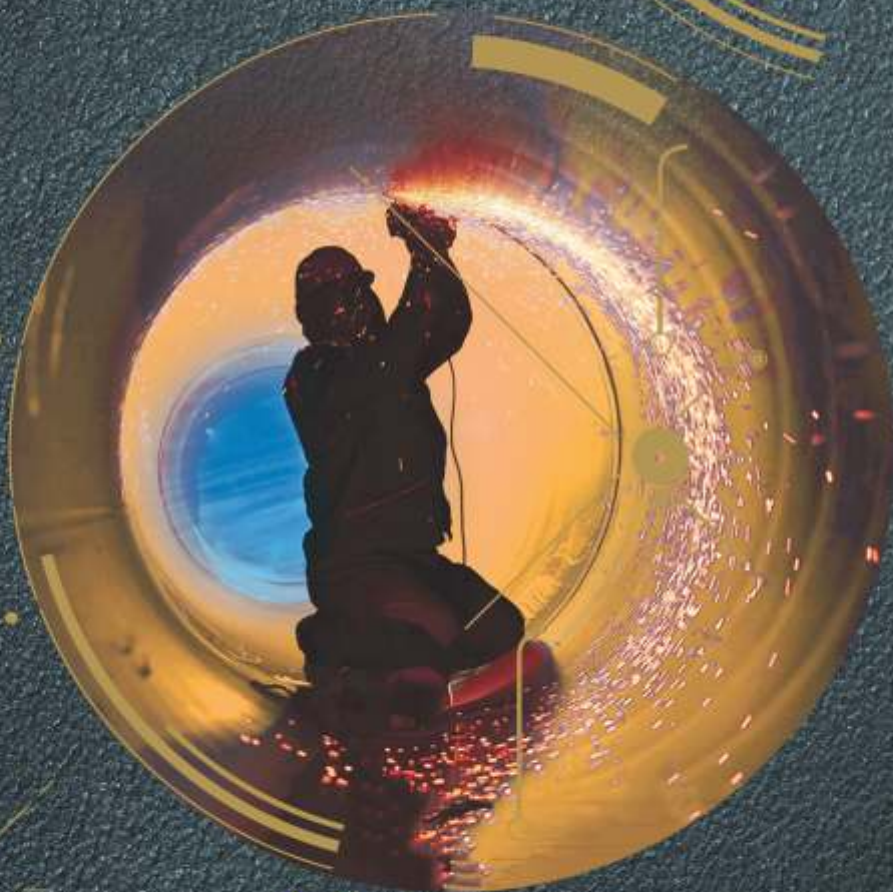


1st Quarter Accounts (Un-Audited)
For the Period Ended
September 30, 2022



Sui Northern Gas Pipelines Limited

Achieving
new Heights



...the Momentum
Continues

Achieving New Heights ...the Momentum Continues



In pursuit of achieving the energy self-sufficiency for the nation, SNGPL operations were put in high gear in 2020. We are proud to also encompass the geologically challenging and security sensitive areas of Pakistan. Our men on ground had to deal with harsh weather conditions, security threats and supply chain issues to get the site ready, moving towards with heavy machinery, and laying of Pipelines as per the planned timelines. This is the gist of a plethora of challenges that our Teams face while we pursue the strategy of exploring further horizons in business as usual and diversification of operations.

Our Teams overcome all the challenges and hardships with unflinching perseverance and willpower that are the hallmark of SNGPL operational philosophy.

The challenges we face merely fuel our passion to do more, be more and bring more to all our stakeholders.

پلٹ کر جھپٹنا جھپٹ کر پلٹنا
لو گر مر گئے کا ہے اک بہانہ



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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. Ahmad Atteeq Anwer	Director
Mr. Ahmed Chinoy	Director
Mr. Ali Tahir	Director
Mr. Arif Saeed	Director
Ms. Faaria Rehman Salahuddin	Director
Mr. Hassan Mehmood Yousufzai	Director
Mr. Muhammad Sualeh Ahmed Faruqui	Director
Mr. Osman Saifullah Khan	Director
Mr. Saadat Ali Khan	Director
Mr. Shahbaz Tahir Nadeem	Director
Mr. Tariq Iqbal Khan	Director

COMMITTEES OF THE BOARD OF DIRECTORS

BOARD AUDIT COMMITTEE

Mr. Tariq Iqbal Khan	Chairman
Mr. Ahmad Atteeq Anwer	Member
Mr. Hassan Mehmood Yousufzai	Member
Mr. Muhammad Sualeh Ahmed Faruqui	Member
Mr. Saadat Ali Khan	Member

FINANCE, PROCUREMENT & BUSINESS DIVERSIFICATION COMMITTEE

Mr. Arif Saeed	Chairman
Mr. Ali Tahir	Member
Mr. Osman Saifullah Khan	Member
Mr. Shahbaz Tahir Nadeem	Member
Mr. Tariq Iqbal Khan	Member

HUMAN RESOURCE, REMUNERATION & NOMINATION COMMITTEE

Mr. Muhammad Ismail Qureshi	Chairman
Mr. Amer Tufail	Managing Director
Mr. Ahmad Atteeq Anwer	Member
Mr. Ahmed Chinoy	Member
Ms. Faaria Rehman Salahuddin	Member
Mr. Hassan Mehmood Yousufzai	Member
Mr. Tariq Iqbal Khan	Member

RISK MANAGEMENT & UFG CONTROL COMMITTEE

Mr. Muhammad Ismail Qureshi	Chairman
Mr. Ali Tahir	Member
Mr. Arif Saeed	Member
Ms. Faaria Rehman Salahuddin	Member
Mr. Osman Saifullah Khan	Member
Mr. Saadat Ali Khan	Member
Mr. Shahbaz Tahir Nadeem	Member

IT / DIGITIZATION COMMITTEE

Mr. Osman Saifullah Khan	Chairman
Mr. Ahmad Atteeq Anwer	Member
Mr. Ahmed Chinoy	Member
Mr. Muhammad Sualeh Ahmed Faruqui	Member

CHIEF FINANCIAL OFFICER

Mr. Faisal Iqbal

COMPANY SECRETARY / SECRETARY TO COMMITTEES OF THE BOARD

Mr. Imtiaz Mehmood

AUDITORS

M/s Yousuf Adil,
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 September 30, 2022. The Company has been able to earn a profit after tax amounting to Rs. 2,577 million as against a profit of Rs. 3,032 million during the corresponding period of last year. The earnings per share for the period under review is Rs. 4.06 as against earnings per share of Rs. 4.78 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	4,331
Provision for taxation	1,754
Profit after taxation	2,577

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

1. Increase in UFG disallowance due to change in UFG benchmark parameters by OGRA in estimated revenue requirement for FY 2022-23, despite the fact that the Company was able to reduce the UFG losses during the period under review, from 8,674 MMCF (7.63%) during Jul-Sep-21 to 6,646 MMCF (7.37%) during Jul-Sep-22;
2. Increase in the rate of super tax from 4% in FY 2021-22 to 10% for FY 2022-23;
3. Increase in the finance cost due to an increase in the base rate by SBP.

Our Country is facing unprecedented economic challenges and financial constraints, however, the performance of your Company and maintaining a steady stream of 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

Your Company has laid 93.80 KMs Transmission Lines with diameters ranging from 8" to 18". In addition to Transmission Lines, 121.409 KMs of Distribution mains were laid during the first quarter ended on September 30, 2022 for improving pressure and supplying gas to new towns which has enhanced customer satisfaction level.

