indigenous gas | (18,258,547) | (10,431,931) | (28,847,374) | (19,152,530) |
| Sales tax - RLNG | (38,167,577) | (26,060,085) | (82,178,832) | (65,205,996) |
| | (56,426,124) | (36,492,016) | (111,026,206) | (84,358,526) |
| | 306,069,294 | 223,473,366 | 624,541,988 | 521,214,039 |

19.1 The Company in the past has recognized take or pay (ToP) revenue of Rs. 10,367 million from M/s Quaid-e-Azam Thermal Power (Private) Limited ("QATPL"). QATPL is owned by the Provincial Government of Punjab. ToP revenue recognized by the Company represents the ToP payment that is required to be made under the Gas Supply Agreement ("GSA") adjusted for amounts recovered from domestic consumers from diversion of the gas not taken.



The Company initially partially recovered the ToP amounts by withdrawal of Rs. 3,265 million from the escrow account of QATPL against the ToP invoices raised under the ToP arrangement. The net receivable balance as at period end amounts to Rs. 7,102 million (2023: Rs. 7,102 million). QATPL tried to stop the Company from encashing the security provided under the GSA by initiating proceedings in the Civil Court. This attempt of QATPL failed and resulted in filing of a writ petition by QATPL before the Honorable Lahore High Court (“LHC”). The order of the LHC dated June 22, 2018 provides that the dispute should be dealt with in accordance with the dispute resolution mechanism available in the GSA. In light of section 18.1 of the GSA, various attempts were made to settle this dispute by mutual discussions but the matter remained unresolved. As required under section 18.2 of the GSA, the dispute was thereafter referred to an expert, after mutual agreement of the parties involved, on October 09, 2018. The Expert was a retired Judge of the Supreme Court of Pakistan.

The Company filed claims against QATPL before the Expert on March 15, 2019 and the proceedings before this forum were completed during September 2019. The recommendation of the Expert was issued in favour of the Company. Thereafter, QATPL initiated arbitration under the Rules of the London Court of International Arbitration (LCIA) since it did not accept the decision of the Expert. The Company also initiated arbitration proceedings under LCIA Rules but only to the extent of failure of the Expert to decide one of the issues put to him related to provision of security to the Company.

The Sole Arbitrator of the London Court of International Arbitration (LCIA) has decided in favour of the Company for all months apart from November and December 2017 and the Company has been awarded Rs. 5,901 million being the sum due after encashment of security plus interest. The Company was also awarded costs. QATPL challenged the award dated 2 August 2022 granted in favour of the Company in High Court of England and Wales. The English High Court dismissed the challenge filed by QATPL and granted costs to SNGPL. The Company has filed a petition with Honorable Lahore High Court, Lahore for recognition and enforcement of the said award and the same is pending adjudication before the Lahore High Court. The parties have initialed an agreement for the settlement and the same is subject to the approval of the Boards of both the parties and subsequent signing by the parties.

The Company, under the terms of the license granted to it by the OGRA, the guidelines issued by the Federal Government vide decision of the Economic Coordination Committee of the Cabinet (“ECC”) dated May 11, 2018, and as per determination of Final Revenue Requirement of the Company for FY 2017-18 (“FRR 2017-18”) dated January 15, 2019, operates under a fixed rate of return regime. Keeping in view of the above, it is considered that the impact of the decision of QATPL will not have any impact on the profitability of the Company.

| | Quarter ended | | Half year ended | |
|------------------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Un-audited December 31, 2023 | Un-audited December 31, 2022 | Un-audited December 31, 2023 | Un-audited December 31, 2022 |
| | (Rupees in thousand) | | (Rupees in thousand) | |
| 20. TARIFF ADJUSTMENT | | | | |
| Indigenous gas | 87,274,156 | 52,829,250 | 149,996,678 | 99,110,951 |
| RLNG | 16,310,915 | 49,624,203 | 24,522,743 | 49,365,253 |
| | 103,585,071 | 102,453,453 | 174,519,421 | 148,476,204 |



