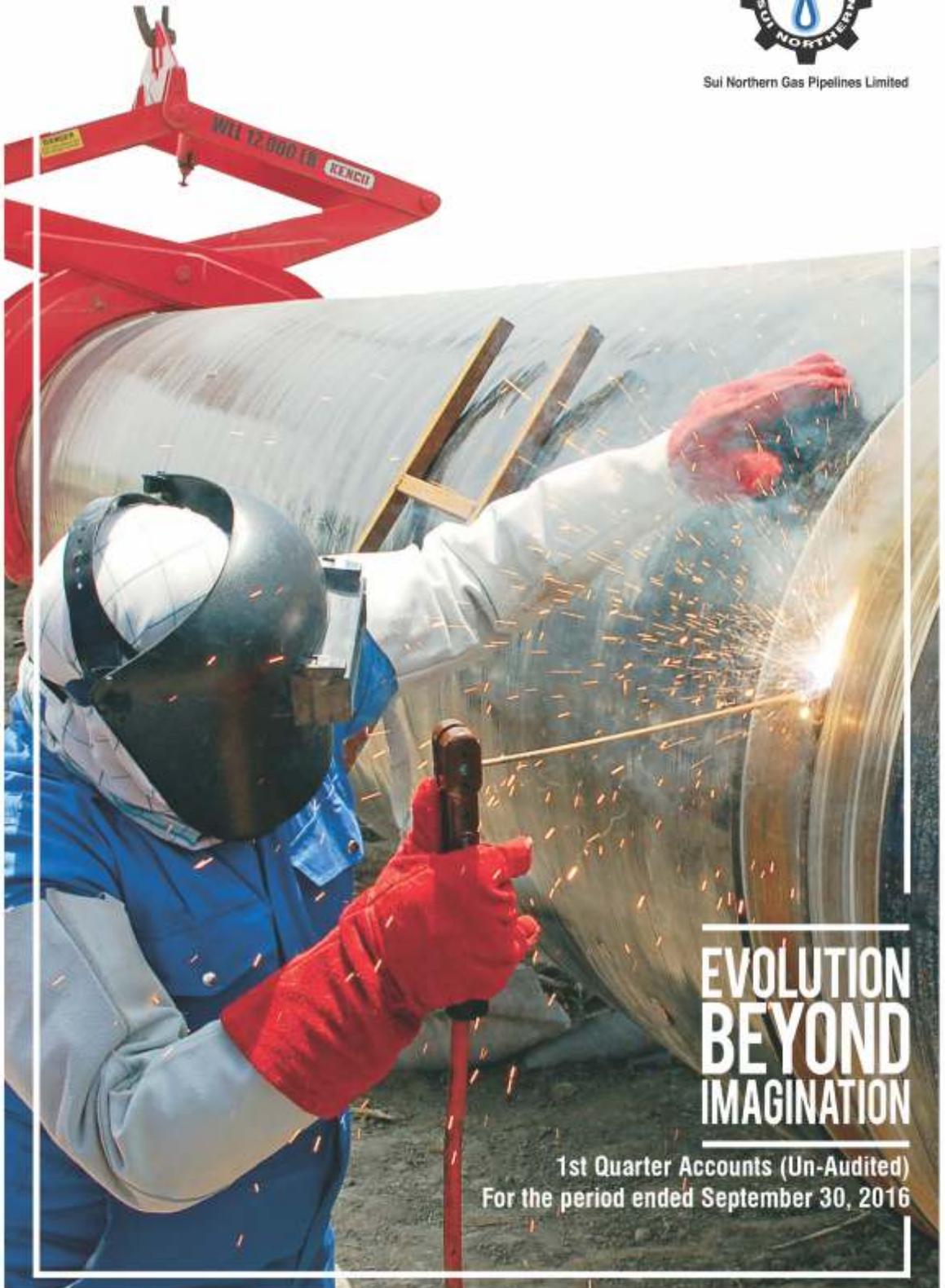




Sui Northern Gas Pipelines Limited



EVOLUTION BEYOND IMAGINATION

1st Quarter Accounts (Un-Audited)
For the period ended September 30, 2016



Corporate Information

BOARD OF DIRECTORS

Mr. Muhammad Saeed Mehdi	Chairman
Mr. Amjad Latif	Managing Director
Mr. Ahmad Aqeel	Director
Mr. Arshad Mirza	Director
Mr. Furqan Bahadur Khan	Director
Mirza Mahmood Ahmad	Director
Mr. Manzoor Ahmed	Director
Mian Misbah-ur-Rehman	Director
Mr. Mustafa Ahmad Khan	Director
Mr. Nauman Wazir	Director
Mr. Raza Mansha	Director
Mr. Rizwanullah Khan	Director
Mr. Shahid Yousaf	Director
Mr. Shoaib Mir	Director

COMMITTEES OF THE BOARD OF DIRECTORS

AUDIT COMMITTEE

Mr. Manzoor Ahmed	Chairman
Mr. Ahmad Aqeel	Member
Mr. Furqan Bahadur Khan	Member
Mr. Nauman Wazir	Member
Mr. Raza Mansha	Member
Mr. Rizwanullah Khan	Member
Mr. Shoaib Mir	Member

FINANCE & PROCUREMENT COMMITTEE

Mirza Mahmood Ahmad	Chairman
Mr. Amjad Latif	Managing Director
Mr. Ahmad Aqeel	Member
Mr. Arshad Mirza	Member
Mian Misbah-ur-Rehman	Member
Mr. Mustafa Ahmad Khan	Member
Mr. Shoaib Mir	Member