Your Company is working on developing digital maps of Transmission and Distribution systems through utilization of Geographic Information System (GIS) technology. GIS maps are helping the management and users to visualize the pipeline network and customers related information through interactive Web-Apps and GIS Dashboards. So far, whole Transmission pipeline network, all customer locations, customer complaints, leakage detection points and TBS service area boundaries are mapped and available through GIS portal across Company. Further, a state-of-the-art GIS Lab has also been established by P&D Department to carry out all GIS related development and implementation activities. The distribution pipeline network's digital mapping project is in full swing and 45% work of Phase 1A (4"-24" dia pipelines) has been completed till date. The digitized pipeline network is being subsequently handed over to the respective regions.



ONGOING /FUTURE PROJECTS

The pipeline projects which remained in progress during the first quarter ended on September 30, 2022 are given below:

1. 12"dia x 19.75 Km transmission line starting from Chiniot to terminal point along with SMS cum CMS having Capacity of 40 MMCFD for Allama Iqbal Industrial City SEZ has been laid and is ready for commissioning.
2. 8"dia x 15.60 Km transmission loop line starting from CV-3 Valve Assembly near Chiniot to M3 Industrial City SEZ for the provision of gas supply to M3 Industrial City SEZ. The pipeline has been laid and is ready for commissioning.
3. 8"dia x 12.25 Km transmission pipeline starting from MP-66 C-Leg to terminal at Bhalwal Industrial City SEZ for the provision of gas supply to Bhalwal Industrial Estate SEZ. The construction activities have been initiated.
4. 8"dia x 25.20 Km transmission pipeline starting from Chiniot to Pindi Bhatian for the supply of gas to various villages of NA-103, District Hafizabad. The pipeline has been completed during the said quarter and is ready for commissioning.
5. 10"dia x 27.75 Km transmission pipeline from Charsadda Offtake (Gulabad) to Charsadda and 10"dia x 20.80 Km transmission pipeline from Charsadda to Khazana are being laid under Phase-I and 10"dia x 24 Km Charsadda-Tangi under Phase-II for addressing low gas pressure issues during winter season in Mardan and Peshawar. Company has laid 25.28 Km Charsadda Offtake to Charsadda pipeline and 19.01 Km Charsadda-Khazana pipeline. However, Survey and Engineering design of Phase-II has been completed during the said quarter and construction activities are likely to start soon.
6. 8"dia x 22.50 Km transmission pipeline starting from Sheikh Dheri to Yar Hussain for the supply of gas to various villages of NA-12, District Swabi. Company has laid up to 20.03 Km pipeline during the said quarter.
7. 18"dia x 230 Km transmission pipeline from Bannu West well-1 to Daudkhel for receiving gas from Bannu West Well-1. Company has laid upto 70 Km pipeline during the said quarter.
8. A project of augmentation and bifurcation of distribution network of Islamabad and Rawalpindi cities has been planned to address low pressures of tail end consumers. Project comprises of various diameter supply mains with total length of 45 km. Company has completed Survey and Engineering design of the project.

BUSINESS DEVELOPMENT

The Company is engaged in various pipeline construction projects of national and multinational companies. SNGPL is undertaking pipeline engineering and construction jobs of MOL Pakistan's flow line / trunk lines and Fiber Optic Cable in District Kohat / Hangu for different gas fields of MOL Pakistan like Maramzai, Manzalai, Mamikhel, Mardankhel-1, 2 & 3, Makori Deep-1, Tolanj West and Makori for the last fifteen years. MOL Pakistan has




played a very vital role in strengthening the gas input supplies. SNGPL has recently completed MOL's 8"dia x 1.6 Km Mamikhel South-1 Flow line along with double FOC and 8"dia x 1.2 Km Manzalai VA1 to VA2 Flow line along with double FOC. The Company is laying 6" dia x 0.5 Km Tolanj West-2, Flow Line along with laying of Double FOC for MOL. The award of project by MOL on single bid basis shows the trust in high standards of construction services maintained by SNGPL.

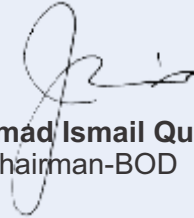
ACKNOWLEDGMENTS

The Directors place on record their appreciation for the Government of Pakistan, Ministry of Energy (Petroleum Division), Oil & Gas Regulatory Authority, other Government and Non-Government Institutions related to the Company for their sustained support and the employees of the Company for their dedication and hard work during the period under review to meet the demands of its diversified customer base.

On behalf of the Board



(Amer Tufail)
Managing Director/CEO



(Muhammad Ismail Qureshi)
Chairman-BOD

Lahore.
November 15, 2023

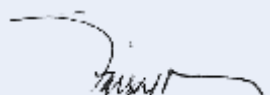


Condensed Interim Statement of Financial Position

As at September 30, 2022

		Un-audited September 30, 2022	Audited June 30, 2022
	Note	(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		15,000,000	15,000,000
Issued, subscribed and paid up share capital		6,342,167	6,342,167
Revenue reserves		31,126,476	33,305,891
Shareholders' equity		37,468,643	39,648,058
NON-CURRENT LIABILITIES			
Long term financing:			
-Secured	4	23,075,374	25,450,493
-Unsecured	5	121,624	124,214
Lease liability		27,824,653	28,297,506
Security deposits		57,010,173	56,479,161
Deferred credit		57,636,464	57,656,379
Contract liabilities	6	19,761,816	19,747,043
Employee benefits		12,343,774	11,942,076
		197,773,878	199,696,872
CURRENT LIABILITIES			
Trade and other payables	7	885,013,640	828,842,370
Contract Liabilities	6	9,343,629	9,319,765
Unclaimed Dividend		182,531	171,940
Unpaid Dividend		1,516,705	10,935
Interest and mark-up accrued on loans and other payables	8	176,702,827	159,280,590
Short term borrowing-secured	9	27,372,099	19,019,488
Current portion of lease liabilities		5,287,776	5,380,885
Current portion of long term financing	10	6,307,366	6,319,414
Income tax payable		797,593	416,754
		1,112,524,166	1,028,762,141
CONTINGENCIES AND COMMITMENTS			
	11	-	-
		1,347,766,687	1,268,107,071

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


(Faisal Iqbal)
Chief Financial Officer



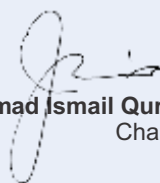
Condensed Interim Statement of Financial Position

As at September 30, 2022

		Un-audited September 30, 2022	Audited June 30, 2022
	Note	(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	225,390,550	224,937,870
Intangible assets		353,754	366,290
Right of use assets		29,162,008	29,969,008
Deferred taxation		3,759,655	2,731,459
Long term loans		1,121,602	1,168,910
Employee benefits		2,524,470	2,390,890
Long term deposits and prepayments		44,258	43,256
		262,356,297	261,607,683
CURRENT ASSETS			
Stores and spare parts		8,592,979	8,300,408
Stock in trade	13	18,573,695	12,496,985
Trade debts	14	324,244,707	307,900,341
Loans and advances	15	5,474,094	2,675,090
Trade deposits and short term prepayments	16	553,913	115,834
Accrued interest		34,150	72,594
Other receivables	17	642,184,680	602,434,264
Sales tax recoverable		63,538,148	56,710,304
Cash and bank balances	18	22,214,024	15,793,568
		1,085,410,390	1,006,499,388
		1,347,766,687	1,268,107,071