| | Quarter ended | | Half year ended | |
|---|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Un-audited December 31, 2023 | Un-audited December 31, 2022 | Un-audited December 31, 2023 | Un-audited December 31, 2022 |
| | (Rupees in thousand) | | (Rupees in thousand) | |
| 21. COST OF GAS SALES | | | | |
| Opening stock of gas in pipelines | 29,167,884 | 18,573,695 | 18,247,043 | 12,496,985 |
| Gas purchases: | | | | |
| - Southern system | 111,376,635 | 38,642,125 | 150,237,511 | 65,765,912 |
| - Northern system | 41,795,624 | 34,167,317 | 84,256,391 | 68,356,732 |
| - RLNG | 201,627,592 | 226,895,999 | 469,459,821 | 485,436,257 |
| | 354,799,851 | 299,705,441 | 703,953,723 | 619,558,901 |
| | 383,967,735 | 318,279,136 | 722,200,766 | 632,055,886 |
| Less: Gas internally consumed | 3,424,865 | 4,046,501 | 6,770,987 | 6,290,962 |
| Closing stock of gas in pipelines | 32,418,026 | 25,288,466 | 32,418,026 | 25,288,466 |
| | 35,842,891 | 29,334,967 | 39,189,013 | 31,579,428 |
| Distribution Cost | 13,328,175 | 12,447,884 | 25,525,711 | 22,812,555 |
| | 361,453,019 | 301,392,053 | 708,537,464 | 623,289,013 |
| 22. OTHER INCOME | | | | |
| Interest income on late payment of gas bills | 7,224,609 | 8,492,261 | 15,126,963 | 14,805,954 |
| Gain on initial recognition of financial liabilities at fair value | 700 | 893 | 1,399 | 1,786 |
| Interest on staff loans and advances | 25,934 | 28,606 | 49,501 | 54,254 |
| Reversal of impairment loss on financial asset | (917,683) | - | - | - |
| Exchange gain | 297,071 | - | 297,071 | - |
| Transportation income | 431,063 | 214,320 | 718,373 | 441,292 |
| Meter rentals and service income | 959,777 | 1,048,279 | 2,043,577 | 2,107,120 |
| Return on bank deposits | 348,899 | 275,253 | 865,855 | 582,842 |
| Net gain on sale of fixed assets | 1,278 | 1,368 | 74,832 | 11,983 |
| Amortization of deferred credit and contract liabilities | 693,225 | 577,837 | 1,267,626 | 1,139,177 |
| Insurance claim | - | 619 | 56 | 722 |
| Sale of tender documents | 4,253 | 2,203 | 7,328 | 3,900 |
| Sale of scrap | 6,910 | - | 80,291 | - |
| Liquidated damages recovered | 62,374 | 127,788 | 84,423 | 170,083 |
| Bad debt recoveries | 527 | 4,045 | 1,247 | 4,569 |
| Miscellaneous | 29,990 | 12,571 | 53,180 | 18,720 |
| | 9,168,927 | 10,786,043 | 20,671,722 | 19,342,402 |
| 23. OTHER EXPENSES | | | | |
| Workers' Profit Participation Fund | 361,754 | 303,256 | 681,515 | 531,223 |
| Exchange loss on gas purchases | (96) | 634,156 | - | 708,833 |
| Loss on initial recognition of financial assets at fair value | - | - | 151,951 | - |
| | 361,658 | 937,412 | 833,466 | 1,240,056 |



24. Included in finance cost is an amount of Rs 67,951,224 thousand (December 31, 2022: Rs 36,876,557 thousand) in respect of late payment surcharge on account of overdue payables for gas purchases.

| | Quarter ended | | Half year ended | |
|---------------------|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Un-audited December 31, 2023 | Un-audited December 31, 2022 | Un-audited December 31, 2023 | Un-audited December 31, 2022 |
| | (Rupees in thousand) | | (Rupees in thousand) | |
| 25. TAXATION | | | | |
| Current tax | 2,861,652 | 2,218,021 | 5,872,074 | 5,000,372 |
| Deferred tax | 693,810 | 2,808 | 53,213 | (1,025,387) |
| | 3,555,462 | 2,220,829 | 5,925,287 | 3,974,985 |