HR & NOMINATION COMMITTEE

Mr. Muhammad Saeed Mehdi	Chairman
Mr. Amjad Latif	Managing Director
Mr. Ahmad Aqeel	Member
Mirza Mahmood Ahmad	Member
Mr. Manzoor Ahmed	Member
Mr. Nauman Wazir	Member
Mr. Raza Mansha	Member
Mr. Shahid Yousaf	Member

UNACCOUNTED FOR GAS (UFG) CONTROL COMMITTEE

Mr. Muhammad Saeed Mehdi	Chairman
Mr. Ahmad Aqeel	Member
Mirza Mahmood Ahmad	Member
Mr. Mustafa Ahmad Khan	Member
Mr. Nauman Wazir	Member
Mr. Shahid Yousaf	Member
Mr. Shoaib Mir	Member

RISK MANAGEMENT COMMITTEE

Mr. Ahmad Aqeel	Chairman
Mr. Arshad Mirza	Member
Mirza Mahmood Ahmad	Member
Mian Misbah-ur-Rehman	Member
Mr. Mustafa Ahmad Khan	Member
Mr. Raza Mansha	Member
Mr. Rizwanullah Khan	Member

CHIEF FINANCIAL OFFICER

Mr. Saghir-ul-Hassan Khan

COMPANY SECRETARY / SECRETARY TO SUB COMMITTEES OF THE BOARD

Miss Wajiha Anwar

AUDITORS

A.F. Ferguson & Co.
Chartered Accountants

SHARES REGISTRAR

Central Depository Company of Pakistan Limited
2nd Floor, 307-Upper Mall,
Opposite Lahore Gym Khana,
Near Mian Mir Bridge, Lahore-54000
Tel: [+92-42] 35789378-87
Fax: [+92-42] 35789340
Website: www.cdc-pakistan.com

LEGAL ADVISORS

M/s. Surridge & Beecheno
M/s. Salim Baig & Associates

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 un-audited financial statements for the 1st Quarter ended September 30, 2016. During the period under review, your Company has earned profit after tax amounting to Rs 1,399 million against a loss of Rs 543 million for the corresponding period. The earnings per share for the period was Rs 2.21 as against loss per share of Re. 0.86 for the period ended September 30, 2015. Despite all the economic challenges and financial constraints, the Company has turned around into profit making organization. This has primarily been achieved by reducing UFG losses to 8.50% as against 10.57% in the corresponding period. The Board of Directors, Management and staff of the Company are confident that performance of the Company will further enhance in the years ahead.

PROJECTS

Projects Department has completed 165 KMs Transmission Lines with diameters ranging from 8" to 42" including the contract lines. In addition to Transmission Lines, 33 KMs of Distribution mains were commissioned during the first quarter of FY 2016-17 for enhancing system capacity, supplying gas and improving pressure to customers for achieving customer satisfaction.

The Company is proactively engaged for the transportation of 1200 MMCFD LNG into its system (I) by undertaking its system augmentation projects expected to complete by end of this year; (ii) the spur line laying jobs of three power plants at Bhikki, Haveli Bahadur Shah and Balloki of consolidated 3600 MW capacity for supplying 200 MMCFD RLNG to each power plant expected to complete by end of this year; and (iii) undertaking the pipeline infrastructure development works for supplying gas to Nandipur power plant expected to complete by first quarter of 2017.

At present Company is strongly pursuing the completion of 1022 KM long pipelines of diameter 16 to 42" along with installation of 35000 HP compression under its system augmentation project and gas infrastructure development works for RLNG based power plants being installed in Punjab.

After the completion of this system augmentation project, your Company shall be able to receive and transport 1200 MMCFD additional gas into its system as compared to present additional capacity of 600 MMCFD and to supply 700 MMCFD RLNG to newly under construction RLNG based power plants in Punjab.

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 and Makori for the last ten years. MOL Pakistan has played a very vital role in strengthening the gas input supplies.

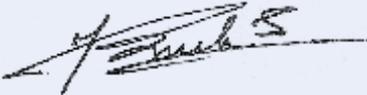
MOL Pakistan is presently working on four more wells i.e. Makori Deep-1, Tolanj West, Maramzai-4 and Mardankhel-3 which are likely to be commissioned soon and projects of pipeline laying from / to the wells are likely to be awarded to SNGPL which would be the hall mark of quality / time consciousness of our work. Lately, MOL Pakistan has awarded 12"/10" dia x 25 KM pipe line for Mardankhel-1 well head and SNGPL has started Engineering & Construction activities and is quite hopeful to complete the task in next three months. After the completion of this task additional 40 MMCFD gas will flow in SNGPL's system.

Recently, MOL Pakistan have shown interest in awarding the further 30 KMs long flow lines / trunk lines of above mentioned wells to SNGPL that involves laying of 8"dia flowlines for well heads of Tolanj West, Maramzai-4, Mardankhel-3 and Mardankhel-2 wells along with laying of fiber optic cable and tie-in works. SNGPL will carry out detailed route survey, detailed engineering and pipeline construction works in three months' time frame. The completion of this project will not only inject 60 MMCFD gas into SNGPL' System but would be quite instrumental in reducing the energy deficiency in the country.

ACKNOWLEDGMENT

The Directors place on record their thanks to the Government of Pakistan, Ministry of Petroleum and Natural Resources, Oil and Gas Regulatory Authority and other Government and Non-Government Institutions related to the Company for their sustained support and employees of the Company for their dedication and hard work during the period under review.