(Amer Tufail)
Managing Director/CEO



(Muhammad Ismail Qureshi)
Chairman

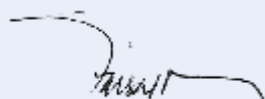


Condensed Interim Statement of Profit or Loss (Un-audited)


For the Period Ended September 30, 2022

	Note	September 30, 2022	September 30, 2021
(Rupees in thousand)			
Revenue from contracts with customers - Gas sales	19	297,740,673	260,718,200
Add: Tariff adjustment	20	46,022,751	30,554,182
		343,763,424	291,272,382
Less: Cost of gas sales	21	321,896,960	278,784,557
Gross profit		21,866,464	12,487,825
Add: Other operating income	22	8,556,359	6,373,135
		30,422,823	18,860,960
Less: Operating expenses:			
Selling cost		2,082,990	1,778,773
Administrative expenses		2,186,133	2,053,434
Other operating expenses	23	302,644	351,309
Expected credit loss		925,842	23,367
		5,497,609	4,206,883
Operating profit		24,925,214	14,654,077
Less: Finance cost	24	20,593,848	10,384,404
Profit before taxation		4,331,366	4,269,673
Taxation	25	1,754,156	1,237,515
Profit for the period		2,577,210	3,032,158
Earnings per share			
Basic and diluted (Rupees)		4.06	4.78

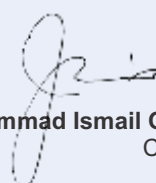
The annexed Notes from 1 to 32 form an integral part of these condensed interim financial statements.



(Faisal Iqbal)
Chief Financial Officer



(Amer Tufail)
Managing Director/CEO



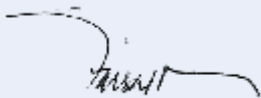
(Muhammad Ismail Qureshi)
Chairman



Condensed Interim Statement of Comprehensive Income (Un-audited) for the Period Ended September 30, 2022

	September 30, 2022	September 30, 2021
	(Rupees in thousand)	
Profit for the period	2,577,210	3,032,158
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	2,577,210	3,032,158

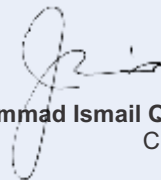
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(Faisal Iqbal)
Chief Financial Officer



(Amer Tufail)
Managing Director/CEO



(Muhammad Ismail Qureshi)
Chairman

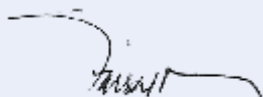


Condensed Interim Statement of Cash Flows (Un-audited)

for the Period Ended September 30, 2022

	Note	September 30, 2022	September 30, 2021
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	26	11,844,050	9,165,578
Finance cost paid		(2,089,981)	(502,447)
Income taxes paid		(2,401,512)	(233,764)
Employee benefits paid/contributions paid		(736,896)	(604,316)
Security deposits received		531,012	1,015,015
Receipts against government grants and consumer contributions		557,090	652,178
Long term loans to employees		63,208	41,373
Long term deposits and prepayments		(1,001)	(1,501)
Net cash (used in) / from operating activities		7,765,970	9,532,116
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(4,277,043)	(5,273,245)
Capital expenditure on Intangible assets		(47,200)	(3,647)
Proceeds from sale of property, plant and equipment		10,615	12,439
Return on bank deposits		346,033	98,363
Net cash used in investing activities		(3,967,595)	(5,166,090)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing- secured		404,000	-
Repayment of long term financing- secured		(2,796,167)	(93,835)
Repayment of lease liability		(98,099)	(9,563)
Dividend paid		(3,240,264)	(2,514,711)
Net cash used in financing activities		(5,730,530)	(2,618,109)
Net increase in cash and cash equivalents		(1,932,155)	1,747,917
Cash and cash equivalents at the beginning of the period		(3,225,920)	(19,270,770)
Cash and cash equivalents at the end of the period	26.2	(5,158,075)	(17,522,853)

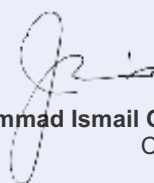
The annexed Notes from 1 to 32 form an integral part of these condensed interim financial statements.



(Faisal Iqbal)
Chief Financial Officer



(Amer Tufail)
Managing Director/CEO



(Muhammad Ismail Qureshi)
Chairman

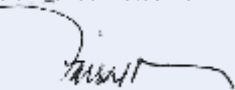


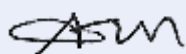
Condensed Interim Statement of Changes in Equity (Un-audited)

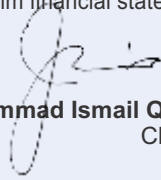
For the Period Ended September 30, 2022

	Share Capital	Revenue Reserves			Total	Total share holders' equity
		General Reserve	Dividend Equalization Reserve	Unappropriated Profit		
(Rupees in thousand)						
Balance as at July 01, 2021 (Audited)	6,342,167	4,127,682	480,000	23,270,217	27,877,899	34,220,066
Total transactions with owners, recognised directly in equity						
Final dividend for the year ended June 30, 2020 @ Rupees 4 per share	-	-	-	(2,536,867)	(2,536,867)	(2,536,867)
Profit for the period	-	-	-	3,032,158	3,032,158	3,032,158
Other Comprehensive income	-	-	-	-	-	-
Total comprehensive income from July 01, 2021 to September 30, 2021	-	-	-	3,032,158	3,032,158	3,032,158
Total comprehensive income from July 01, 2021 to September 30, 2021	-	-	-	3,032,158	3,032,158	3,032,158
Balance as at September 30, 2021 (Un-audited)	6,342,167	4,127,682	480,000	23,765,508	28,373,190	34,715,357
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)
Profit for the period	-	-	-	2,577,210	2,577,210	2,577,210
Other Comprehensive income	-	-	-	-	-	-
Total comprehensive income from July 01, 2022 to September 30, 2022	-	-	-	2,577,210	2,577,210	2,577,210
Balance as at September 30, 2022 (Un-audited)	6,342,167	4,127,682	480,000	26,518,794	31,126,476	37,468,643

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


(Faisal Iqbal)
Chief Financial Officer


(Amer Tufail)
Managing Director/CEO


(Muhammad Ismail Qureshi)
Chairman



Selected Notes to and Forming Part of the Condensed Interim Financial Statements (Un-audited)

For the Period Ended September 30, 2022

1. THE COMPANY AND ITS OPERATIONS

- 1.1 Sui Northern Gas Pipelines Limited (the Company) is a public limited company incorporated in Pakistan under the Companies Act, 1913 (now 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 Mansehra Road, Abbottabad.
Bahawalpur	6-A-D, Model Town-A, Bahawalpur.
Faisalabad	Sargodha Road, Faisalabad.
Gujranwala	M.A. Jinnah Road, Gujranwala.
Sialkot	Al-Hamid Plaza, Malkay Kalan, Off. Marala Road, Sialkot.
Gujrat	State life building, 120 & 121. G.T. Road, Gujrat.
Islamabad	Plot No. 28-30, I-9 Industrial Area, Islamabad.
Rawalpindi	Al-Mansha Plaza, Opp. LESCO Office, 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-2M, Hayatabad, Peshawar
Mardan	Riffat Mehal, Near Mardan Industrial Estate, Main Nowshera Road, Mardan.
Sahiwal	79-A and 79-B, Canal Colony, Sahiwal.
Sargodha	H. No. 15, Muslim Town, Sargodha.
Sheikhpura	Rajput House, Main Sargodha Road, Near Punjab College, Sheikhpura.
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

- 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.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 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, 2022.