| | Note | Half year ended | |
|--|------|------------------------------------|------------------------------------|
| | | Un-audited December 31, 2023 | Un-audited December 31, 2022 |
| | | (Rupees in thousand) | |
| 26. CASH GENERATED FROM OPERATIONS | | | |
| Profit before taxation | | 12,948,775 | 10,093,249 |
| Adjustment for non-cash charges and other items | | | |
| Depreciation - Owned assets | | 8,521,388 | 7,777,450 |
| Depreciation - Right of use assets | | 1,763,212 | 1,850,535 |
| Amortization of intangible assets | | 94,746 | 118,912 |
| Employee benefits | | 2,269,445 | 1,903,776 |
| Amortization of deferred credit and contract liabilities | | (1,267,626) | (1,139,177) |
| Finance cost | | 85,916,012 | 44,487,720 |
| Return on bank deposits | | (865,855) | (582,842) |
| Gain on sale of fixed assets | | (74,832) | (11,983) |
| Net impairment loss on financial assets | | 1,195,256 | 956,684 |
| Loss on initial recognition of financial assets at fair value | | 151,951 | - |
| Gain on initial recognition of financial liabilities at fair value | | (1,399) | (1,786) |
| Amortization of difference between initial and maturity amount | | (25,966) | (30,838) |
| Working capital changes | 26.1 | (59,238,035) | (78,469,068) |
| | | 51,387,072 | (13,047,368) |
| 26.1 Working capital changes | | | |
| (Increase) / decrease in current assets | | | |
| Stores and spares parts | | (1,892,557) | (1,844,300) |
| Stock-in-trade | | (14,170,983) | (12,791,481) |
| Trade debts | | (11,573,898) | (36,257,481) |
| Loans and advances | | 944,993 | 640,812 |
| Trade deposits and prepayments | | (171,185) | (438,860) |
| Other receivables | | (192,061,463) | (164,767,345) |
| | | (218,925,093) | (215,458,655) |
| Increase in current liabilities | | | |
| Trade and other payables | | 159,687,058 | 136,989,587 |
| | | (59,238,035) | (78,469,068) |



| | Half year ended | |
|---------------------------------------|------------------------------------|------------------------------------|
| | Un-audited December 31, 2023 | Un-audited December 31, 2022 |
| | (Rupees in thousand) | |
| 26.2 Cash and cash equivalents | | |
| Cash and bank balances | 17,200,382 | 14,852,109 |
| Short term running finance | (111,555,414) | (60,667,290) |
| | (94,355,032) | (45,815,181) |

27. INCORPORATION OF TARIFF REQUIREMENTS

- 27.1 OGRA vide its decision dated June 21, 2018 on the Estimated Revenue Requirement ('ERR') of the Company for the year 2018-19 decided in consultation with the Federal Government and other licensees in the natural gas sector to revise the tariff regime including the rate of return which is to be based on Weighted Average Cost of Capital ('WACC') from the financial year 2018-19. WACC was computed at 17.43% for financial year 2018-19 till 2020-21 and 16.60% for the year 2021-22 till 2022-23.

Further, OGRA in its decision dated February 02, 2024 has in line with the tariff regime in vogue, reworked the Rate of Return on Average Net Assets (ROA) for the year 2023-24 at 20.64% as compared to the previous ROA rate of 16.60% determined up to 2022-23.

As per the tariff regime, the Company is required to earn an annual return of not less than WACC on the value of its average fixed assets in operation (net of deferred credit), before corporate income taxes, interest and other charges on debt and after excluding interest, dividends and other non operating income and before incorporating the effect of efficiency benchmarks prescribed by OGRA.

- 27.2 During the period, the Company could not meet the benchmarks prescribed by Oil and Gas Regulatory Authority (OGRA) and as a result the return for the period on the aforesaid basis works out to be 17.83% (December 31, 2022: 14.98%). Among other disallowances, the Company has also incorporated the effect of Unaccounted for Gas (UFG), which represents the volume difference of gas purchases and sales, amounting to Nil (December 31, 2022: Rs 1,356,098 thousand), which is in excess of the UFG benchmark as determined by OGRA in Final Revenue Requirements (FRR) for FY 2022-23.

28. TRANSACTIONS WITH ASSOCIATES AND RELATED PARTIES

Related parties on the basis of common directorship of the Company include associated companies. These also includes state-controlled entities, staff retirement benefit plans and the Company's directors and key management personnel. Details of significant transactions with these related parties in these condensed interim financial statements are as follows:



| | | Un-audited December 31, 2023 | Un-audited December 31, 2022 |
|--|------------------------------------|------------------------------------|------------------------------------|
| | | (Rupees in thousand) | |
| 28.1 Transactions during the period | Basis of relationship | | |
| Gas sales | Common directorship / Gop holdings | 258,912,804 | 246,371,552 |
| Purchase of materials | Common directorship / Gop holdings | 1,680,765 | 1,476,601 |
| Purchase of gas, regasification & transportation services | Common directorship / Gop holdings | 684,648,565 | 601,621,745 |
| Service charges | Common directorship / Gop holdings | 171,075 | 45,452 |
| Profit received on bank deposits | Common directorship | 33,939 | 18,283 |
| Finance cost | Common directorship | 67,601,154 | 36,811,117 |
| Transportation income | Common directorship / Gop holdings | 3,470 | 3,445 |
| Distributor margin | Common directorship / Gop holdings | 6,079 | 4,212 |
| Insurance expenses | Gop holdings | 538,717 | 411,280 |
| Insurance claims received | Gop holdings | 144,656 | 76,669 |
| Contributions to defined contribution plans | Common management | 355,635 | 351,414 |
| Contributions to defined benefit plans | Common management | 2,465,292 | 2,010,035 |
| Dividend paid | Common directorship / Gop holdings | 389,933 | 1,921,320 |
| Honorarium / Fee paid to directors | Director | 16,884 | 20,600 |
| Remuneration and benefits paid to key management personnel | Key management personnel | 53,156 | 48,899 |

| | | Un-audited December 31, 2023 | Audited June 30, 2023 |
|---------------------------------|--|------------------------------------|-----------------------------|
| | | (Rupees in thousand) | |
| 28.2 Period end balances | | | |
| Receivable from related parties | | 124,567,245 | 160,963,767 |
| Payable to related parties | | 1,457,577,205 | 1,237,565,265 |

28.3 The review report submitted by Internal Audit department to BAC/BOD on the investigation of related party transactions of Mr. Ahmad Aqeel was submitted to SECP and External Agency. The External Agency has closed the matter while certain observations were raised by SECP on the report which are being addressed and necessary action, if any, will be taken once the matter is concluded.

29. EVENTS AFTER THE BALANCE SHEET DATE

29.1 The Board of Directors of the Company in its meeting held on November 20, 2024 has proposed an interim cash dividend of Rs Nil per share (December 31, 2022: Nil per share), amounting to Rs Nil (December 31, 2022: Rs Nil) for the year ended June 30, 2024.



30. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position has been compared with the balances of annual audited financial statements of preceding financial year, whereas, the condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions.

| From | To | Reason | Amount (Rs in thousand) |
|--------------------|--------------------------|-------------------------|----------------------------|
| Loans and advances | Capital work in progress | For better presentation | 163,845 |

31. GENERAL

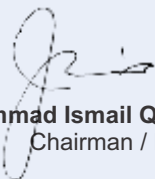
Figures have been rounded off to nearest thousand of rupees, unless otherwise stated.

32. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on November 20, 2024 by the Board of Directors of the Company.


(Kamran Akram)
Chief Financial Officer


(Amer Tufail)
Managing Director/CEO


(Muhammad Ismail Qureshi)
Chairman / Director



عملدرآمدکامرحله

نقصان کے تناسب کے لحاظ سے زیادہ نقصان والے (70%) پانچ علاقوں کی شناخت کی گئی ہے جو کہ لاہور، مشرقی اور مغربی، پشاور، اسلام آباد، راولپنڈی، مردان اور فیصل آباد ہیں۔ یہ تخمینہ لگایا گیا ہے کہ کل نقصان کا 40% ان شہروں پر مشتمل ہے۔ ان علاقوں کے TBS1,470 میٹر ترجیحی بنیادوں پر نصب کیے جا رہے ہیں۔

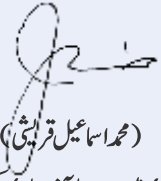
6- شکایات مینجمنٹ ڈیش بورڈز

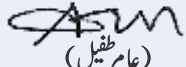
آپ کی کمپنی نے شکایات مینجمنٹ ڈیش بورڈ بھی تیار کیا ہے جو صارفین کی شکایات کے حل کی نگرانی اور تجزیہ کرنے کے لیے بنایا گیا ایک جدید آلہ ہے۔ شکایات کے بروقت حل کی نگرانی کے لیے علاقائی سربراہان، انتظامیہ، اور ہیڈ آفس کسٹمر سروسز ٹیم اس کا استعمال کرتی ہے۔

اظہار تشکر

آپ کے ڈائریکٹرز، حصہ داران اور اپنے قابل قدر صارفین کی طرف سے حاصل ہونے والی مسلسل حمایت اور سرپرستی کے لئے شکریہ ادا کرتے ہیں۔ ہم ان تمام ملازمین کی لگن اور عزم کا بھی اعتراف کرتے ہیں جنہوں نے کمپنی کے تمام آپریشنز کو برقرار رکھنے کے لئے قابل قدر خدمات فراہم کیں۔ ہم حکومت پاکستان، وزارت توانائی (پیٹرولیم ڈویژن) اور آئل اینڈ گیس ریگولیٹری اتھارٹی (اگرا) کی جانب سے مسلسل رہنمائی اور تعاون کو سراہتے ہیں۔