On behalf of the Board



(Muhammad Saeed Mehdi)
Chairman-BOD



(Amjad Latif)
Managing Director/CEO

Lahore.
December 28, 2016



Condensed Interim Balance Sheet (Un-audited)

As at September 30, 2016

	Note	Un-audited September 30, 2016 (Rupees in thousand)	Audited June 30, 2016
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 1,500,000,000 ordinary shares of Rs 10 each		15,000,000	15,000,000
Issued, subscribed and paid up share capital 634,216,665 (June 30, 2016; 634,216,665) ordinary shares of Rs 10 each		6,342,167	6,342,167
Revenue reserves		(1,245,677)	(2,644,836)
Shareholders' equity		5,096,490	3,697,331
NON-CURRENT LIABILITIES			
Long term financing:			
-Secured	4	39,737,300	34,425,000
-Unsecured	5	527,962	569,903
Security deposits		34,905,827	34,343,735
Deferred credit		37,830,557	37,405,489
Employee benefits		12,232,681	12,332,455
		125,234,327	119,076,582
CURRENT LIABILITIES			
Trade and other payables	6	101,185,841	103,966,219
Interest and mark-up accrued on loans and other payables		23,781,133	22,142,807
Short term borrowings-secured		993,130	996,200
Current portion of long term financing	7	2,565,070	1,834,376
		128,525,174	128,939,602
CONTINGENCIES AND COMMITMENTS	8	-	-
		258,855,991	251,713,515

The annexed notes from 1 to 23 form an integral part of the condensed interim financial information.



(Muhammad Saeed Mehdi)
Chairman



Condensed Interim Balance Sheet (Un-audited)

As at September 30, 2016

	Note	Un-audited September 30, 2016 (Rupees in thousand)	Audited June 30, 2016
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	9	143,512,211	136,000,051
Intangible assets		104,215	118,929
Long term investment		4,900	4,900
Long term loans		451,698	416,367
Deferred taxation		1,998,800	2,232,071
Employee benefits		770,894	706,421
Long term deposits and prepayments		9,791	9,059
		146,852,509	139,487,798
CURRENT ASSETS			
Stores and spares		3,535,544	3,547,358
Stock in trade - gas in pipelines		923,447	967,110
Trade debts	10	55,886,933	57,879,916
Loans and advances	11	2,726,078	1,798,537
Trade deposits and short term prepayments	12	364,895	113,541
Accrued interest		6,109	14,768
Other receivables	13	39,371,087	38,030,735
Sales tax recoverable		5,300,652	4,775,624
Taxation-net		3,249,892	3,317,335
Cash and bank balances	14	638,845	1,780,793
		112,003,482	112,225,717
		258,855,991	251,713,515



(Amjad Latif)

Managing Director/CEO



Condensed Interim Profit and Loss Account (Un-audited)

for the Quarter Ended September 30, 2016

	Note	Quarter ended	
		September 30, 2016	September 30, 2015
		(Rupees in thousand)	
Gas sales		72,458,349	59,693,240
Add : Differential margin		1,993,714	5,659,299
		74,452,063	65,352,539
Cost of gas sales	15	70,602,072	64,798,791
Gross profit		3,849,991	553,748
Other Operating Income	16	1,973,628	2,264,225
		5,823,619	2,817,973
Operating expenses:			
Selling cost		1,204,094	1,445,621
Administrative expenses		1,139,192	983,932
Other operating expenses	17	128,034	54,901
		2,471,320	2,484,454
Operating profit		3,352,299	333,519
Finance cost		1,353,501	1,109,882
Profit / (loss) before taxation		1,998,798	(776,363)
Taxation	18	599,639	(232,925)
Profit / (loss) for the period		1,399,159	(543,438)
Earnings / (loss) per share - basic and diluted (Rs)		2.21	(0.86)

The annexed notes from 1 to 23 form an integral part of the condensed interim financial information.



(Muhammad Saeed Mehdi)
Chairman



(Amjad Latif)
Managing Director/CEO



Condensed Interim Statement of Comprehensive Income (Un-audited) for the Quarter Ended September 30, 2016

	Quarter ended	
	September 30, 2016	September 30, 2015
	(Rupees in thousand)	
Profit / (loss) for the period	1,339,159	(543,438)
Other comprehensive income for the period		
Items that will not be reclassified to profit and loss	-	-
Items that may be reclassified subsequently to profit and loss	-	-
Total comprehensive income / (loss) for the period	1,399,159	(543,438)

The annexed notes from 1 to 23 form an integral part of the condensed interim financial information.



(Muhammad Saeed Mehdi)
Chairman



(Amjad Latif)
Managing Director/CEO



Condensed Interim Cash Flow Statement (Un-audited)

for the Quarter Ended September 30, 2016

	Note	Quarter ended	
		September 30, 2016 (Rupees in thousand)	September 30, 2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	19	2,979,946	2,589,288
Finance cost paid		(28,457)	(8,884)
Income taxes paid		(298,925)	(434,574)
Employee benefits paid/contributions paid		(972,693)	(1,153,783)
Security deposits received		562,092	(280,417)
Receipts against government grants and consumer contributions		878,927	153,747
Long term loans to employees		(43,167)	25,317
Long term deposits and prepayments		(731)	6
Net cash inflow from operating activities		3,076,992	890,700
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(10,288,094)	(3,009,786)
Proceeds from sale of property, plant and equipment		6,694	29,088
Return on bank deposits		72,157	75,575
Net cash used in investing activities		(10,209,243)	(2,905,123)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing - unsecured		(6,368)	(6,368)
Proceeds from long term financing - secured		5,999,800	1,500,000
Dividend paid		(59)	(118)
Net cash inflow from financing activities		5,993,373	1,493,514
Net decrease in cash and cash equivalents		(1,138,878)	(520,909)
Cash and cash equivalents at the beginning of the period		784,593	412,994
Cash and cash equivalents at the end of the period	19.2	(354,285)	(107,915)

The annexed notes from 1 to 23 form an integral part of the condensed interim financial information.