3. ACCOUNTING POLICIES AND ESTIMATES

- 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, 2022.
- 3.2 The preparation of this condensed interim financial statements require 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, 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, 2022.

4. LONG TERM FINANCING - SECURED

Conventional financing

	Note	Un-audited September 30, 2022	Audited June 30, 2022
Local currency- term finance	4.1	614,667	768,333
Local currency- term finance	4.2	6,999,000	6,595,000
Local currency- term finance	4.3	14,167,111	15,938,000

Islamic mode of financing

Islamic finance under musharaka arrangement		-	95,173
Islamic finance under lease arrangement	4.4.1	6,222,222	7,000,000
Islamic finance under musharaka arrangement	4.4.2	1,250,000	1,250,000
		29,253,000	31,646,506
Less: Transaction cost		(48,272)	(49,611)
Less: Current portion shown under current liabilities	10	(6,129,354)	(6,146,402)

Un-audited September 30, 2022	Audited June 30, 2022
(Rupees in thousand)	

	21,780,778	23,301,333
	29,253,000	31,646,506
	(48,272)	(49,611)
	(6,129,354)	(6,146,402)
	23,075,374	25,450,493

4.1 Term Finance

Lender	Mark-up rate	No. of instalments	Maturity date
Allied Bank Limited	Six months KIBOR+ 0.45% per annum	6 half yearly installments	Aug 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 Regassified Liquefied Natural Gas (RLNG) project to the extent of Rs. 1,435,041 thousand (June 30, 2022: 1,435,041 thousand). The effective mark-up charged during the period ranges from 11.18% to 16.34% (June 30, 2022: 8.02% to 11.18%) per annum.



4.2 Term Finance

Lender	Mark-up rate	No. of instalments	Maturity date
United Bank Limited	Six months KIBOR+ 0.65% per annum	16 half yearly installments	Nov 04, 2030

This loan facility of Rs. 6,999,000 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 Regassified Liquefied Natural Gas (RLNG) project to the extent of Rs. 11,273,333 thousand (June 30, 2022: Rs. 11,273,333 thousand). The effective mark-up charged during the period is 15.48% (June 30, 2022: 8.3% to 15.46%) per annum.

4.3 Term Finance

Lender	Mark-up rate	No. of instalments	Maturity date
Syndicate of banks	Six months KIBOR - 0.25% per annum	9 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 11.26% to 15.24%(June 30, 2022: 11.26%) per annum.

4.4 Arrangements under Islamic financing

4.4.1	Lender	Mark-up rate	No. of instalments	Maturity date
	Syndicate of banks	Six months KIBOR - 0.25% per annum	9 half yearly installments	July 07, 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 11.26% to 15.24% (June 30, 2022: 11.26%) per annum.

4.4.2	Lender	Mark-up rate	No. of instalments	Maturity date
	Habib Metropolitan Bank Limited	Three months KIBOR - 0.55% per annum	16 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 13.07% to 14.69% (June 30, 2022: 9.86% to 13.07%) per annum.



	Note	Un-audited September 30, 2022	Audited June 30, 2022
5. LONG TERM FINANCING - UNSECURED		(Rupees in thousand)	
Other loans - Local currency:		299,636	297,226
Less: Current portion shown under current liabilities	10	(178,012)	(173,012)
		121,624	124,214

5.1 These loans carry effective mark-up at variable rates which ranges from 6.55% per annum to 14.25% per annum (June 30, 2022: 6.55% per annum to 14.25% per annum).

	Note	Un-audited September 30, 2022	Audited June 30, 2022
6. CONTRACT LIABILITIES		(Rupees in thousand)	
Consumer contribution	6.1	19,761,816	19,747,043
Due to customers against construction contract		8,888,602	8,856,912
Advances from customers against gas bill and new connection		455,027	462,853
		29,105,445	29,066,808
Less: current portion shown under current liabilities		(9,343,629)	(9,319,765)
		19,761,816	19,747,043
6.1 Consumer contribution against:			
- Completed jobs		35,213,741	35,136,433
- Jobs-in-progress		10,321,330	10,200,898
		45,535,071	45,337,331
Less: Accumulated amortization:			
Opening balance		25,590,288	24,921,113
Amortization for the year/period		182,967	669,175
		25,773,255	25,590,288
		19,761,816	19,747,043
6.1.1 Current		9,343,629	9,319,765
Non-current		19,761,816	19,747,043

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 contributions were being treated as deferred credit previously under IFRIC 18 from the year ended June 30, 2010 to June 30, 2018 and the revenue was being recognized when the lines were laid and commissioned based on the management's interpretation of IFRIC 18. However, the similar contributions from customers prior to the year ended June 30, 2010 and from July 01, 2018 onwards are being amortized over 16 years (i.e. the useful lives of the assets).



	Note	Un-audited September 30, 2022	Audited June 30, 2022
(Rupees in thousand)			
7. TRADE AND OTHER PAYABLES			
Creditors for:			
Gas	7.1	871,159,607	813,114,263
Supplies		1,995,022	1,453,744
Accrued liabilities		10,241,837	11,002,485
Gas infrastructure development cess payable	7.2	16,782	1,250,605
Interest free deposits repayable on demand		1,105,296	1,048,202
Earnest money received from contractors		150,365	156,306
Workers' profit participation fund		344,731	816,765
		885,013,640	828,842,370

7.1 Included in trade payables is an amount of Rs. 302,066,535 thousand (June 30, 2022: Rs. 272,662,221 thousand) and Rs. 116,123,518 thousand (June 30, 2022: Rs. 125,027,679 thousand) due to Pakistan State Oil Company Limited (PSO) and Pakistan LNG Limited (PLL), respectively, representing payable against Liquefied Natural Gas (LNG) and/or Regassified 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 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. 138,517,430 thousand (June 30, 2022: Rs. 139,192,657 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 September 30, 2022	Audited June 30, 2022
(Rupees in thousand)			
8. INTEREST AND MARK-UP ACCRUED ON LOANS AND OTHER PAYABLES			
Accrued mark-up / interest on:			
Long term financing - secured		1,227,757	1,475,100
Long term financing - unsecured		206,855	203,625
Short term borrowing - secured		782,040	547,916
Deposits from customers		3,044,588	2,753,332
Late payment of gas creditors and gas development surcharge		171,441,587	154,300,617
		176,702,827	159,280,590

9. SHORT TERM BORROWING - SECURED

Allied Bank Limited		4,441,513	3,646,214
Bank Alfalah Limited		16,170	109,629
Askari Bank Limited		-	21
Habib Bank Limited		4,815,010	11,010,529
National Bank of Pakistan		9,999,947	1,103,942
Faysal Bank Limited		7,599,459	3,149,153
Askari Islamic Bank Limited		500,000	-
	9.1	27,372,099	19,019,488

9.1 The Company has utilized short term running finance facilities from various banking companies aggregating to Rs. 27,372,099 thousand (2022: Rs. 19,019,448 thousand) which includes financing facilities utilized under Islamic mode amounting to Rs. 8,099,459 thousand (2022: Rs. 3,149,153 thousand). These above mentioned facilities also includes financing utilized under money market amounting to Rs. NIL (2022: Rs. 10,000,000 thousand). The markup rates applicable during the year ranges from one to three months KIBOR plus 0 bps to 05 bps (2022: one to three months KIBOR plus 04 bps to 12 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. 71,167,336 thousand (2022: Rs. 71,167,336 thousand). Mark-up is payable on quarterly basis. The effective interest rate charged during the period ranges from 11.94% to 15.66% (2022: 7.50% to 15.62%) per annum.