منجانب بورڈ،


(محمد اسماعیل قریشی)
چیئر مین - بورڈ آف ڈائریکٹرز


(عاصم طفیل)
میجنگ ڈائریکٹر

لاہور۔

20 نومبر 2024ء



میں سے 15.36 کلومیٹر پائپ لائن بچھائی جا چکی ہے، جبکہ 16 انچ قطر کی 6.50 کلومیٹر پائپ لائن پر تعمیراتی سرگرمیاں جلد شروع ہونے کا امکان

3- چار سہ - خزانہ - تنگی تر سیلی پائپ لائن، 10 انچ قطر کی 72.55 کلومیٹر

مردان اور پشاور کے علاقوں میں سردیوں کے موسم میں گیس کے کم دباؤ کے مسائل کو حل کرنے کے لیے نظام کی صلاحیت میں کمی کے مسائل کی وجہ سے کمپنی نے مندرجہ ذیل دو مراحل میں نظام کو بڑھانے کا منصوبہ بنایا ہے:

مرحلہ - اول

i- 10 انچ قطر کی 27.75 کلومیٹر چار سہ آف ٹیک (گل آباد) - چار سہ تر سیلی لوپ لائن

ii- 10 انچ قطر کی 20.80 کلومیٹر چار سہ - خزانہ تر سیلی لوپ لائن

10 انچ قطر کی 27.75 کلومیٹر چار سہ آف ٹیک (گل آباد) - چار سہ تر سیلی لوپ لائن مکمل ہو چکی ہے، جبکہ 10 انچ قطر کی 20.80 کلومیٹر چار سہ - خزانہ تر سیلی لوپ لائن میں سے 20.13 کلومیٹر پائپ لائن موقع پر بچھائی جا چکی ہے۔

مرحلہ - دوم

i- 10 انچ قطر کی 24 کلومیٹر چار سہ - تنگی تر سیلی لوپ لائن

پراجیکٹ کے مرحلہ دوم کا سروے اور انجینئرنگ ڈیزائن مکمل ہو چکا ہے۔ مرحلہ اول کی تکمیل کے بعد جلد ہی تعمیراتی سرگرمیاں شروع ہونے کا امکان ہے۔

4- شیخ ڈھیری سے یار حسین تک تر سیلی پائپ لائن، "8 قطر کی 22.50 کلومیٹر

ضلع صوابی کے حلقہ NA-12 کے مختلف دیہات کو گیس کی فراہمی کے منصوبے کی منظوری دے دی گئی ہے جس میں "8 قطر کی 22.50 کلومیٹر تر سیلی پائپ لائن شامل ہے۔ پائپ لائن بچھائی جا چکی ہے اور اس کو فعال کر دیا گیا ہے۔

5- ٹی بی ایس میٹرنگ پراجیکٹ

غیر محسوب گیس نقصانات کی نگرانی پہلے بڑے پیمانے یعنی سیلز میٹر اسٹیشن (SMSs) کی سطح پر کی جاتی تھی۔ نقصان والے علاقوں پر توجہ مرکوز کرنے کے لیے، ٹاؤن بارڈر اسٹیشنز (ٹی بی ایس) کی سطح پر نقصانات کی مائیکرو مانیٹرنگ کے لیے منصوبہ بنایا گیا ہے۔ منصوبے پر عمل درآمد مندرجہ ذیل مراحل پر مشتمل ہے:

منصوبہ بندی کا مرحلہ:

- * ہر TBS کو منفرد کوڈ تفویض کرنا
- * CC&B میں ٹی بی ایس سے کنزرویو میٹنگ
- * صارفین کے مقام کی تصدیق کے لیے GIS پر میپ شدہ پلاننگ
- * میٹرز، ای وی سی اور متعلقہ مواد کی خریداری کا آغاز

ڈیزائننگ کا مرحلہ:

- * ٹی بی ایس سروں ایریا کی حد بندی
- * نیٹ ورک کی تقسیم، جہاں ضرورت ہو۔
- * ٹی بی ایس کی گروپ بندی جہاں نیٹ ورک آپس میں جڑا ہوا ہے۔
- * GIS نظام کی ڈیجیٹائزیشن (4 انچ قطر تک)



ڈائریکٹرز جائزہ:

ہمیں 31 دسمبر 2023 کو ختم ہونے والی مدت کے لیے آپ کی کمپنی کے غیر پڑتال شدہ مالیاتی گوشواروں کو پیش کرتے ہوئے خوشی ہو رہی ہے۔ کمپنی گزشتہ سال کی اسی مدت کے دوران 6,118 ملین روپے کے بعد از حاصل منافع کے مقابلے میں 7,023 ملین روپے بعد از حاصل منافع کمانے میں کامیاب رہی ہے۔ زیر جائزہ مدت کے لیے فی حصص آمدنی گزشتہ سال کی اسی مدت کے لیے 9.65 روپے کے مقابلے میں 11.07 روپے رہی۔

زیر جائزہ مدت کے مالی نتائج کا خلاصہ ذیل میں دیا گیا ہے:

(ملین روپے میں)

12,949

قبل از حاصل منافع

(5,925)

حاصل کی دستیابی

7,023

بعد از حاصل منافع

اس مدت کے لیے منافع میں اضافہ بنیادی طور پر درج ذیل وجوہات سے منسوب ہے:

1- زیر جائزہ مدت کے دوران غیر محسوب گیس کے نقصانات جولائی تا دسمبر 2022ء کے دوران 6.40% (MMCF) 11,576 کے مقابلے میں جولائی تا دسمبر 2023ء کے دوران 4.74% (9,660 MMCF) تک کم ہو گئے جس کے باعث غیر محسوب گیس کی عدم اجازت میں کمی ہوئی۔

2- اوسط آپریٹنگ اثاثوں پر منافع کی شرح میں جولائی تا دسمبر 2022ء میں 16.60% کے مقابلے میں جولائی تا دسمبر 2023ء میں 20.64% تک اضافہ۔

بے مثال اقتصادی مسائل اور مالی رکاوٹوں کے باوجود، آپ کی کمپنی کی کارکردگی میں خاطر خواہ بہتری آئی ہے اور منافع میں مسلسل اضافہ قابل ستائش ہے۔ کمپنی کے بورڈ آف ڈائریکٹرز، انتظامیہ اور ملازمین کو یقین ہے کہ آنے والے سالوں میں کمپنی کی کارکردگی میں مزید بہتری آئے گی۔

منصوبہ جات

زیر جائزہ مدت کے دوران، آپ کی کمپنی نے 30.93 کلومیٹر تریسیلی لائنیں بچھائی ہیں جن کا قطر 6 سے 24 انچ تک ہے۔ تریسیلی لائنوں کے علاوہ، 31 دسمبر 2023ء کو ختم ہونے والی مدت کے دوران 294.45 کلومیٹر تقسیمی لائنز بچھائی گئیں تاکہ دباؤ کو بہتر بنایا جاسکے اور نئے شہروں کو گیس کی فراہمی ہو جس سے صارفین کی اطمینان کی سطح میں اضافہ ہوا ہے۔

جاری/مستقبل کے منصوبے

1- بنوں ویسٹ ویل-داؤڈھیل تریسیلی لائن، 18 انچ قطر 230 کلومیٹر

نئے دریافت شدہ بنوں ویسٹ ویل-1 (40-100 MMCFD) اور ولیگیس فیلڈ ویل-1 (25-50 MMCFD) کو کمپنی کے تریسیلی نظام کے ساتھ مربوط کرنے کے لیے آپ کی کمپنی بنوں ویسٹ ویل سے داؤڈھیل تک 18 انچ قطر کی 230 کلومیٹر تریسیلی لائن بچھا رہی ہے۔ تعمیراتی سرگرمیاں جاری ہیں اور 230 کلومیٹر میں سے 174.37 کلومیٹر پائپ لائن موقع پر بچھائی جا چکی ہے، جبکہ 117.57 کلومیٹر پائپ لائن کو فعال کیا جا چکا ہے۔

2- لاہور میں گیس نیٹ ورک میں اضافہ اور دو حصوں میں تقسیم (مرحلہ دوم)

لاہور میں تقسیمی نظام میں اضافہ اور دو حصوں میں تقسیم کے مرحلہ دوم میں ایس ایم ایس برکی سے ایس ایم ایس ڈیال تک 8 انچ قطر کی 16 کلومیٹر اور ایس ایم ایس مانگا سے ایس ایم ایس سنڈر تک 16 انچ قطر کی 6.50 کلومیٹر پائپ لائن بچھانے کا منصوبہ بنایا گیا ہے۔ 8 انچ قطر کی 16 کلومیٹر پائپ لائن



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