



Sui Northern Gas Pipelines Limited



Jinnah Barrage Crossing, Kala Bagh

**1st Quarter Accounts (Un-Audited)
For the Period Ended September 30, 2023**

FUELING PROGRESS: A 60-YEAR JOURNEY

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ڈائریکٹرز جائزہ (اردو ترجمہ)	



Corporate Information

Present Board of Directors

BOARD OF DIRECTORS

Mr. Muhammad Ismail Qureshi	Chairman
Mr. Amer Tufail	Managing Director
Mr. Ahmed Chinoy	Director
Mr. Arif Saeed	Director
Ms. Faaria Rehman Salahuddin	Director
Mr. Hassan Mehmood Yousufzai	Director
Mr. Muhammad Ramzan	Director
Mr. Osman Saifullah Khan	Director
Mr. Saadat Ali Khan	Director
Ms. Saira Najeeb Ahmed	Director
Mr. Tariq Iqbal Khan	Director

COMMITTEES OF THE BOARD OF DIRECTORS

BOARD AUDIT COMMITTEE

Mr. Tariq Iqbal Khan	Chairman
Mr. Ahmed Chinoy	Member
Mr. Hassan Mehmood Yousufzai	Member
Mr. Saadat Ali Khan	Member

FINANCE, PROCUREMENT & BUSINESS DIVERSIFICATION COMMITTEE

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

HUMAN RESOURCE, REMUNERATION & NOMINATION COMMITTEE

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

RISK MANAGEMENT & UFG CONTROL COMMITTEE

Mr. Muhammad Ismail Qureshi	Chairman
Mr. Arif Saeed	Member
Ms. Faaria Rehman Salahuddin	Member
Mr. Muhammad Ramzan	Member
Mr. Osman Saifullah Khan	Member
Mr. Saadat Ali Khan	Member
Ms. Saira Najeeb Ahmed	Member

IT / DIGITIZATION COMMITTEE

Mr. Osman Saifullah Khan	Chairman
Mr. Ahmed Chinoy	Member

CHIEF FINANCIAL OFFICER

Mr. Kamran Akram

COMPANY SECRETARY / SECRETARY TO COMMITTEES OF THE BOARD

Mr. Imtiaz Mehmood

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. Surrige & Beecheno

REGISTERED OFFICE

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

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DIRECTORS' REVIEW

We are pleased to present the unaudited financial statements of your Company for the period ended September 30, 2023. The Company has earned a profit after tax amounting to Rs. 3,706 million compared to Rs. 2,577 million during the corresponding period last year. The earnings per share (EPS) for the period under review is Rs. 5.84, an increase from Rs. 4.06 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	6,076
Provision for taxation	<u>(2,370)</u>
Profit after taxation	3,706

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

- The Unaccounted-For Gas (UFG) losses during the period under review decreased from 6,646 MMCF (7.37%) during July-September 2022 to 4,926 MMCF (5.29%) during July-September 2023. Despite new UFG benchmark put in place by the Regulator, this significant achievement has resulted in zero UFG disallowance compared to Rs. 1,549 million in the corresponding period last year.
- The guaranteed rate of return on assets under the tariff regime increased from 16.60% in FY 2022-23 to 20.64% for FY 2023-24.

In spite of unprecedented economic challenges and financial constraints, your Company has been able to maintain steady stream of profitability for its stakeholders. The Board of Directors, Management, and staff of the Company are confident that the Company's focus is correct and performance will further improve in the coming years.

PROJECTS

During the period your Company laid 28.18 KMs Transmission Lines with diameters ranging from 6" to 24". In addition to Transmission Lines, 233.833 KMs of Distribution mains were laid during the first quarter period ended on September 30, 2023 for improving pressure and supplying gas to various localities which has enhanced customer satisfaction level.



ONGOING /FUTURE PROJECTS

1- 18” dia x 230 km Bannu West Well- Daud Khel Transmission Line

In order to connect newly discovered Bannu West “Bannu West Well-1 (40-100 MMCFD)” and Wali gas field “Wali Well-1 (25-50 MMCFD)” with SNGPL transmission network, your Company has laid 18” dia x 230 km transmission line from Bannu West Well to Daud Khel. The construction activities are in progress and out of 230 km, 174.1 km of the pipeline has been laid at site, whereas, 74.05 km has been commissioned.

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

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

3- Transmission Pipeline from Charsadda-Khazana-Tangi, 10”dia x 72.55 km

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

Phase-I

- 1- 10”dia x 27.75 km Charsadda Offtake (Gulabad) - Charsadda transmission loopline
- 2- 10”dia x 20.80 km Charsadda - Khazana transmission loopline

10”dia x 27.75 km Charsadda Offtake (Gulabad) - Charsadda transmission loopline has been completed, whereas, out of 10”dia x 20.80 km Charsadda - Khazana transmission loopline, 19.94 of the pipeline has been laid at site.

Phase-II

- 1- 10”dia x 24 km Charsadda -Tangi transmission loopline.

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

4- Transmission pipeline from Sheikh Dheri to Yar Hussain, 8”dia x 22.50 km

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



ACKNOWLEDGMENTS

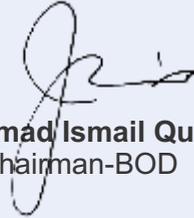
Your Directors wish to place on record their appreciation for the continued support and patronage received from shareholders and its valued consumers. We also wish to acknowledge the dedication and commitment of all the employees who contributed valuable services, to sustain all operations of the Company.