(Muhammad Saeed Mehdi)
Chairman



(Amjad Latif)
Managing Director/CEO



Condensed Interim Statement of Changes in Equity (Un-audited) for the Quarter Ended September 30, 2016

	Share Capital	Revenue Reserves			Total	Total Share holders' Equity
		General Reserve	Dividend Equalization Reserve	Un-appropriated Profit		
(Rupees in thousand)						
Balance as at July 01, 2015 (Audited)	6,342,167	4,127,682	480,000	(7,376,531)	(2,768,849)	3,573,318
Loss for the period from July 01, 2015 to September 30, 2015	-	-	-	(543,438)	(543,438)	(543,438)
Other comprehensive income July 01, 2015 to September 30, 2015	-	-	-	-	-	-
Balance as at September 30, 2015 (Un-audited)	6,342,167	4,127,682	480,000	(7,919,969)	(3,312,287)	3,029,880
Profit for the period from October 01, 2015 to June 30, 2016	-	-	-	667,451	667,451	667,451
Other comprehensive loss for the period from October 01, 2015 to June 30, 2016	-	-	-	-	-	-
Balance as at 01 July 2016 (Audited)	6,342,167	4,127,682	480,000	(7,252,518)	(2,644,836)	3,697,331
Profit for the period from July 01, 2016 to September 30, 2016	-	-	-	1,399,159	1,399,159	1,399,159
Other comprehensive income July 01, 2016 to September 30, 2016	-	-	-	-	-	-
Balance as at September 30, 2016 (Un-audited)	6,342,167	4,127,682	480,000	(5,853,359)	(1,245,677)	5,096,490

The annexed notes from 1 to 23 form an integral part of the condensed interim financial information.



(Muhammad Saeed Mehdi)
Chairman



(Amjad Latif)
Managing Director/CEO



Notes to the Condensed Interim Financial Information (un-audited) for the Quarter Ended September 30, 2016

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 Ordinance, 1984) and is listed on the Pakistan Stock Exchange Limited. The registered office of the company is situated at 21-Kashmir Road, Lahore. The principal activity of the company is the purchase, transmission, distribution and supply of natural gas.
- 1.2 These financial statements are presented in Pak Rupee, which is the company's functional and presentation currency.

2. BASIS OF PREPARATION

- 2.1 This condensed interim financial information is unaudited and is being submitted to the members in accordance with section 245 of the Companies Ordinance, 1984 and the Listing Regulations of the Pakistan Stock Exchange Limited.
- 2.2 It has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed.
- 2.3 This condensed interim financial information does 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 30 June 2016.

3. ACCOUNTING POLICIES AND ESTIMATES

- 3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2016.
- 3.2 Judgments and estimates used by the management in the preparation of this condensed interim financial information are same as those applied to the annual financial statements for the year ended June 30, 2016.



	Note	Un-audited September 30, 2016 (Rupees in thousand)	Audited June 30, 2016
4. LONG TERM FINANCING - SECURED			
From banking companies			
Local currency - Syndicate term finance	4.1	11,700,000	11,700,000
Local currency - Syndicate term finance	4.2	12,890,920	9,848,948
		24,590,920	21,548,948
Other loans			
Islamic finance under musharaka arrangement	4.3	5,500,000	5,500,000
Islamic finance under musharaka arrangement	4.3	6,000,000	6,000,000
Islamic finance under lease arrangement for LNG Project Ph-II	4.3	5,708,880	2,751,052
		41,799,800	35,800,000
Less: Current portion shown under current liabilities	7	2,062,500	1,375,000
		39,737,300	34,425,000

4.1	Lender	Mark-up rate	No. of instalments	Maturity date
	Bank Alfalah Limited (Lead Bank)	Six month KIBOR+ 0.50% p.a.	10 Half yearly	May 19, 2022

The loan is secured by a first parri passu charge created by way of hypothecation over moveable fixed assets of the company (excluding land and building) to the extent of Rs 15,600,000 thousand.

4.2	Lender	Mark-up rate	No. of instalments	Maturity date
	Habib Bank Limited (Lead Bank)	Six month KIBOR+ 1.10% p.a.	16 Half yearly	June 8, 2026

The loan is secured by a first pari passu charge created by way of hypothecation over all present and future movable fixed RLNG assets of the Company to the extent of Rs. 35,870,000 thousand relating to the project.



4.3 Islamic Finance under musharaka arrangement

Lender	Mark-up rate	No. of instalments	Maturity date
Albaraka bank (Pakistan) Limited (Investment Agent)	Six month KIBOR+ 0.55% p.a.	8 Half yearly	June 30, 2020

Assets under musharaka agreement are secured by a First parri passu charge created by way of hypothecation over movable fixed assets of the company (excluding land and building) to the extent of Rs 7,333,333 thousand in respect of assets held under musharaka arrangement.

Lender	Mark-up rate	No. of instalments	Maturity date
Bank Alfalah Limited (Lead Bank)	Six month KIBOR+ 0.50% p.a.	10 Half yearly	May 19, 2022

Assets under musharaka agreement are secured by a first parri passu charge created by way of hypothecation over movable fixed assets of the company (excluding land and building) to the extent of Rs 8,000,000 thousand.