	Note	Un-audited September 30, 2022	Audited June 30, 2022
(Rupees in thousand)			
10. CURRENT PORTION OF LONG TERM FINANCING			
Long term financing - secured	4	6,129,354	6,146,402
Long term financing - unsecured	5	178,012	173,012
		6,307,366	6,319,414



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, 2022, except for the following:

Subsequent to the period end, Sales Tax Authorities raised a demand of Rs. 5,628,662 thousand for tax period July 2019 to December 2022 on account of non chargeability of sales tax on supplies of Natural Gas made to SWAT / FATA / PATA. The Company has filed an appeal with CIR (A), which has been decided against the Company. The Company has filed an appeal with ATIR, which is pending adjudication, no provision has been made in these financial statements as Company's management is confident of favourable outcome of the appeals.

	Note	Un-audited September 30, 2022	Audited June 30, 2022
(Rupees in thousand)			
11.2 Commitments:			
a) Capital Commitments			
Property, plant and equipment		302,324	345,050
Intangible assets		56,217	49,162
Stores and spares		6,568,825	4,775,966
		6,927,366	5,170,178
b) Other Commitments		394,412	620,749

12. PROPERTY, PLANT AND EQUIPMENT

Operating fixed assets

Tangible

Opening book value		199,707,594	185,387,584
Additions during the period/year	12.1	1,228,422	29,833,844
		200,936,016	215,221,428
Book value of PPE disposed off during the period/year	12.2	-	(6,393)
Depreciation charged during the period/year		(3,879,631)	(15,507,441)
		(3,879,631)	(15,513,834)
Closing book value		197,056,385	199,707,594
Capital work-in-progress	12.3	28,334,165	25,230,276
		225,390,550	224,937,870



	Note	Un-audited September 30, 2022	Audited June 30, 2022
(Rupees in thousand)			
12.1 Additions during the period / year			
Freehold land		-	364,158
Buildings and civil construction on freehold land		-	121,445
Transmission system		-	8,925,519
Distribution systems		734,810	13,198,877
Consumer meter and town border stations & Telecommunication system and facilities		406,404	5,951,748
Compressor stations and equipment		-	475,583
Plant and machinery		52,807	428,631
Furniture and equipment		7,658	49,697
Tools and accessories		2,204	17,719
Transport vehicles		-	92,913
Computers and ancillary equipment		24,539	207,554
		1,228,422	29,833,844
12.2 Disposals during the period / year			
Buildings and civil construction on freehold land		-	2
Transport vehicles		-	6,391
		-	6,393
12.3 Capital work-in-progress			
Transmission system		5,962,605	4,000,947
Distribution system		14,773,504	13,420,055
Stores and spares including in transit Rs. 271,844 thousand (June 30, 2022: Rs. 615,362 thousand)		6,639,154	6,839,596
Advances for land and other capital expenditure		958,902	969,678
		28,334,165	25,230,276
13. STOCK-IN-TRADE			
- Gas in pipelines		9,222,937	7,684,784
- Gas in floating storage regassification unit (FSRU)	13.1	9,350,758	4,812,201
		18,573,695	12,496,985

13.1 This represents gas purchased by the Company that is yet to be delivered by Engro Energy Terminal (Private) Limited ('EETL').



	Note	Un-audited September 30, 2022	Audited June 30, 2022
(Rupees in thousand)			
14. TRADE DEBTS			
Considered good:			
Secured		98,717,753	104,246,636
Unsecured	14.1	253,569,097	230,816,010
Deferred gas sales		(638,295)	(684,299)
		351,648,555	334,378,347
Less: Allowance for expected credit losses		(27,403,848)	(26,478,006)
		324,244,707	307,900,341

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. 261,656,813 thousand (2022: Rs.225,813,192 thousand) along with interest thereon of Rs. 39,559,540 thousand (2022: Rs. 35,606,533 thousand) due to delayed payments. While trade and other payables as referred to in note 7 include an amount of Rs. 845,422,093 thousand (2022: Rs.793,299,663 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. 165,322,458 thousand (2022: Rs. 148,285,767 thousand) referred to in note 8 and interest accrued on delayed payment of Gas Development Surcharge of Rs. 4,101,732 thousand (2022: 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 and 2021-22 have though acknowledged these liabilities but has not included aforesaid accrued interest in the determined shortfall and has pending unpaid Rs. 124,031,834 thousand (2022:Rs. 124,031,834 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. 483,628,225 thousand (2022: Rs. 437,346,524 thousand) and Rs 158,523,796 thousand (2022: Rs. 165,032,746 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 September 30, 2022	Audited June 30, 2022
(Rupees in thousand)			
15. LOANS AND ADVANCES			
Loans to employees - considered good		252,672	254,640
Advances - considered good:			
- Employees		2,330,074	2,347,369
- Suppliers and Contractor		2,891,348	73,081
Advances to suppliers and contractors			
- considered impaired		3,227	3,227
Less: Allowance for expected credit loss		3,227	3,227
		-	-
		5,474,094	2,675,090



	Note	Un-audited September 30, 2022	Audited June 30, 2022
(Rupees in thousand)			
16. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Trade deposits and short term prepayments		576,203	138,124
Less: Provision for doubtful deposits		(22,290)	(22,290)
		553,913	115,834
17. OTHER RECEIVABLES			
Excise duty recoverable		108,945	108,945
Less: Expected credit losses		(108,945)	(108,945)
		-	-
Tariff adjustment (indigenous)	17.1	483,628,225	437,346,524
Tariff adjustment (RLNG)	17.3	158,523,796	165,032,746
Current account with SSGCL		21,633	21,633
Others		11,026	33,361
		642,184,680	602,434,264
17.1 Tariff adjustment (indigenous)			
Opening balance		437,346,524	322,049,427
Recognised for the period/year		46,281,701	115,297,097
		483,628,225	437,346,524
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 pended such expenses till its resolution by Federal Government. Accordingly, the Company has filled the 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:		
		Un-audited September 30, 2022	Audited June 30, 2022
(Rupees in thousand)			
Late payment surcharge to gas creditors	17.2.1	141,068,525	124,031,834
Return on assets	17.2.2	(43,000)	(43,000)
		141,025,525	123,988,834



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 Return on assets net of depreciation inadvertently allowed by the OGRA which the company has offered back in the motion for review filed with OGRA.

	Un-audited September 30, 2022	Audited June 30, 2022
(Rupees in thousand)		
17.3 Tariff adjustment (RLNG)		
Opening balance	165,032,746	124,084,891
Recognised for the period/year	(258,950)	101,640,258
Received from GoP	(6,250,000)	(60,692,403)
Closing balance	158,523,796	165,032,746

17.3.1 The balance of RLNG tariff adjustment represents the aggregate difference between the margin earned by the Company from the purchase and sale of RLNG based on the notified rates and the RLNG margin guaranteed to the Company till September 30, 2022. The settlement of this amount is expected to materialize in the shape of adjustment to future sale price of RLNG by OGRA.