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

On behalf of the Board



(Amer Tufail)
Managing Director/CEO



(Muhammad Ismail Qureshi)
Chairman-BOD

Lahore.
July 26, 2024



Condensed Interim Statement of Financial Position

As at September 30, 2023

		Un-audited September 30, 2023	Audited June 30, 2023
	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		41,997,739	39,243,428
Shareholders' equity		48,339,906	45,585,595
NON-CURRENT LIABILITIES			
Long term financing:			
-Secured	4	23,684,171	19,463,172
-Unsecured	5	99,645	97,568
Lease liability		25,581,244	26,145,317
Security deposits		57,971,594	58,227,213
Deferred credit		58,191,733	58,037,101
Contract liabilities	6	24,630,454	24,090,013
Employee benefits		15,431,576	14,613,239
		205,590,417	200,673,623
CURRENT LIABILITIES			
Trade and other payables	7	1,109,560,506	1,038,817,871
Contract Liabilities	6	8,099,947	8,344,499
Unclaimed Dividend		229,595	176,736
Unpaid Dividend		6,857	53,791
Interest and mark-up accrued on loans and other payables	8	294,697,778	261,112,742
Short term borrowing-secured	9	108,456,328	118,179,300
Current portion of lease liabilities		4,875,012	4,954,838
Current portion of long term financing	10	6,816,585	6,816,585
Income tax payable		102,021	-
		1,532,844,629	1,438,456,362
CONTINGENCIES AND COMMITMENTS	11	-	-
		1,786,774,952	1,684,715,580

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


(Kamran Akram)
Chief Financial Officer



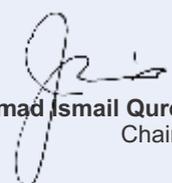
Condensed Interim Statement of Financial Position

As at September 30, 2023

		Un-audited September 30, 2023	Audited June 30, 2023
	Note	(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	12	252,837,318	245,880,358
Intangible assets		189,817	243,363
Right of use assets		25,674,795	26,515,939
Deferred taxation		6,844,889	6,204,293
Long term loans		880,699	1,077,763
Employee benefits		4,325,697	4,035,348
Long term deposits and prepayments		546,616	546,358
		291,299,831	284,503,422
CURRENT ASSETS			
Stores and spare parts		7,442,094	7,622,352
Stock in trade	13	29,167,884	18,247,043
Trade debts	14	301,642,686	293,928,228
Loans and advances	15	5,244,594	3,561,289
Trade deposits and short term prepayments	16	1,175,754	519,816
Contract assets		-	12,029
Income tax receivable		-	57,390
Accrued interest		120,069	75,461
Other receivables	17	1,024,018,294	953,479,856
Sales tax recoverable		108,230,419	106,474,938
Cash and bank balances	18	18,433,327	16,233,756
		1,495,475,121	1,400,212,158
		1,786,774,952	1,684,715,580



(Amer Tufail)
Managing Director/CEO



(Muhammad Ismail Qureshi)
Chairman



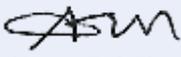
Condensed Interim Statement of Profit or Loss (Un-audited)

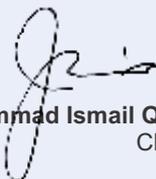
For the Period Ended September 30, 2023

	Note	September 30, 2023	September 30, 2022
(Rupees in thousand)			
Revenue from contracts with customers - Gas sales	19	318,472,694	297,740,673
Add: Tariff adjustment	20	70,934,350	46,022,751
		389,407,044	343,763,424
Less: Cost of gas sales	21	347,084,445	321,896,960
Gross profit		42,322,599	21,866,464
Add: Other operating income	22	11,502,795	8,556,359
		53,825,394	30,422,823
Less: Operating expenses:			
Selling cost		2,367,261	2,082,990
Administrative expenses		2,307,518	2,186,133
Other operating expenses	23	471,808	302,644
Expected credit loss		-	925,842
		5,146,587	5,497,609
Operating profit		48,678,807	24,925,214
Less: Finance cost	24	42,603,346	20,593,848
Profit before taxation		6,075,461	4,331,366
Taxation	25	2,369,825	1,754,156
Profit for the period		3,705,636	2,577,210
Earnings per share			
Basic and diluted (Rupees)		5.84	4.06

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


(Kamran Akram)
Chief Financial Officer


(Amer Tufail)
Managing Director/CEO


(Muhammad Ismail Qureshi)
Chairman



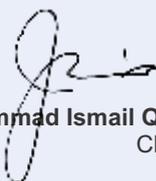
Condensed Interim Statement of Comprehensive Income (Un-audited) for the Period Ended September 30, 2023

	September 30, 2023	September 30, 2022
	(Rupees in thousand)	
Profit for the period	3,705,636	2,577,210
Other comprehensive income for the period		
Items that will not be reclassified to profit or loss in subsequent periods	-	-
Items to be reclassified to profit or loss in subsequent periods	-	-
Total comprehensive income for the period	3,705,636	2,577,210

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


(Kamran Akram)
Chief Financial Officer


(Amer Tufail)
Managing Director/CEO


(Muhammad Ismail Qureshi)
Chairman



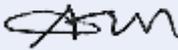
Condensed Interim Statement of Cash Flows (Un-audited)

for the Period Ended September 30, 2023

	Note	September 30, 2023	September 30, 2022
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	26	31,389,980	11,844,050
Finance cost paid		(8,361,105)	(2,089,981)
Income taxes paid		(2,851,011)	(2,401,512)
Employee benefits paid/contributions paid		(704,647)	(736,896)
Security deposits received		(255,620)	531,012
Receipts against government grants and consumer contributions		1,270,173	557,090
Long term loans to employees		57,460	63,208
Long term deposits and prepayments		(258)	(1,001)
Net cash (used in) / from operating activities		20,544,972	7,765,970
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(10,773,884)	(4,277,043)
Capital expenditure on Intangible assets		-	(47,200)
Proceeds from sale of property, plant and equipment		82,636	10,615
Return on bank deposits		472,348	346,033
Net cash used in investing activities		(10,218,900)	(3,967,595)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing- secured		7,000,000	404,000
Repayment of long term financing- secured		(2,779,001)	(2,796,167)
Repayment of lease liability		(1,679,128)	(98,099)
Dividend paid		(945,400)	(3,240,264)
Net cash from (used in) financing activities		1,596,471	(5,730,530)
Net increase / (decrease) in cash and cash equivalents		11,922,543	(1,932,155)
Cash and cash equivalents at the beginning of the period		(101,945,544)	(3,225,920)
Cash and cash equivalents at the end of the period	26.2	(90,023,001)	(5,158,075)