Lender	Mark-up rate	No. of instalments	Maturity date
Habib Bank Limited (Lead Bank)	Six month KIBOR+ 1.10% p.a.	16 Half yearly	June 8, 2026

The loan is secured by a first pari passu charge created by way of hypothecation over all present and future movable fixed RLNG assets of the Company to the extent of Rs. 18,800,000 thousand relating to the project.

	Note	Un-audited September 30, 2016 (Rupees in thousand)	Audited June 30, 2016
5. LONG TERM FINANCING - UNSECURED			
Other loans - Local currency:		1,030,532	1,029,279
Less: Current portion shown under current liabilities	7	502,570	459,376
		527,962	569,903

5.1 These loans carry mark-up at variable rates which range from 1.50% per annum to 11.18% per annum (June 30, 2016: 1.50% per annum to 11.18% per annum).



	Un-audited September 30, 2016 (Rupees in thousand)	Audited June 30, 2016
6. TRADE AND OTHER PAYABLES		
Creditors for:		
Gas	92,044,979	92,579,558
Supplies	2,467,138	2,546,140
Accrued liabilities	3,809,255	6,115,810
Provident fund	74,184	-
Interest free deposits repayable on demand	267,658	195,095
Earnest money received from contractors	54,275	46,318
Mobilization and other advances	1,868,715	1,652,075
Advances from customers	1,427	338,154
Due to customers	1,139	1,139
Workers' profit participation fund	523,355	418,155
Unclaimed dividend	73,716	73,775
	101,185,841	103,966,219

6.1 The Honorable Islamabad High Court vide its decision dated January 31, 2013, declared Gas Infrastructure Development Cess Act (GIDC), 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, 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 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 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. The Committee is yet to submit its report on the matter. Subsequently, a number of consumers of the Company contested have obtained stay order from various Courts against recovery of GIDC.

Furthermore, GIDC amounting to Rs 92,317,912 thousand (2016: Rs. 89,926,568 thousand) is recoverable from consumers and payable to Government of Pakistan. This condensed interim financial information 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. Consequently, the same will be shown as payable as and when the balance is collected from consumers.



	Note	Un-audited September 30, 2016	Audited June 30, 2016
(Rupees in thousand)			
7. CURRENT PORTION OF LONG TERM FINANCING			
Long term financing - secured	4	2,062,500	1,375,000
Long term financing - unsecured	5	502,570	459,376
		2,565,070	1,834,376

8. CONTINGENCIES AND COMMITMENTS

8.1 Contingencies

There is no significant change in contingencies from the preceding audited financial statements of the company for the year ended June 30, 2016.

		Un-audited September 30, 2016	Audited June 30, 2016
(Rupees in thousand)			
8.2 Commitments:			
a) Capital Commitments			
Property, plant and equipment		1,207,498	2,429,284
Intangible assets		25,046	25,379
Stores and spares		3,696,121	22,320,749
		4,928,665	24,775,412
b) Other Commitments		660,334	916,637



	Un-audited September 30, 2016	Audited June 30, 2016
	(Rupees in thousand)	
9. Property, plant and equipment		
Operating fixed assets		
Tangible		
Opening book value	108,788,233	92,092,283
Additions during the period/year	2,130,482	27,902,727
	110,918,715	119,995,010
Book value of property, plant and equipment disposed off during the period/year	-	(2,550)
Depreciation charged during the period/year	(3,192,268)	(11,204,227)
	(3,192,268)	(11,206,777)
Closing book value	107,726,447	108,788,233
Capital work in progress	35,785,764	27,211,818
	143,512,211	136,000,051
9.1 CAPITAL WORK-IN-PROGRESS		
Transmission system	12,378,012	8,169,557
Distribution system	4,486,329	5,150,737
Stores and spares including in transit Rs 1,977,649 thousand (June 2016: Rs 2,663,830 thousand)	18,601,579	13,585,905
Advances for land and other capital expenditure	319,844	305,619
	35,785,764	27,211,818
10. TRADE DEBTS		
Considered good:		
Secured	40,744,220	40,983,505
Unsecured	15,344,787	17,124,542
Accrued gas sales	(202,074)	(228,131)
	55,886,933	57,879,916
Considered doubtful	20,793,364	20,461,845
	76,680,297	78,341,761
Less: Provision for doubtful debts	(20,793,364)	(20,461,845)
	55,886,933	57,879,916



10.1 Included in trade debts are amounts receivable from Government owned power generation companies and independent power producers of Rs 14,701,517 thousand (2016: Rs 18,388,565 thousand) along with interest of Rs 13,106,669 thousand (2016: Rs 12,589,779 thousand) on delayed payments. While trade and other payables referred to in note 6 include an amount of Rs 74,078,029 thousand (2016: Rs 67,398,223 thousand) due to Pakistan Petroleum Limited, Sui Southern Gas Company Limited, Oil and Gas Development Company Limited and Government Holding (Private) Limited on account of gas purchases along with interest on delayed payments of Rs 17,091,412 thousand (2016: 16,244,972 thousand). Further, an amount of Rs. 38,928,249 thousand (2016: Rs. 36,934,536 thousand) is receivable from Government of Pakistan on account of differential margin and an amount of Rs. 4,101,732 thousand (2016: Rs 4,101,732 thousand) is payable to Government of Pakistan on account of interest on delayed payment of Gas Development Surcharge (GDS). The settlement of these amounts is dependent upon the resolution of inter-corporate circular debt by the Government of Pakistan.