17.3.2 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, 2,620,599 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 66,942,403 thousand.

17.4 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. 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 September 30, 2022	Audited June 30, 2022
(Rupees in thousand)			
Capacity based cost of supply	17.4.1	2,698,000	2,698,000
Gas internally consumed / transportation	17.4.2	5,301,000	5,301,000
Others	17.4.3	54,000	54,000
		8,053,000	8,053,000



17.4.1 This represents amounts partially disallowed by the OGRA pertaining to FY 2018-19, by diverting from the earlier consistent practice of allowing such expenses on actual throughput instead of capacity based throughput. It is pertinent to mention that for subsequent years OGRA is allowing the amounts on actual throughput basis. The above amount is also inclusive of an inadvertent error in the calculation of gas internally consumed.

17.4.2 This represents net amounts not allowed by the OGRA relating to transportation / cost of gas internally consumed by SSGC for transportation of RLNG for the Company. The Company has filed a review appeal and is confident of favourable outcome.

17.4.3 This represents the depreciation net of ROA inadvertently disallowed by the OGRA, against which the Company has filed a review appeal and is confident of favourable outcome.

	Note	Un-audited September 30, 2022	Audited June 30, 2022
(Rupees in thousand)			
18. CASH AND BANK BALANCES			
Deposit accounts	18.1	16,028,075	9,241,091
Current accounts		6,178,836	6,550,861
		22,206,911	15,791,952
Cash in hand		7,113	1,616
		22,214,024	15,793,568

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. 8,116,767 thousand (June 30, 2022: Rs. 7,820,932 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.

	Quarter ended	
	Un-audited September 30, 2022	Un-audited September 30, 2022
(Rupees in thousand)		
19. REVENUE FROM CONTRACTS WITH CUSTOMERS - GAS SALES		
Gross sales - Indigenous gas	54,311,027	46,329,558
Gross sales - RLNG	291,296,156	256,547,682
	345,607,183	302,877,240
Sales tax - Indigenous gas	(8,720,599)	(5,661,071)
Sales tax - RLNG	(39,145,911)	(36,497,969)
	(47,866,510)	(42,159,040)
	297,740,673	260,718,200



- 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 (June 30, 2022: 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 has challenged the award dated 2 August 2022 granted in favour of the Company in High Court of England and Wales. Whereas, the Company has filed a petition with Honorable Lahore High Court, Lahore for recognition and enforcement of the said award.

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	
	Un-audited September 30, 2022	Un-audited September 30, 2021
	(Rupees in thousand)	
20. TARIFF ADJUSTMENT		
Indigenous gas	46,281,701	18,885,810
RLNG	(258,950)	11,668,372
	46,022,751	30,554,182



Quarter ended

Un-audited
September
30, 2022Un-audited
September
30, 2021

(Rupees in thousand)

21. COST OF GAS SALES

Opening stock of gas in pipelines

12,496,985

4,680,416

Gas purchases:

- Southern system

27,123,787

19,195,493

- Northern system

34,189,415

23,914,999

- RLNG

258,540,258

232,032,698

319,853,460

275,143,190

332,350,445

279,823,606

Less: Gas internally consumed

2,244,461

1,832,426

Closing stock of gas in pipelines

18,573,695

8,446,961

20,818,156

10,279,387

Distribution Cost

10,364,671

9,240,338

321,896,960

278,784,557

22. OTHER OPERATING INCOME**Income from financial assets**

Interest income on late payment of gas bills

6,313,693

3,641,525

Gain on initial recognition of financial liabilities at fair value

893

1,184

Interest on staff loans and advances

25,648

23,451

Return on bank deposits

307,589

90,671

6,647,823

3,756,831

Income from assets other than financial assets

Net gain on sale of fixed assets

10,615

10,059

Meter Rentals and service income

1,058,841

1,434,743

Amortization of deferred credit and contract liabilities

561,340

594,106

Insurance claims

103

262

1,630,899

2,039,170

Others

Sale of tender documents

1,697

1,663

Sale of scrap

-

244,046

Liquidated damages recovered

42,295

6,454

Bad debt recoveries

524

3,579

Urgent Fee for new meter connections

-

47,980

Transportation Income

226,972

269,861

Miscellaneous

6,149

3,551

277,637

577,134

8,556,359

6,373,135



	Quarter ended	
	Un-audited September 30, 2022	Un-audited September 30, 2021
	(Rupees in thousand)	
23. OTHER OPERATING EXPENSES		
Workers' Profit Participation Fund	227,967	224,720
Exchange loss on gas purchases	74,677	126,589
	302,644	351,309

24. Included in finance cost is an amount of Rs 17,140,970 thousand (September 30, 2021: Rs 7,652,860 thousand) in respect of late payment surcharge on account of overdue payables for gas purchases.

	Note	Quarter ended	
		Un-audited September 30, 2022	Un-audited September 30, 2021
		(Rupees in thousand)	
25. TAXATION			
Current tax		2,782,351	1,968,337
Deferred tax		(1,028,195)	(730,822)
		1,754,156	1,237,515

26. CASH GENERATED FROM OPERATIONS			
Profit before taxation		4,331,366	4,269,673
Adjustment for non-cash charges and other items			
Depreciation - Owned assets		3,879,631	3,881,946
Depreciation - Right of use assets		933,556	904,068
Amortization of intangible assets		59,736	50,687
Employee benefits		949,746	794,192
Amortization of deferred credit and contract liabilities		(561,340)	(594,106)
Finance cost		20,593,848	10,384,404
Return on bank deposits		(307,589)	(90,671)
Gain on sale of fixed assets		(10,615)	(10,059)
Allowance for expected credit losses		925,842	23,367
Gain on initial recognition of financial liabilities at fair value		(893)	(1,184)
Amortization of difference between initial and maturity amount		(13,931)	(16,356)
Working capital changes	26.1	(18,935,307)	(10,430,383)
		11,844,050	9,165,578



	Quarter ended	
	Un-audited September 30, 2022	Un-audited September 30, 2021
	(Rupees in thousand)	
26.1 Working capital changes		
(Increase) / decrease in current assets		
Stores and spares parts	(292,571)	475,660
Stock-in-trade	(6,076,710)	(3,766,545)
Trade debts	(18,943,847)	(51,420,163)
Loans and advances	(2,800,972)	(1,296,743)
Trade deposits and prepayments	(438,079)	(366,885)
Other receivables	(46,578,262)	(36,063,543)
	(75,130,441)	(92,438,219)
Increase in current liabilities		
Trade and other payables	56,195,134	82,007,836
	(18,935,307)	(10,430,383)
26.2 Cash and cash equivalents		
Cash and bank balances	22,214,024	10,791,854
Short term running finance	(27,372,099)	(28,314,707)
	(5,158,075)	(17,522,853)

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. Weighted Average Cost of Capital ('WACC') was computed at 17.43% for financial year 2018-19 till 2020-21.

Oil and Gas Regulatory Authority (OGRA), in its decision dated August 17, 2021 has in line with the tariff regime in vogue, reworked the Rate of Return on Average Net Assets (ROA) for the year 2021-22 and onwards at 16.60% as compared to the previous ROA rate of 17.43% determined up to 2020-21, however, the same will automatically reset if the reference figure changes by $\pm 2\%$.