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


(Kamran Akram)
Chief Financial Officer


(Amer Tufail)
Managing Director/CEO


(Muhammad Ismail Qureshi)
Chairman



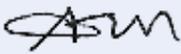
Condensed Interim Statement of Changes in Equity (Un-audited)

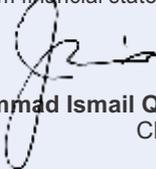
For the Period Ended September 30, 2023

	Share Capital	Revenue Reserves			Total	Total share holders' equity
		General Reserve	Dividend Equalization Reserve	Unappropriated Profit		
(Rupees in thousand)						
Balance as at July 01, 2022 (Audited)	6,342,167	4,127,682	480,000	28,698,209	33,305,891	39,648,058
Total transactions with owners, recognised directly in equity						
Final dividend for the year ended June 30, 2021 @ Rupees 5 per share	-	-	-	(3,171,083)	(3,171,083)	(3,171,083)
Interim dividend for the year ended June 30, 2022 @ Rupees 2.5 per share	-	-	-	(1,585,542)	(1,585,542)	(1,585,542)
	-	-	-	(4,756,625)	(4,756,625)	(4,756,625)
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
Balance as at July 01, 2023 (Audited)	6,342,167	4,127,682	480,000	34,635,746	39,243,428	45,585,595
Total transactions with owners, recognised directly in equity						
Final dividend for the year ended June 30, 2022 @ Rupees 1.5 per share	-	-	-	(951,325)	(951,325)	(951,325)
	-	-	-	(951,325)	(951,325)	(951,325)
Profit for the period	-	-	-	3,705,636	3,705,636	3,705,636
Other Comprehensive income	-	-	-	-	-	-
Total comprehensive income from July 01, 2023 to September 30, 2023	-	-	-	3,705,636	3,705,636	3,705,636
Balance as at September 30, 2023 (Un-audited)	6,342,167	4,127,682	480,000	37,390,057	41,997,739	48,339,906

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


(Kamran Akram)
Chief Financial Officer


(Amer Tufail)
Managing Director/CEO


(Muhammad Ismail Qureshi)
Chairman



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

For the Period Ended September 30, 2023

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

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

2. BASIS OF PREPARATION

- 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, 2023.



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, 2023, except for the following:

IFRS 14 Regulatory Deferral Account

IFRS 14 'Regulatory Deferral Accounts' effective for annual periods beginning on or after July 01, 2019. IFRS 14 is intended to encourage rate-regulated entities to adopt IFRS while bridging the gap with similar entities that already apply IFRS, but which do not recognize regulatory deferral accounts. This would be achieved by requiring separate presentation of the regulatory deferral account balances (and movements in these balances) in the statement of financial position, statement of profit or loss and statement of comprehensive income. Further, the Standard also requires to disclose multiple earnings per share. The Securities and Exchange Commission of Pakistan (SECP) vide its letter No. SMD/PRDD/2(316)/2021/105 dated June 15, 2021 and further letter No. SMD/PRDD/Comp/(4)/2021/98 dated November 10, 2023 has granted exemption to the Company for a period of upto financial year ended June 30, 2023 from the application of IFRS 14. Company has requested the SECP to further extend the exemption of the application of IFRS 14 for a further period of three years. As the matter is still pending with SECP therefore, IFRS 14 did not apply for preparation of these condensed interim financial information as the company believes for a positive outcome.

- 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, 2023

4. LONG TERM FINANCING - SECURED

Conventional financing

	Note	Un-audited September 30, 2023	Audited June 30, 2023
Local currency- term finance	4.1	307,333	461,000
Local currency- term finance	4.2	6,815,625	6,815,625
Local currency- term finance	4.3	10,625,333	12,396,223

Islamic mode of financing

Islamic finance under lease arrangement	4.4.1	4,666,667	5,444,444
Islamic finance under musharaka arrangement	4.4.2	937,500	1,015,625
Islamic finance under musharaka arrangement	4.4.3	7,000,000	-

		17,748,291	19,672,848
Less: Transaction cost		30,352,458 (42,370)	26,132,917 (43,828)
Less: Current portion shown under current liabilities	10	(6,625,917)	(6,625,917)

		23,684,171	19,463,172
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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, 2023: 1,435,041 thousand). The effective mark-up charged during the period ranges from 18.45% to 23.16% (June 30, 2023: 11.18% to 18.45%) 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. 7,270,000 thousand has been obtained from syndicate of banks (with United Bank Limited acting as the agent) out of total loan facility of Rs. 8,455,000 thousand. The loan is secured by a first pari passu charge created by way of hypothecation over all present and future movable fixed assets of the Company excluding the assets of Regassified Liquefied Natural Gas (RLNG) project to the extent of Rs. 11,273,333 thousand (June 30, 2023: Rs. 11,273,333 thousand). The effective mark-up charged during the period is 22.73% (June 30, 2023: 15.48% to 22.73%) 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 16.85% to 22.72% (June 30, 2023: 11.26% to 16.85%) per annum.

4.4 Arrangements under Islamic financing

4.4.1	Lender	Mark-up rate	No. of 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 16.85% to 22.72% (June 30, 2023: (11.26% to 16.85%) 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 21.53% to 22.51% (June 30, 2023: 13.07% to 21.53%) per annum.

4.4.3	Lender	Mark-up rate	No. of instalments	Maturity date
	Meezan Bank Limited	Three months KIBOR - 0.44% per annum	28 Quarterly installments	September 01, 2030

This loan of Rs. 7,000,000 thousand has been obtained from Meezan Bank Limited Limited and is secured by a Ranking charge created by way of hypothecation over all present and future movable fixed assets of the Company to the extent of Rs. 13,333,334 thousand. The effective mark-up charged during the period is per 23.77% annum.