	Un-audited September 30, 2016	Audited June 30, 2016
	(Rupees in thousand)	
11. LOANS AND ADVANCES		
Loans to employees - considered good	121,362	115,121
Advances - considered good:		
Other employees	798,315	1,129,708
Suppliers and Contractor	1,806,401	553,708
Advances to suppliers and contractors - considered doubtful	3,227	3,227
Less: Provision for doubtful receivables	(3,227)	(3,227)
	-	-
	2,726,078	1,798,537
12. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS		
Trade deposits and short term prepayments	178,264	56,914
Less: Provision for doubtful deposits	(22,290)	(22,290)
	155,974	34,624
Less: Current portion of long term prepayments	208,921	78,917
	364,895	113,541
13. OTHER RECEIVABLES		
Excise duty recoverable	108,945	108,945
Less: Provision for doubtful recoverable	(108,945)	(108,945)
	-	-
Differential margin recoverable	38,928,249	36,934,536
Due from customers	255,633	255,633
Current account with SSGC	64,826	707,683
Others	122,379	132,883
	39,371,087	38,030,735



	Un-audited September 30, 2016 (Rupees in thousand)	Audited June 30, 2016
14. CASH AND BANK BALANCES		
Deposit accounts	426,820	506,399
Current accounts	193,483	1,271,539
	620,303	1,777,938
Cash in hand	18,542	2,855
	638,845	1,780,793

	Note	Quarter ended	
		Un-audited September 30, 2016	Un-audited September 30, 2015
		(Rupees in thousand)	
15. COST OF GAS SALES			
Opening stock of gas in pipelines		967,110	1,030,463
Gas purchases			
- Southern system		17,077,005	21,840,490
- Northern system		12,659,712	11,176,360
- RLNG		30,020,787	16,757,824
- Cost equalization adjustment	15.1	5,874,489	10,900,658
		65,631,993	60,675,332
		66,599,103	61,705,795
Less: Gas internally consumed		375,491	327,905
Closing stock of gas in pipelines		923,447	890,218
		1,298,938	1,218,123
Distribution Cost		5,301,907	4,311,119
		70,602,072	64,798,791

15.1 In accordance with the policy guidelines issued by Government of Pakistan under section 21 of the Oil and Gas Regulatory Authority Ordinance, 2002, the Company has entered into an agreement with Sui Southern Gas Company Limited (SSGCL) for uniform pricing of gas. Under this agreement, the company with a higher weighted average cost of gas will raise a demand to the other company of the amount necessary to equalize the cost of gas for both companies. As a consequence of this agreement SSGCL has raised a demand amounting to Rs 5,874,489 thousand (September 2015: Rs. 10,900,658 thousand) as differential of cost for the equalization of cost of gas. It will have no effect on profit of the Company for the reason explained in Note 20 to this condensed interim financial information.



	Quarter ended	
	Un-audited September 30, 2016	Un-audited September 30, 2015
	(Rupees in thousand)	
16. OTHER OPERATING INCOME		
Income from financial assets		
Interest income on late payment of gas bills	604,399	942,567
Gain on initial recognition of financial liabilities at fair value	1,705	2,395
Interest on staff loans and advances	14,579	13,770
Return on bank deposit	63,498	76,996
	684,181	1,035,728
Income from assets other than financial assets		
Net gain on sale of fixed assets	6,694	29,088
Meter Rentals and service income	477,864	412,622
Amortization of deferred Credit Insurance claim	452,154	471,528
	106	282
	936,818	913,520
Others		
Sale of tender documents	529	538
Sale of scrap	23,926	-
Liquidated damages recovered	9,273	5,290
Bad debt recoveries	1,566	884
Urgent Fee	313,500	308,172
Miscellaneous	3,835	93
	352,629	314,977
	1,973,628	2,264,225
17. OTHER OPERATING EXPENSES		
Workers' Profit Participation Fund	105,200	-
Exchange loss on gas purchases	11,697	54,649
Loss on initial recognition of financial assets at fair value	11,138	252
	128,035	54,901
18. TAXATION		
Current period		
Current tax	366,368	302,070
Deferred tax	233,271	503,552
	599,639	805,622
Prior period		
Current tax	-	(1,038,547)
	599,639	(232,925)



	Note	Quarter ended	
		Un-audited September 30, 2016 (Rupees in thousand)	Un-audited September 30, 2015 (Rupees in thousand)
19. CASH GENERATED FROM OPERATIONS			
Profit / (loss) before taxation		1,998,798	(776,363)
Adjustment for non-cash charges and other items			
Depreciation - Own assets		3,192,269	2,584,833
Amortization of intangible assets		14,714	6,579
Employee benefits		713,011	605,806
Amortization of deferred credit		(452,154)	(471,528)
Finance cost		1,353,501	1,109,882
Return on bank deposits		(63,498)	(76,996)
Gain on sale of fixed assets		(6,694)	(29,088)
Provision for doubtful debts		331,519	717,033
Loss on initial recognition of financial assets at fair value		11,138	251
Gain on initial recognition of financial liabilities at fair value		(1,705)	(2,395)
Amortization of difference between initial and maturity amount		(9,542)	(9,333)
Working capital changes	19.1	(4,101,411)	(1,069,393)
		2,979,946	2,589,288
19.1 Working capital changes			
(Increase) / decrease in current assets			
Stores and spares parts		11,815	211,109
Stock-in-trade - gas in pipelines		43,663	140,245
Trade debts		1,661,464	(10,995,443)
Loans and advances		(921,300)	(909,694)
Trade deposits and prepayments		(251,354)	(192,094)
Other receivables		(1,865,380)	(5,652,454)
		(1,321,092)	(17,398,331)
(Decrease) / increase in current liabilities			
Trade and other payables		(2,780,319)	16,328,938
		(4,101,411)	(1,069,393)
		Un-audited September 30, 2016 (Rupees in thousand)	Un-audited September 30, 2015 (Rupees in thousand)
19.2 Cash and cash equivalents			
Cash and bank balances		638,845	887,295
Short term running finance		(993,130)	(995,210)
		(354,285)	(107,915)