As per the revised tariff regime, the Company is required to earn an annual return of not less than Weighted Average Cost of Capital ('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 12.90% (September 30, 2021: 13.30%). 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 Rs 1,549,502 thousand (September 30, 2021: Rs 1,292,345 thousand), which is in excess of the UFG benchmark as determined by OGRA in Estimated Revenue Requirements (ERR) for FY 2022-23.



28. TRANSACTIONS WITH ASSOCIATES AND RELATED PARTIES

Related parties on the basis of common directorship of the Company comprise of 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 September 30, 2022	Un-audited September 30, 2021
(Rupees in thousand)		
28.1 Transactions during the period		
Gas sales	140,531,534	118,312,877
Purchase of materials	713,946	10,395
Purchase of gas, regasification & transportation services	311,098,496	269,654,721
Service charges	26,996	31,048
Profit received on bank deposits	10,128	4,968
Finance cost	17,146,595	7,747,604
Transmission charges	1,847	1,328
Insurance expenses	299,169	227,897
Insurance claims received	45,856	49,514
Contributions to defined contribution plans	176,077	202,632
Contributions to defined benefit plans	1,005,015	847,747
Dividend paid	1,287,645	120,891
Honorarium / fee paid to director	9,400	9,100
Remuneration and benefits paid to key management personnel	24,450	24,568
	Un-audited September 30, 2022	Audited June 30, 2022
(Rupees in thousand)		
28.2 Period end balances		
Receivable from related parties	257,549,185	218,246,374
Payable to related parties	1,047,256,595	978,828,813

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 15, 2023 has proposed an interim cash dividend of Rs Nil per share (September 30, 2021: Rs Nil per share), amounting to Rs Nil (September 30, 2021: Rs Nil) for the year ended June 30, 2023.
- 29.2 The Board of Directors of the Company in its meeting held on June 26, 2023 has proposed a final cash dividend of Rs. 1.5 per share, aggregating to Rs. 951,324,998 for the year ended June 30, 2022. These financial statements of the Company for the period ended Sep 30, 2022 do not include the effect of these appropriations which will be accounted for subsequent to the period end.

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 and condensed interim statement of changes in equity have 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 and condensed interim statement of cash flows have been compared with the balances of comparable period of immediately preceding financial year.

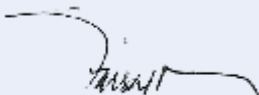
Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions.

31. GENERAL

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

32. DATE OF AUTHORIZATION FOR ISSUE

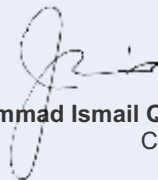
These condensed interim financial statements were authorized for issue on November 15, 2023 by the Board of Directors of the Company.



(Faisal Iqbal)
Chief Financial Officer



(Amer Tufail)
Managing Director/CEO

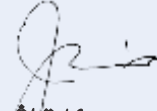


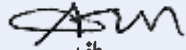
(Muhammad Ismail Qureshi)
Chairman



ڈائریکٹرز حکومت پاکستان، وزارت توانائی (پیٹرولیم ڈویژن)، آئل اینڈ گیس ریگولیشن اتھارٹی، کمپنی سے وابستہ دیگر سرکاری اور غیر سرکاری اداروں اور دورانِ عرصہ صارفین کی ضروریات کو پورا کرنے کے لیے کمپنی کے تمام ملازمین کی لگن اور محنت پر مشکور و ممنون ہیں۔

منجانب بورڈ


(محمد اسماعیل قریشی)
چیئر مین - بورڈ آف ڈائریکٹرز


(عام طفیل)
ہیڈنگ ڈائریکٹر / منظم اعلیٰ

لاہور

15 نومبر 2023ء

30 ستمبر 2022ء کو ختم ہونے والی پہلی سہ ماہی کے دوران جاری پائپ لائن منصوبے درج ذیل ہیں:

1. علامہ اقبال انڈسٹریل سٹی خصوصی اقتصادی زون کے لئے 40 ایم ایس ای ایف ڈی کی گنجائش کی حامل ایس ایم ایس کم سی ایم ایس کے ساتھ چنیوٹ سے ٹریٹمنٹ پلانٹ تک 12 انچ قطر کی 19.75 کلومیٹر سیلی لائن بچھائی گئی ہے جو استعمال کے لئے تیار ہے۔
2. چنیوٹ کے قریب سی وی تھری والو اسمبلی سے ایم تھری انڈسٹریل سٹی خصوصی اقتصادی زون تک 8 انچ قطر کی 15.60 کلومیٹر سیلی لوپ لائن بچھائی جا چکی ہے اور استعمال کے لئے تیار ہے۔
3. بھلوال انڈسٹریل سٹی خصوصی اقتصادی زون کو گیس کی فراہمی کے لئے ایم پی 66 سی لیگ سے بھلوال انڈسٹریل سٹی خصوصی اقتصادی زون کے ٹریٹمنٹ تک 8 انچ قطر کی 12.25 کلومیٹر سیلی پائپ لائن، جس پر تعمیراتی سرگرمیاں شروع کر دی گئی ہیں۔
4. ضلع حافظ آباد کے حلقہ این اے 103 کے مختلف دیہات کو گیس کی فراہمی کے لئے چنیوٹ سے پنڈی بھشیاں تک 8 انچ قطر کی 25.20 کلومیٹر طویل ترسیلی لائن بچھائی جا چکی ہے جو استعمال کے لئے تیار ہے۔
5. مردان اور پشاور میں سردیوں کے موسم میں گیس پریشور میں کمی کے مسئلے کو حل کرنے کے لیے مرحلہ اول میں چار سہ آف ٹیک گل آباد سے چار سہ تک 10" قطر کی 27.75 کلومیٹر سیلی پائپ لائن اور چار سہ سے خزانہ تک 10" قطر کی 20.80 کلومیٹر سیلی پائپ لائن، اور مرحلہ دوم میں 10 انچ قطر کی 24 کلومیٹر چار سہ - تنگی پائپ لائن بچھائی جا رہی ہے۔ کمپنی نے 25.28 کلومیٹر طویل چار سہ آف ٹیک تا چار سہ پائپ لائن اور 19.01 کلومیٹر چار سہ - خزانہ پائپ لائن مکمل کر لی ہے۔ تاہم فیوژن کا سروے اور انجینئرنگ ڈیزائن مذکورہ سہ ماہی کے دوران مکمل کر لیا گیا ہے اور تعمیراتی سرگرمیاں جلد شروع ہونے کا امکان ہے۔
6. ضلع صوابی کے حلقہ این اے 12 کے مختلف دیہات کو گیس کی فراہمی کے لئے شیخ ڈھیری سے یار حسین تک 8 انچ قطر کی 22.50 کلومیٹر طویل ترسیلی پائپ لائن، جس میں سے مذکورہ سہ ماہی کے دوران 20.03 کلومیٹر پائپ لائن بچھائی جا چکی ہے۔
7. بنوں ویسٹ ویل ون سے گیس کے حصول کے لیے بنوں ویسٹ ویل ون سے داؤد خیل تک 18 انچ قطر کی 230 کلومیٹر سیلی پائپ لائن، جس میں سے مذکورہ سہ ماہی کے دوران 70 کلومیٹر تک پائپ لائن بچھائی جا چکی ہے۔
8. اسلام آباد اور راولپنڈی کے تقسیمی ٹریٹمنٹ ورک کو بڑھانے اور تقسیم کرنے کا منصوبہ بنایا گیا ہے تاکہ صارفین کی کم دباؤ کی شکایات کو دور کیا جاسکے۔ منصوبے میں مختلف قطر کی سپلائی لائنز شامل ہیں جن کی کل لمبائی 45 کلومیٹر ہے۔ کمپنی نے منصوبے کا سروے اور انجینئرنگ ڈیزائن مکمل کر لیا ہے۔