		Note	Un-audited September 30, 2023	Audited June 30, 2023
			(Rupees in thousand)	
5.	LONG TERM FINANCING - UNSECURED			
	Other loans - Local currency:		290,313	288,236
	Less: Current portion shown under current liabilities	10	(190,668)	(190,668)
			99,645	97,568

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

		Note	Un-audited September 30, 2023	Audited June 30, 2023
			(Rupees in thousand)	
6.	CONTRACT LIABILITIES			
	Consumer contribution	6.1	24,630,454	24,090,013
	Due to customers against construction contract		7,646,938	7,891,490
	Advances from customers against gas bill and new connection		453,009	453,009
			32,730,401	32,434,512
	Less: current portion shown under current liabilities		(8,099,947)	(8,344,499)
			24,630,454	24,090,013



	Un-audited September 30, 2023	Audited June 30, 2023
(Rupees in thousand)		
6.1 Consumer contribution against:		
- Completed jobs	38,003,244	37,414,913
- Jobs-in-progress	13,328,839	13,189,506
	51,332,083	50,604,419
Less: Accumulated amortization:		
Opening balance	26,514,406	25,590,288
Amortization for the year/period	187,223	924,118
	26,701,629	26,514,406
	24,630,454	24,090,013

6.1.1 Current	8,099,947	8,344,499
Non-current	24,630,454	24,090,013

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, 2023	Audited June 30, 2023
(Rupees in thousand)			
7. TRADE AND OTHER PAYABLES			
Creditors for:			
Gas	7.1	1,092,156,604	1,020,029,229
Supplies		3,681,769	3,660,248
Accrued liabilities		11,540,857	12,719,795
Gas infrastructure development cess payable	7.2	132,205	98,865
Interest free deposits repayable on demand		1,268,653	1,232,331
Earnest money received from contractors		130,544	130,525
Workers' profit participation fund		649,874	946,878
		1,109,560,506	1,038,817,871

7.1 Included in trade payables is an amount of Rs. 358,771,758 thousand (June 30, 2023: Rs. 331,638,619 thousand) and Rs. 94,603,496 thousand (June 30, 2023: Rs. 96,217,419 thousand) due to Pakistan State Oil Company Limited (PSO) and Pakistan LNG Limited (PLL), respectively, representing payable against Liquefied Natural Gas (LNG) and/or 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. 135,673,877 thousand (June 30, 2023: Rs. 136,135,289 thousand) is recoverable from consumers and payable to Government of Pakistan. These financial statements do not reflect the said amounts since the provisions of the GIDC Act require the Company to pay GIDC as and when the same is collected from consumers. Furthermore, some consumers have obtained stay orders against recovery of the same and consequently in view of the legal advisors of the Company, the Company is not liable to pay such amounts until the same are recovered. Both the principal amount and sales tax on GIDC shall be paid as and when these balances are collected from the consumers.

Un-audited September 30, 2023	Audited June 30, 2023
(Rupees in thousand)	

8. INTEREST AND MARK-UP ACCRUED ON LOANS AND OTHER PAYABLES

Accrued mark-up / interest on:

Long term financing - secured	1,877,581	2,065,731
Long term financing - unsecured	213,442	210,934
Short term borrowing - secured	6,232,509	6,417,450
Deposits from customers	5,195,493	4,684,369
Late payment of gas creditors and gas development surcharge	281,178,753	247,734,258
	294,697,778	261,112,742



	Note	Un-audited September 30, 2023	Audited June 30, 2023
(Rupees in thousand)			
9. SHORT TERM BORROWING - SECURED			
Short term borrowings from financial institutions - secured	9.1	108,456,328	118,179,300

9.1 The Company has utilized short term running finance facilities from various banking companies aggregating to Rs. 108,456,328 thousand (2023: Rs. 118,179,299 thousand) which includes financing facilities utilized under Islamic mode amounting to Rs. 35,406,075 thousand (2023: Rs. 35,742,190 thousand). These above mentioned facilities also includes financing utilized under money market amounting to Rs. NIL (2023: Rs. NIL). The markup rates applicable during the year ranges from one to three months KIBOR plus 05 bps to minus 18 bps (2023: one to three months KIBOR plus 05 bps to minus 30 bps) per annum on the balance outstanding. These are secured by way of first pari passu/ranking charge over current assets of the Company to the extent of Rs. 96,501,666 thousand (2023: Rs. 122,168,333 thousand). Mark-up is payable on quarterly basis. The effective interest rate charged during the period ranges from 22.19% to 22.96% (2023: 14.20% to 22.03%) per annum

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

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

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

		Un-audited September 30, 2023	Audited June 30, 2023
(Rupees in thousand)			
11.2 Commitments:			
a)	Capital Commitments		
	Property, plant and equipment	599,038	477,752
	Intangible assets	69,735	69,325
	Stores and spares	13,935,334	16,183,022
		14,604,107	16,730,099
b)	Other Commitments	981,065	897,188



	Note	Un-audited September 30, 2023	Audited June 30, 2023
(Rupees in thousand)			
12. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets			
Tangible			
Opening book value		213,047,259	199,707,594
Additions during the period/year	12.1	5,535,696	29,180,536
		218,582,955	228,888,130
Book value of PPE disposed off during the period/year	12.2	(9,082)	(3,256)
Depreciation charged during the period/year		(4,237,492)	(15,837,615)
		(4,246,574)	(15,840,871)
Closing book value		214,336,381	213,047,259
Capital work-in-progress	12.3	38,500,937	32,833,199
		252,837,318	245,880,358
12.1 Additions during the period / year			
Freehold land		-	321,228
Buildings and civil construction on freehold land		1,172	337,638
Transmission system		548,590	7,726,709
Distribution systems		1,528,412	14,031,723
Consumer meter and town border stations & Telecommunication system and facilities		1,751,432	4,426,559
Compressor stations and equipment		1,255,697	1,194,606
Plant and machinery		79,678	765,695
Furniture and equipment		18,256	74,890
Tools and accessories		900	51,989
Transport vehicles		38,775	53,001
Computers, telecommunication and ancillary equipment		312,784	196,498
		5,535,696	29,180,536
12.2 Disposals during the period / year			
Transport vehicles		9,082	3,234
Computers and ancillary equipment		-	22
		9,082	3,256
12.3 Capital work-in-progress			
Transmission system		4,572,609	4,262,834
Distribution system		21,039,321	17,403,772
Stores and spares including in transit			
Rs. 248,923 thousand (June 30, 2023:			
Rs. 1,243,595 thousand)		11,338,411	9,806,993
Advances for land and other capital expenditure		1,550,596	1,359,500
		38,500,937	32,833,099