20. INCORPORATION OF TARIFF REQUIREMENTS

- 20.1 Under the provisions of the license for transmission and distribution of natural gas granted to the Company by Oil and Gas Regulatory Authority (OGRA), the Company is required to operate on an annual return of not less than 17.50% on the value of its fixed assets (net of deferred credit), before corporate income taxes, interest and other charges on debt after excluding interest, dividends and other non-operating income. Any deficit or surplus on account of this is recoverable from or payable to Government of Pakistan as differential margin or gas development surcharge respectively. The projected tariff from July 01, 2016 has been incorporated in the accounts for the period ended September 30, 2016 on the basis of final revenue requirement for the financial year 2015-16.
- 20.2 The Company has also incorporated the effect of Unaccounted For Gas (UFG) amounting to Rupees 1,392,727 thousand (September 2015: Rupees 2,794,077 thousand).

21. TRANSACTIONS WITH ASSOCIATES AND RELATED PARTIES

Relationship with the Group	Nature of Transactions	Un-audited September 30, 2016 (Rupees in thousand)	Un-audited September 30, 2015
i) Related parties by virtue of common directorship and Govt. of Pakistan holdings	Gas sales	10,439,010	5,524,794
	Purchase of materials	47,519	346,301
	Purchase of gas	28,090,670	34,912,344
	Service charges	5,820	26,795
	Profit received on bank deposits	8,043	21,036
	Transportation charges	44,492	150,252
	Transmission charges	415	591
	Insurance expenses	38,486	66,894
	Insurance claims received	18,956	8,653
ii) Post employment benefit plans	Contribution to defined contribution plans	82,485	137,711
	Contribution to defined benefit plans	808,444	638,087
iii) Key management personnel	Salaries and other employee benefit	1,202,013	3,778,657

Key management personnel comprises chief executive and any employee whose basic salary exceeds Rs 500,000 per annum.



	Un-audited September 30, 2016	Audited June 30, 2016
	(Rupees in thousand)	

PERIOD END BALANCES

Receivable from related parties	25,828,999	32,494,918
Payable to related parties	64,004,402	67,398,230

22. DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue on December 28, 2016 by the Board of Directors of the Company.

23. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet 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 profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However no significant re-arrangements have been made.



(Muhammad Saeed Mehdi)
Chairman



(Amjad Latif)
Managing Director/CEO



اظہارِ تشکر (Acknowledgements)

ہم بورڈ کے اراکین کا تہہ دل سے شکر گزار ہیں جنہوں نے اپنی جانفشانی اور قیمتی وقت سے کمپنی کی بہتری کیلئے نمایاں کردار ادا کیا۔

آپکے ڈائریکٹرز، معزز حصے داران اور صارفین کی طرف سے ملنے والی مسلسل حمایت و سرپرستی پر شکر یہ ادا کرتے ہیں۔ ہم تمام ملازمین کی اُن تمام قابلِ قدر خدمات، جو انہوں نے کمپنی کو بہ طریق احسن چلانے میں ادا کی ہیں، پر مشکور ہیں۔

ہم حکومت پاکستان، وزارت تیل و قدرتی وسائل اور اوگرا کی مسلسل رہنمائی و حمایت پر بھی مشکور و ممنون ہیں۔

منجانب بورڈ



(امجد لطیف)

مینیجنگ ڈائریکٹر انتظام اعلیٰ



(محمد سعید مہدی)

چیئرمین - بورڈ آف ڈائریکٹرز

لاہور

تاریخ: 28 دسمبر، 2016

تھی اور ساتھ ہی پنجاب میں RLNG کی بنیاد پر زیر تعمیر بجلی پیداواری اداروں کو 70 کروڑ مکعب فٹ گیس روزانہ فراہم کرے گی۔

کاروباری توسیع (Business Development)

آپ کی کمپنی، دیگر ملکی و کثیر الملکی کمپنیوں کیلئے مختلف پائپ لائنز کے تعمیری منصوبہ جات میں مصروف عمل ہے۔ MOL, SNGPL پاکستان لیمیٹڈ کے مختلف گیس کنوؤں جیسا کہ مرم زئی، منزلی، مامی خیل اور مکوڑی کیلئے ضلع کوہاٹ/ہنگو میں بہاؤ/ٹرینک لائنز اور فائبر آپٹک تار کی انجینئرنگ اور تعمیر کی ذمہ داریاں، پچھلے دس سالوں سے نبھارہی ہے۔ گیس کی فراہمی کو مستحکم کرنے میں MOL پاکستان ایک بہت اہم کردار ادا کر رہی ہے۔

MOL پاکستان مزید چار کنوؤں، جو کہ مکوڑی ڈیپ-1، مغربی تولانج، مرم زئی-4 اور مردان خیل-3، پر کام کر رہی ہے جو کہ متوقع طور پر جلد ہی رواں کر دیئے جائیں گے اور امید ہے کہ ہمارے کام کے بہترین معیار/بروقت تکمیل کو سامنے رکھتے ہوئے ان کنوؤں سے آگے تک کی پائپ لائن بچھانے کے منصوبہ جات کو ہی سونپے جائیں گے۔ بعد ازاں، MOL پاکستان نے مامی خیل-1 کنوئیں کیلئے SNGPL کو 12 سے 10 انچ قطر کی 25 کلومیٹر لائن کا کام سونپ دیا ہے جس کیلئے انجینئرنگ اور تعمیراتی سرگرمیوں کا آغاز کر دیا گیا ہے جو کہ امید ہے کہ اگلے تین ماہ میں مکمل ہو جائیں گی۔ اس منصوبے کی تکمیل کے بعد SNGPL کے نظام میں 4 کروڑ مکعب فٹ روزانہ اضافی گیس آنا شروع ہو جائے گی۔