کاروباری ترقی

کمپنی قومی اور بین الاقوامی کمپنیوں کے مختلف پائپ لائن تعمیراتی منصوبوں میں مصروف ہے۔ ایس این جی پی ایل گزشتہ پندرہ سالوں سے ضلع کوہاٹ/ہنگو میں ایم او ایل پاکستان کی مختلف گیس فیڈرز جیسے مرحمئی، منزلائی، مامی خیل، مردان خیل-1، 2 اور 3، کوری ڈیپ-1، توئج ویسٹ اور کوری کے لیے ایم او ایل پاکستان کی فولو لائن/ٹرنک لائنز اور فابریک کیبل کی پائپ لائن انجینئرنگ اور تعمیراتی کام کر رہی ہے۔ ایم او ایل پاکستان نے گیس فراہمی کے نظام کو مضبوط بنانے میں بہت اہم کردار ادا کیا ہے۔ ایس این جی پی ایل نے حال ہی میں ڈبل ایف اوسی کے ساتھ ایم او ایل کی 8 انچ قطر کی 1.6 کلومیٹر مامی خیل جنوبی 1 فولو لائن اور ڈبل ایف اوسی کے ساتھ 8 انچ قطر کی 1.2 کلومیٹر منزلائی وی ای 1 سے وی ای 2 فولو لائن مکمل کی ہے۔ کمپنی 6 انچ قطر کی 0.5 کلومیٹر توئج ویسٹ-2 فولو لائن بچھانے کے ساتھ ساتھ ایم او ایل کے لئے ڈبل ایف اوسی بچھا رہی ہے۔ واحد بولی کی بنیاد پر ایم او ایل کے ذریعہ منصوبے کی تفویض ایس این جی پی ایل کی تعمیراتی خدمات کے اعلیٰ معیار پر اعتماد کو ظاہر کرتا ہے۔

ڈائریکٹرز جائزہ (Directors' Review):

ہم 30 ستمبر 2022ء کو ختم ہونے والی مدت کے لئے کمپنی کے غیر پڑتا مال شدہ مالیاتی گوشوارے پیش کرنے پر خوشی محسوس کر رہے ہیں۔ کمپنی گزشتہ سال کے اسی عرصے کے دوران 3,032 ملین روپے کے منافع کے مقابلے میں 2,577 ملین روپے کا بعد از ٹیکس منافع حاصل کرنے میں کامیاب رہی ہے۔ زیر غور مدت کے لئے فی حصص آمدنی 4.06 روپے ہے جبکہ پچھلے سال کے اسی عرصے میں فی حصص آمدنی 4.78 روپے تھی۔

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

(ملین روپے میں)

قبل از ٹیکس منافع	4,331
محاصل کی دستیابی	1,754
بعد از ٹیکس منافع	2,577

اس مدت کے لئے منافع میں کمی بنیادی طور پر مندرجہ ذیل وجوہات کی بنا پر ہے:

1. اوگرا کی جانب سے مالی سال 2022-23 کے لئے مالیاتی ضروریات کے تخمینے (ERR) میں غیر محسوب گیس ہدف کے پیمانے میں تبدیلی کی وجہ سے غیر محسوب گیس عدم اجازت میں اضافہ، اس حقیقت کے باوجود کہ کمپنی غیر محسوب گیس خسارے کو جولائی تا ستمبر 2021ء کے دوران 18,674 ایم ایم سی ایف (7.63 فیصد) سے جولائی تا ستمبر 2022ء کے دوران 6,646 ایم ایم سی ایف (7.37 فیصد) تک کم کرنے میں کامیاب رہی۔

2. مالی سال 2021-22 میں سپرنٹنڈنٹ کی شرح 4 فیصد سے بڑھا کر مالی سال 2022-23 کے لیے 10 فیصد کر دی گئی۔

3. اسٹیٹ بینک کی جانب سے بنیادی شرح میں اضافے کی وجہ سے مالیاتی لاگت میں اضافہ۔

ہمارا ملک ان گنت معاشی چیلنجوں اور مالی رکاوٹوں کا سامنا کر رہا ہے، تاہم آپ کی کمپنی کا کارکردگی اور منافع کے مستقل دھارے کو برقرار رکھنا قابل ستائش ہے۔ کمپنی کے بورڈ آف ڈائریکٹرز، مینجمنٹ اور عملے کو یقین ہے کہ آنے والے سالوں میں کمپنی کی کارکردگی میں مزید بہتری آئے گی۔

منصوبہ جات (Projects):

آپ کی کمپنی نے "8" سے "18" قطر کی 93.80 کلومیٹر تریسیل لائنیں بچھائی ہیں۔ تریسیل لائنوں کے علاوہ 30 ستمبر 2022ء کو ختم ہونے والی پہلی سہ ماہی کے دوران 121.409 کلومیٹر تقسیمی لائنز بچھائی گئیں تاکہ پریشر کو بہتر بنایا جاسکے اور نئے شہروں کو گیس کی فراہمی کی جاسکے جس سے صارفین کے اطمینان کی سطح میں اضافہ ہوا ہے۔

آپ کی کمپنی جغرافیائی انفارمیشن سسٹم (جی آئی ایس) ٹیکنالوجی کے استعمال کے ذریعے تریسیل اور تقسیمی سسٹم کے ڈیجیٹل نقشے تیار کرنے پر کام کر رہی ہے۔ جی آئی ایس نقشے انتظامیہ اور صارفین کو انٹرا ایکٹو ویب ایپس اور جی آئی ایس ڈیش بورڈ کے ذریعے پائپ لائن نیٹ ورک اور صارفین سے متعلق معلومات کو دیکھنے میں مدد دے رہے ہیں۔ اب تک پورے تریسیل پائپ لائن نیٹ ورک، تمام صارفین کے مقامات، صارفین کی شکایات، لیکج کا پتہ لگانے والے پوائنٹس اور ٹی بی ایس سروس ایریا کی حدود کا نقشہ تیار کیا گیا ہے اور کمپنی بھر میں جی آئی ایس پورٹل کے ذریعے دستیاب ہے۔ مزید برآں، پی اینڈ ڈی ڈی پارٹنٹس نے جی آئی ایس سے متعلق تمام ترقیاتی اور نفاذ کی سرگرمیوں کو انجام دینے کے لئے ایک جدید ترین جی آئی ایس لیبر بھی قائم کی ہے۔ تقسیمی پائپ لائن نیٹ ورک کا ڈیجیٹل مپنگ منصوبہ تیزی سے جاری ہے اور فیرون اے (4"-24" قطر پائپ لائنز) 45% فیصد کام اب تک مکمل ہو چکا ہے، ڈیجیٹل پائپ لائن نیٹ ورک کو بعد میں متعلقہ علاقوں کے حوالے لیا جا رہا ہے۔



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