	Note	Un-audited September 30, 2023	Audited June 30, 2023
(Rupees in thousand)			
13. STOCK-IN-TRADE			
- Gas in pipelines		10,584,437	8,260,923
- Gas in floating storage regassification unit (FSRU)	13.1	18,583,447	9,986,120
		29,167,884	18,247,043

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

	Note	Un-audited September 30, 2023	Audited June 30, 2023
(Rupees in thousand)			
14. TRADE DEBTS			
Considered good:			
Secured		105,285,047	111,980,725
Unsecured	14.1	224,744,097	211,313,518
Deferred gas sales		(852,674)	(914,548)
		329,176,470	322,379,695
Less: Allowance for expected credit losses		(27,533,784)	(28,451,467)
		301,642,686	293,928,228

14.1 Included in trade debts are amounts receivable from Government owned power generation companies, independent power producers and Sui Southern Gas Company Limited (SSGCL) of Rs. 169,975,451 thousand (2023: Rs. 167,259,944 thousand) along with interest thereon of Rs. 48,094,599 thousand (2023: Rs. 42,637,466 thousand) due to delayed payments. While trade and other payables as referred to in note 7 include an amount of Rs. 1,022,966,110 thousand (2023: Rs. 963,630,890 thousand) due to Pakistan Petroleum Limited, SSGCL, Oil and Gas Development Company Limited, Pakistan State Oil, Pakistan LNG Limited and Government Holding (Private) Limited on account of gas purchases along with interest accrued on delayed payments of Rs. 270,585,857 thousand (2023: Rs. 239,036,329 thousand) referred to in note 8 and interest accrued on delayed payment of Gas Development Surcharge of Rs. 4,101,732 thousand (2023: Rs. 4,101,732 thousand) payable to Government of Pakistan referred to in note 8. OGRA while deciding FRR of the Company for the years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 have though acknowledged these liabilities but has not included aforesaid accrued interest in the determined shortfall and has pended unpaid Rs. 217,317,015 thousand (2023: Rs. 217,317,015 thousand) being the interest on delayed payments payable to Government owned entities till the eventual payment / settlement of circular debt by Government of Pakistan. The settlement of principal and interest on delayed payments is dependent upon the resolution of inter-corporate circular debt by the Government of Pakistan. Furthermore, recoverability of amounts of Rs. 712,250,061 thousand (2023: Rs. 649,527,539 thousand) and Rs 311,464,292 thousand (2023: Rs. 303,252,464 thousand) as referred to in note 17 is dependent upon settlement by the Government of Pakistan directly or indirectly inter alia including increase in future gas prices and / or subsidy or through some alternate mechanism.



	Note	Un-audited September 30, 2023	Audited June 30, 2023
(Rupees in thousand)			
15. LOANS AND ADVANCES			
Loans to employees - considered good		268,898	268,261
Advances - considered good:			
- Employees		3,069,080	3,077,460
- Suppliers and Contractor		1,906,616	215,568
Advances to suppliers and contractors			
- considered impaired		3,227	3,227
Less: Allowance for expected credit loss		3,227	3,227
		-	-
		5,244,594	3,561,289
16. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Trade deposits and short term prepayments		1,198,044	542,106
Less: Provision for doubtful deposits		(22,290)	(22,290)
		1,175,754	519,816
17. OTHER RECEIVABLES			
Excise duty recoverable		108,945	108,945
Less: Expected credit losses		108,945	108,945
		-	-
Tariff adjustment (indigenous)	17.1	712,250,061	649,527,539
Tariff adjustment (RLNG)	17.3	311,464,292	303,252,464
Current account with SSGCL		29,571	29,557
Others		274,370	670,296
		1,024,018,294	953,479,856
17.1 Tariff adjustment (indigenous)			
Opening balance		649,527,539	437,346,524
Recognised for the period/year		62,722,522	212,181,015
		712,250,061	649,527,539
17.2			
This includes an amount as mentioned below, consisting of various expenses which have either been deferred or disallowed by the OGRA on various grounds, however, the Company has recognized tariff adjustment on such deferments / disallowances in these financial statements as the Company believes that the OGRA in its various determinations in the past years has consistently allowed such expenses and or pended such expenses till its resolution by Federal Government. Accordingly, the Company is in the process of filing 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:			



		Un-audited September 30, 2023	Audited June 30, 2023
		(Rupees in thousand)	
Late payment surcharge to gas creditors	17.2.1	248,866,544	217,317,015
Return on assets	17.2.2	400,000	400,000
		249,266,544	217,717,015

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

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

		Un-audited September 30, 2023	Audited June 30, 2023
		(Rupees in thousand)	
17.3 Tariff adjustment (RLNG)			
Opening balance		303,252,464	165,032,746
Recognised for the period/year		8,211,828	165,332,715
Received from GoP		-	(27,112,997)
Closing balance		311,464,292	303,252,464

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, 2023. 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, 1,833,460 MMBTUs of RLNG were diverted and sold as system gas. The tariff adjustment receivable resulting from RLNG sold as system gas will be adjusted upon directional changes in tariff adjustments in future periods to be determined by the OGRA. Federal Government released subsidy amounting to Rs 87,805,400 thousand till September 30, 2023.

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

17.4.1 This represents the difference in the amounts allowed by the OGRA in respect of cost of gas internally consumed by SSGC and actual invoices received from SSGC. This will taken up by the company in the motion for review and is confident of favourable outcome.