حال ہی میں MOL پاکستان نے مذکورہ بالا کنوؤں کیلئے مزید 30 کلومیٹر طویل بہاؤ/ٹرینک لائنز کی تعمیر کا کام SNGPL کو سونپنے میں دلچسپی ظاہر کی ہے جو کہ مغربی تولانج، مرم زئی-4، مردان خیل-2 اور 3 کنوؤں کیلئے 18 انچ قطر والی بہاؤ لائنز اور فائبر آپٹک تار کی تعمیر کے ساتھ مختلف سرگرمیوں میں ربط بنانے پر مشتمل ہے۔ SNGPL تین ماہ کے اندر اندر راستے کے تفصیلی معائنہ کے ساتھ پائپ لائن کی مکمل انجینئرنگ و تعمیر کرے گی۔ اس منصوبے کی تکمیل سے نہ صرف SNGPL کے نظام میں 6 کروڑ مکعب فٹ روزانہ گیس شامل ہوگی بلکہ ملک میں جاری گیس کی کمی کے خاتمے میں کافی حد تک مدد ملے گی۔



ڈائریکٹرز جائزہ (Directors' Review)

ہم بمسرت، اول سہ ماہی عرصہ ختمہ 30 ستمبر 2016ء کیلئے غیر پرتال شدہ مالیاتی گوشواراجات پیش کر رہے ہیں۔ آپ کی کمپنی نے پچھلے اسی عرصے کے دوران 54 کروڑ 30 لاکھ نقصان کے مقابلے میں اس دفعہ 1 ارب 39 کروڑ 90 لاکھ روپے کا منافع کمایا۔ اس عرصے میں منافع فی حصہ 2 روپے 21 پیسے رہا جو کہ عرصہ ختمہ 30 ستمبر 2015ء کیلئے 86 پیسے فی حصہ نقصان تھا۔ تمام معاشی و مالیاتی دشواریوں کے باوجود، کمپنی ایک منافع بخش ادارہ بن گئی ہے۔ اسکی بنیادی وجہ اسی عرصے کے دوران غیر محسوب برائے گیس (UFG) نقصانات کا %10.57 سے کم ہو کر اب %8.50 ہو جانا ہے۔ بورڈ آف ڈائریکٹرز، انتظامیہ و ملازمین پر اعتماد ہیں کہ یہ سلسلہ آنے والے سالوں میں مزید ترقی کرے گا۔

منصوبہ جات (Projects)

شعبہ منصوبہ جات نے 8 سے 42 انچ قطر کی 165 کلومیٹر طویل ترسیلی پائپ لائنز زیر نظر عرصہ مکمل کی ہیں۔ ان ترسیلی لائنوں کے ساتھ مزید 33 کلومیٹر طویل مرکزی تقسیمی پائپ لائنز بھی نظام کی صلاحیت میں اضافے، گیس کی رسد اور صارفین کے اطمینان کیلئے بہتر گیس پریشر کے حوالے سے بچھائی گئی ہیں۔

کمپنی انتہائی سرعت سے 1 ارب 20 کروڑ مکعب فٹ روزانہ مائع قدرتی گیس (LNG) کی نظام میں شمولیت اور نقل و حمل کیلئے (اول) نظام میں توسیعی منصوبہ، جو اس مالی سال کے آخر تک مکمل کر لیا جائے گا (دوم) مجموعی طور پر 3,600 میگا واٹ صلاحیت کے حامل تین بجلی کے پیداواری اداروں کو 20 کروڑ مکعب فٹ روزانہ فی کارخانہ کی بنیاد پر گیس کی رسد کیلئے پائپ لائنز کی تعمیر کا کام بھی اس مالی سال کے آخر تک مکمل کر لیا جائے گا اور (سوم) نندی پور پاور پلانٹ کو گیس کی رسد کیلئے بنیادی نوعیت کا کام 2017ء کی پہلی سہ ماہی کے آخر تک مکمل کر لیا جائے گا، جیسے اقدامات اٹھارہی ہے۔

فی الوقت کمپنی نظام میں توسیعی منصوبے اور ترقیاتی امور برائے گیس اساس کے تحت 16 سے 42 انچ قطر کی 1,022 کلومیٹر طویل پائپ لائنز معہ 35,000 ہارس پاور کمپریشن پر پنجاب میں زیر تعمیر بجلی کے پیداواری اداروں کو RLNG کی ترسیل کیلئے ترقیاتی بنیادوں پر مصروف عمل ہے۔

نظام میں اس توسیعی منصوبے کی تکمیل کے بعد، آپ کی کمپنی 1 ارب 20 کروڑ مکعب فٹ روزانہ اضافی گیس کی وصولی اور نقل و حمل کے قابل ہو جائے گی جبکہ پہلے یہ صلاحیت 60 کروڑ مکعب فٹ روزانہ اضافی گیس



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Sui Northern Gas Pipelines Limited

Gas House, 21-Kashmir Road,
P.O. Box No. 58, Lahore-54000, Pakistan.
Tel : (+92-42) 99201451-60 & 99201490-99
Fax : (+92-42) 99201369 & 99201302