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

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

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

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

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



	Un-audited September 30, 2023	Audited June 30, 2023
(Rupees in thousand)		
18. CASH AND BANK BALANCES		
Deposit accounts	10,076,115	7,825,722
Current accounts	8,350,683	8,406,874
	18,426,798	16,232,596
Cash in hand	6,529	1,160
	18,433,327	16,233,756

18.1 Included in deposit accounts are amounts deposited by the Company in separate bank account(s) for funds released by the Government as grant to finance distribution development projects being the Government share of cost. Withdrawal from this account(s) is made on periodic basis to the extent of projects approved and sanctioned there from and until then, these funds amounting to Rs.6,757,306 thousand (June 30, 2023: Rs. 6,270,621 thousand) are not used for the normal treasury operations of the Company. Any profit earned thereon is credited to the funds instead of accounting for as Company's income.

	Quarter ended	
	Un-audited September 30, 2023	Un-audited September 30, 2022
(Rupees in thousand)		
19. REVENUE FROM CONTRACTS WITH CUSTOMERS - GAS SALES		
Gross sales - Indigenous gas	75,205,473	54,311,027
Gross sales - RLNG	297,867,303	291,296,156
	373,072,776	345,607,183
Sales tax - Indigenous gas	(10,588,827)	(8,720,599)
Sales tax - RLNG	(44,011,255)	(39,145,911)
	(54,600,082)	(47,866,510)
	318,472,694	297,740,673

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

The Company initially partially recovered the ToP amounts by withdrawal of Rs. 3,265 million from the escrow account of QATPL against the ToP invoices raised under the ToP arrangement. The net receivable balance as at period end amounts to Rs. 7,102 million (2023: Rs. 7,102 million). QATPL tried to stop the Company from encashing the security provided under the GSA by initiating proceedings in the Civil Court. This attempt of QATPL failed and resulted in filing of a writ petition by QATPL before the Honorable Lahore High Court ("LHC"). The order of the LHC dated June 22, 2018 provides that the dispute should be



dealt with in accordance with the dispute resolution mechanism available in the GSA. In light of section 18.1 of the GSA, various attempts were made to settle this dispute by mutual discussions but the matter remained unresolved. As required under section 18.2 of the GSA, the dispute was thereafter referred to an expert, after mutual agreement of the parties involved, on October 09, 2018. The Expert was a retired Judge of the Supreme Court of Pakistan.

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

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

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

		Quarter ended	
		Un-audited September 30, 2023	Un-audited September 30, 2022
(Rupees in thousand)			
20. TARIFF ADJUSTMENT			
	Indigenous gas	62,722,522	46,281,701
	RLNG	8,211,828	(258,950)
		70,934,350	46,022,751



	Quarter ended	
	Un-audited September 30, 2023	Un-audited September 30, 2022
	(Rupees in thousand)	
21. COST OF GAS SALES		
Opening stock of gas in pipelines	18,247,043	12,496,985
Gas purchases:		
- Southern system	38,860,876	27,123,787
- Northern system	42,460,767	34,189,415
- RLNG	267,832,229	258,540,258
	349,153,872	319,853,460
	367,400,915	332,350,445
Less: Gas internally consumed	3,346,122	2,244,461
Closing stock of gas in pipelines	29,167,884	18,573,695
	32,514,006	20,818,156
Distribution Cost	12,197,536	10,364,671
	347,084,445	321,896,960
22. OTHER OPERATING INCOME		
Income from financial assets		
Interest income on late payment of gas bills	7,902,354	6,313,693
Gain on initial recognition of financial liabilities at fair value	699	893
Advances	23,567	25,648
Return on bank deposits	516,956	307,589
	8,443,576	6,647,823
Income from assets other than financial assets		
Net gain on sale of fixed assets	73,554	10,615
Meter Rentals and service income	1,083,800	1,058,841
Amortization of deferred credit and contract liabilities	574,401	561,340
Insurance claims	56	103
	1,731,811	1,630,899
Others		
Sale of tender documents	3,075	1,697
Sale of scrap	73,381	-
Liquidated damages recovered	22,049	42,295
Reversal of expected credit loss	917,683	-
Bad debt recoveries	720	524
Transportation Income	287,310	226,972
Miscellaneous	23,190	6,149
	1,327,408	277,637
	11,502,795	8,556,359



	Quarter ended	
	Un-audited September 30, 2023	Un-audited September 30, 2022
	(Rupees in thousand)	
23. OTHER OPERATING EXPENSES		
Workers' Profit Participation Fund	319,761	227,967
Exchange loss on gas purchases	96	74,677
Loss on initial recognition of financial assets at fair value	151,951	-
	471,808	302,644

24. Included in finance cost is an amount of Rs 33,420,853 thousand (Sep 30, 2022: Rs 17,140,970 thousand) in respect of late payment surcharge on account of overdue payables for gas purchases.

	Note	Quarter ended	
		Un-audited September 30, 2023	Un-audited September 30, 2022
		(Rupees in thousand)	
25. TAXATION			
Current tax		3,010,422	2,782,351
Deferred tax		(640,597)	(1,028,195)
		2,369,825	1,754,156

26. CASH GENERATED FROM OPERATIONS

Profit before taxation		6,075,461	4,331,366
Adjustment for non-cash charges and other items			
Depreciation - Owned assets		4,237,492	3,879,631
Depreciation - Right of use assets		893,200	933,556
Amortization of intangible assets		53,546	59,736
Employee benefits		1,131,041	949,746
Amortization of deferred credit and contract liabilities		(574,401)	(561,340)
Finance cost		42,603,346	20,593,848
Return on bank deposits		(516,956)	(307,589)
Gain on sale of fixed assets		(73,554)	(10,615)
Allowance for expected credit losses		-	925,842
Reversal of allowance for expected credit losses		(917,683)	-
Loss on initial recognition of financial assets at fair value		151,951	-
Gain on initial recognition of financial liabilities at fair value		(699)	(893)
Amortization of difference between initial and maturity amount		(12,984)	(13,931)
Working capital changes	26.1	(21,659,780)	(18,935,307)
		31,389,980	11,844,050



	Note	Quarter ended	
		Un-audited September 30, 2023	Un-audited September 30, 2022
(Rupees in thousand)			
26.1 Working capital changes			
(Increase) / decrease in current assets			
Stores and spares parts		180,258	(292,571)
Stock-in-trade		(10,920,841)	(6,076,710)
Trade debts		(6,796,775)	(18,943,847)
Loans and advances		(1,682,668)	(2,800,972)
Trade deposits and prepayments		(655,938)	(438,079)
Other receivables		(72,281,899)	(46,578,262)
		(92,157,863)	(75,130,441)
Increase in current liabilities			
Trade and other payables		70,498,083	56,195,134
		(21,659,780)	(18,935,307)
26.2 Cash and cash equivalents			
Cash and bank balances		18,433,327	22,214,024
Short term running finance		(108,456,328)	(27,372,099)
		(90,023,001)	(5,158,075)

27. INCORPORATION OF TARIFF REQUIREMENTS

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

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

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

27.2 During the period, the Company could not meet the benchmarks prescribed by Oil and Gas Regulatory Authority (OGRA) and as a result the return for the period on the aforesaid basis works out to be 17.07% (Sep 30, 2022: 12.90%). 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. Nil (Sep 30, 2022: Rs 1,549,502 thousand), which is in excess of the UFG benchmark as determined by OGRA in Final Revenue Requirements (FRR) for FY 2022-23.



28. TRANSACTIONS WITH ASSOCIATES AND RELATED PARTIES

Related parties on the basis of common directorship of the Company 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, 2023	Un-audited September 30, 2022	
		(Rupees in thousand)		
28.1	Transactions during the period			
	Gas sales	Common directorship / Gop holdings	132,804,319	140,531,534
	Purchase of materials	Common directorship / Gop holdings	1,514,715	713,946
	Purchase of gas, regasification & transportation services	Common directorship / Gop holdings	338,237,100	311,098,496
	Service charges	Common directorship / Gop holdings	46,526	26,996
	Profit received on bank deposits	Common directorship	32,516	10,128
	Finance cost	Common directorship / Gop holdings	34,110,468	17,146,595
	Transportation income	Common directorship / Gop holdings	1,798	1,847
	Distributor margin	Common directorship / Gop holdings	1,182	-
	Insurance expenses	Gop holdings	378,616	299,169
	Insurance claims received	Gop holdings	57,628	45,856
	Contributions to defined contribution plans	Common management	178,391	176,077
	Contributions to defined benefit plans	Common management	1,232,645	1,005,015
	Dividend paid	Common directorship / Gop holdings	389,943	1,287,645
	Honorarium / Meeting Fee paid to directors	Director	8,100	9,400
	Remuneration and benefits paid to key management personnel	Key magement personnel	25,174	24,450
		Un-audited September 30, 2023	Audited June 30, 2023	
		(Rupees in thousand)		
28.2	Period end balances			
	Receivable from related parties	165,116,101	160,963,767	
	Payable to related parties	1,347,542,484	1,237,565,265	

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

29. EVENTS AFTER THE BALANCE SHEET DATE

29.1 The Board of Directors of the Company in its meeting held on July 26, 2024 has proposed an interim cash dividend of Rs Nil per share (Sep 30, 2022: Rs Nil per share), amounting to Rs Nil (Sep 30, 2022: Rs Nil) for the year ended June 30, 2024.

29.2 The Board of Directors of the Company in its meeting held on July 26, 2024 has proposed a final cash dividend of Rs. 4.50 per share, aggregating to Rs 2,853.975 million for the year ended June 30, 2023. These financial statements of the Company for the period ended Sep 30, 2023 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.

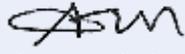
31. GENERAL

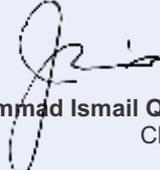
Figures have been rounded off to nearest thousand of rupees, unless otherwise stated.

32. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on July 26, 2024 by the Board of Directors of the Company.


(Kamran Akram)
Chief Financial Officer


(Amer Tufail)
Managing Director/CEO


(Muhammad Ismail Qureshi)
Chairman



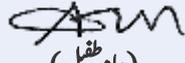
اظہارِ تشکر

آپ کے ڈائریکٹرز، حصہ داران اور اپنے قابل قدر صارفین کی طرف سے حاصل ہونے والی مسلسل حمایت اور سرپرستی کے لئے شکر گزار ہیں۔ ہم ان تمام ملازمین کی لگن اور عزم کا بھی اعتراف کرتے ہیں جنہوں نے کمپنی کے تمام آپریشنز کو برقرار رکھنے کے لئے قابل قدر خدمات فراہم کیں۔

ہم حکومت پاکستان، وزارت توانائی (پیٹرولیم ڈویژن) اور آئل اینڈ گیس ریگولیٹری اتھارٹی (اوگرا) کی جانب سے مسلسل رہنمائی اور تعاون کو سراہتے ہیں۔

منجانب بورڈ


(محمد اسماعیل قریشی)
چیئرمین - بورڈ آف ڈائریکٹرز


(عامر طفیل)
ٹیچنگ ڈائریکٹر / منظم اعلیٰ

لاہور

26 جولائی، 2024

(نوٹ: اردو متن میں کسی ابہام کی صورت میں انگریزی متن کو ترجیح دی جائے۔)



1- "18 قطر کی 230 کلومیٹر مغربی بنوں کنواں۔ داؤدخیل ترسیلی لائن

نئے دریافت ہونے والے مغربی بنوں "مغربی بنوں کنویں-1 (100-40 MCFD)" اور ولی گیس فیلڈ "ولی کنویں-1 (25-50 MCFD)" کو ترسیلی نیٹ ورک سے جوڑنے کے لئے، آپ کی کمپنی نے مغربی بنوں کنواں ویل سے داؤدخیل تک "18 قطر کی 230 کلومیٹر ترسیلی لائن بچھائی ہے۔ تعمیراتی سرگرمیاں جاری ہیں اور 230 کلومیٹر میں سے 174.1 کلومیٹر پائپ لائن موقع پر بچھائی جا چکی ہے جبکہ 74.05 کلومیٹر پائپ لائن فعال کی جا چکی ہے۔

2- لاہور توسیع/تقسیم کا منصوبہ (مرحلہ دوم)

لاہور تقسیمی نیٹ ورک کے مرحلہ دوم میں SMS برکی سے SMS ڈیال تک "8 قطر کی 16 کلومیٹر لائن اور SMS مانگا سے SMS سندرتک "16 قطر کی 6.50 کلومیٹر لائن بچھانے کا منصوبہ بنایا گیا ہے۔ "8 قطر کی "16 کلومیٹر پائپ لائن میں سے 15.36 کلومیٹر پائپ لائن بچھائی جا چکی ہے جبکہ "16 قطر کی 6.50 کلومیٹر پائپ لائن پر تعمیراتی سرگرمیاں جلد شروع ہونے کا امکان ہے۔

3- چارسدہ-خزانہ-تنگی سے ترسیلی پائپ لائن، "10 قطر کی 72.55 کلومیٹر

مردان اور پشاور کے علاقوں میں موسم سرما کے دوران گیس کے کم دباؤ کے مسائل کو حل کرنے کے لئے کمپنی نے مندرجہ ذیل دو مراحل میں نظام میں توسیع کرنے کا منصوبہ بنایا ہے:

مرحلہ اول

1- "10 قطر کی 27.75 کلومیٹر چارسدہ آفٹیک (گلاباد)۔ چارسدہ ترسیلی لوپ لائن

2- "10 قطر کی 20.80 کلومیٹر چارسدہ-خزانہ ترسیلی لوپ لائن

"10 قطر کی 27.75 کلومیٹر چارسدہ آفٹیک (گل آباد)۔ چارسدہ ترسیلی لوپ لائن مکمل ہو چکی ہے جبکہ "10 قطر کی 20.80 کلومیٹر چارسدہ-خزانہ ترسیلی لوپ لائن میں سے 19.94 کلومیٹر پائپ لائن موقع پر بچھائی جا چکی ہے۔

مرحلہ دوم

1- "10 قطر کی 24 کلومیٹر چارسدہ-تنگی ترسیلی لوپ لائن۔

منصوبے کے مرحلہ دوم کا سروے اور انجینئرنگ ڈیزائن مکمل کر لیا گیا ہے۔ مرحلہ اول کی تکمیل کے بعد تعمیراتی سرگرمیاں جلد شروع ہونے کا امکان ہے۔

4- شیخ ڈھیری سے یارحسین تک ترسیلی پائپ لائن، "8 قطر کی 22.50 کلومیٹر

ضلع صوابی کے حلقہ NA-12 کے مختلف دیہات کو گیس کی فراہمی کے منصوبے کی منظوری دے دی گئی ہے جس میں "8 قطر کی 22.50 کلومیٹر ترسیلی پائپ لائن شامل ہے۔ پائپ لائن بچھائی جا چکی ہے اور توقع ہے کہ جلد ہی اس کو فعال کر دیا جائے گا۔



30 ستمبر 2023 کو ختم ہونے والی مدت کے لئے پہلی سہ ماہی کے گوشوارہ جات پر ڈائریکٹرز کا جائزہ

ہم 30 ستمبر 2023 کو ختم ہونے والی مدت کے لئے آپ کی کمپنی کے غیر پڑتال شدہ مالیاتی گوشوارہ جات پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ کمپنی نے گزشتہ سال کے اسی عرصے کے دوران 2,577 ملین روپے کے مقابلے میں 3,706 ملین روپے کا بعد از ٹیکس منافع کمایا ہے۔ زیر جائزہ مدت کے لئے فی حصہ آمدنی 5.84 روپے رہی، جو پچھلے سال کی اسی مدت کے 4.06 روپے سے زیادہ ہے۔

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

مالیاتی نتائج کا خلاصہ

(ملین روپے میں)

6,076

قبل از ٹیکس منافع

(2,370)

ٹیکس کی دستیابی

3,706

بعد از ٹیکس منافع

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

1. جولائی تا ستمبر 2022ء کے دوران غیر محسوب گیس (UFG) کا نقصان 6,646 MMCF یعنی 7.37% سے

کم ہو کر جولائی تا ستمبر 2023ء کے دوران 4,926 MMCF یعنی 5.29% رہ گیا۔ ریگولیٹر کی جانب سے

غیر محسوب گیس کے نئے ہدف کے نفاذ کے باوجود اس اہم کامیابی کے نتیجے میں غیر محسوب گیس کی عدم اجازت صفر رہی ہے جبکہ گزشتہ سال کے اسی عرصے میں یہ رقم 5,491 ملین روپے تھی۔

2. ٹیرف نظام کے تحت اثاثوں پر منافع کی ضمانت کی شرح مالی سال 2022-23 میں 16.60% فیصد سے بڑھ کر مالی

سال 2023-24 میں 20.64% ہو گئی۔

غیر معمولی معاشی مشکلات اور مالی رکاوٹوں کے باوجود، آپ کی کمپنی اپنے متعلقین کے لئے منافع کے تسلسل کو برقرار رکھنے میں کامیاب رہی ہے۔ کمپنی کے بورڈ آف ڈائریکٹرز، انتظامیہ اور عملے کو یقین ہے کہ کمپنی کی سمت درست ہے اور آنے والے سالوں میں کارکردگی میں مزید بہتری آئے گی۔

منصوبہ جات:

اس مدت کے دوران آپ کی کمپنی نے 28.18 کلومیٹر تریسیلی لائنیں، پچھائیں جن کا قطر "6" سے "24" تک تھا۔ تریسیلی لائنوں کے

علاوہ 30 ستمبر 2023ء کو ختم ہونے والی پہلی سہ ماہی کے دوران مختلف علاقوں میں گیس کی فراہمی اور دباؤ کو بہتر بنانے کے لئے

233.83 کلومیٹر تریسیلی لائنیں، پچھائی گئیں جس سے صارفین کے اطمینان کی سطح میں اضافہ ہوا ہے۔



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- 📖 Online Quizzes



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