



Sui Northern Gas Pipelines Limited



Jinnah Barrage Crossing, Kala Bagh

ANNUAL REPORT 2023
FUELING PROGRESS: A 60-YEAR JOURNEY



Fueling Progress: A 60-Year Journey

SNGPL's memorable 60-year journey is a testament to the power of strong partnerships and deep-rooted community engagements. This year speaks volumes about Sui Northern Gas Pipelines Limited's (SNGPL) resolute pursuit of progress and also marks a significant milestone for us - celebrating 60 years of fueling progress in franchised areas of Pakistan. Since its inception in 1963, SNGPL has been at the forefront of Pakistan's energy sector, continuously evolving to meet the nation's growing demands.

Looking ahead, SNGPL is set to seize new opportunities in the dynamic energy sector. Our strategic roadmap charts a course for expanding our infrastructure, investing in cutting-edge technologies, and continuously enhancing our service delivery through relentless innovation. We are unwavering in our commitment to building a sustainable and prosperous future alongside our valued stakeholders. Together, we have built a solid foundation of trust and mutual growth.

The Annual Report 2023 is a celebration of SNGPL's six decades of growth, novelty, and excellence. The cover image symbolizes our vision of seamlessly bridging the past with the future, underscoring our dedication to fostering a resilient and sustainable energy sector. As we continue to fuel progress, we are guided by our core values of commitment, courtesy, competence, responsibility and integrity. Together, we will navigate the challenges of tomorrow and drive the future of energy forward.

Contents

02	Vision & Mission
03	Core Values
04	Corporate Profile
05	Corporate Information
06	Code of Conduct
10	Present Board of Directors
18	Corporate Governance
30	Statement of Compliance
36	Notice of 59 th Annual General Meeting
40	Transmission System and Network
42	Chairman's Review
44	Directors' Report
68	Milestones
70	Pattern of Shareholding
74	Categories of Shareholders
75	Summary of Six Years
76	Graphical Presentation
78	Horizontal Analysis
79	Vertical Analysis
80	Ten Years at a Glance
82	Organizational Structure
84	Head Office & Regional Offices

Audited Financial Statements

87	Independent Auditor's Review Report
88	Independent Auditors' Report
92	Statement of Financial Position
94	Statement of Profit or Loss
95	Statement of Comprehensive Income
96	Statement of Changes in Equity
97	Statement of Cash Flows
98	Notes to the Financial Statements
201	Directors' Report (Urdu)
203	Chairman's Review (Urdu)
205	Form of Proxy (English)
207	Form of Proxy (Urdu)

Vision and Mission

Vision

To be the leading integrated natural gas provider in the region seeking to improve the quality of life of our customers and achieve maximum benefit for our stakeholders by providing an uninterrupted and environment friendly energy resource.

Mission

A commitment to deliver natural gas to all doorsteps in our chosen areas through continuous expansion of our network, by optimally employing technological, human and organizational resources, best practices and high ethical standards.





Core Values

Commitment

We are committed to our vision, mission and to creating and delivering stakeholder value.

Courtesy

We are courteous - with our customers, stakeholders, and towards each other and encourage open communication.

Competence

We are competent and strive to continuously develop and improve our skills and business practices.

Responsibility

We are responsible - as individuals and as teams - for our work and our actions. We welcome scrutiny, and we hold ourselves accountable.

Integrity

We have integrity - as individuals and as teams - our decisions are characterized by honesty and fairness.

Corporate Profile



Sui Northern Gas Pipelines Limited (SNGPL) was incorporated as a private limited company in 1963 and converted into a public limited company in January 1964 under the Companies Act 1913, now the Companies Act, 2017 and is listed on Pakistan Stock Exchange Limited.

The Company took over the existing Sui – Multan System (217 miles of 16 inch and 80 miles of 10 inch diameter pipelines) from Pakistan Industrial Development Corporation (PIDC) and Dhulian – Rawalpindi – Wah system (82 miles of 6 inch diameter pipeline) from Attock Oil Company Limited. The Company's commercial operations commenced by selling an average of 47 MMCFD gas in two regions viz. Multan and Rawalpindi, serving a total number of 67 consumers.

SNGPL is the largest integrated gas company serving more than 7.5 million consumers in North Central Pakistan through an extensive network in Punjab, Khyber Pakhtunkhwa and Azad Jamu & Kashmir. The Company has over 60 years of experience in operation and maintenance of high-pressure gas transmission and distribution system. It has also expanded its activities as Engineering, Procurement and Construction (EPC) Contractor to undertake the planning, designing and construction of pipelines, both for itself and other organization.

Corporate Information

Chairman

Mr. Muhammad Ismail Qureshi

Managing Director / CEO

Mr. Amer Tufail

SGM (CA)/ Company Secretary

Mr. Imtiaz Mehmood

Auditors

M/s. Yousuf Adil
Chartered Accountants

Legal Advisor

M/s. Surridge & Beecheno

Share Registrar

CDC Share Registrar Services Limited
(CDCSRSL)
Mezzanine Floor,
South Tower, LSE Plaza,
19-Khayaban-e-Aiwan-e-Iqbal,
Lahore, Pakistan.
Tel: +92-42-36362061-66
Fax: +92-42-36300072
Website: www.cdcsrsl.com

Registered Office

Gas House
21-Kashmir Road, P.O. Box No. 56,
Lahore - 54000, Pakistan.
Tel: +92-42-99201451-60 &
+92-42-99201490-99
Fax: +92-42-99201369, 99201302
Website: www.sngpl.com.pk



Code of Conduct



SNGPL requires its entire staff both executive staff and subordinate employees, the observance of the highest ethical standards in the conduct of its business activities to minimize the significant risk associated with non compliance. The policy on Business Principles and Ethical Risk is intended to assist SNGPL staff in meeting the standards of professional and personal integrity expected and required of them. SNGPL staff will act with integrity at all times, to protect and safeguard the reputation of the Company. Contravention of this policy will be regarded as misconduct.

SNGPL will ensure that, through this policy and through other means of communication, all kit staff is aware of the required standards, rules and regulations.

Following are certain specific guidelines in respect of the above.

Conflict of Interest

Each staff member has a prime responsibility to the Company and

is expected to avoid any activity that could interfere with that responsibility. Staff should not engage in activities or transactions which may give rise to, or which may be seen to be giving rise to conflict between their personal interests and the interest of Company. Such conflict could arise in a number of ways and a number of situations. The following paragraph outlines some specifically forbidden situations. This list is, however not exhaustive. In case of doubt the advice of the Managements should be sought.

- SNGPL purchase equipment, material and services for various aspects of its operations. SNGPL staff members are forbidden from holding any financial interest, directly or indirectly in any organization supplying goods or services to the Company.
- SNGPL staff should not participate in any external activity that competes, directly or indirectly, with the Company.
- SNGPL staff should not participate in any outside

business or activity that might interfere with their duties and responsibilities to the Company.

- No staff member should sell, lease or buy equipment, material or services to or from the Company except when as an employee it may be necessary in the normal course of his / her duties.
- Staff members are not permitted to conduct personal business activities on the Company's premises or to use Company facilities for such purpose.
- If a staff member has direct interest, indirect interest or family connections, with an external organization that has business dealings with SNGPL, details of such connections and interest should be fully disclosed to the Management.
- Staff members should disclose to the Management the details in respect of any relationship (s) with other staff members; and
- Staff members shall not perform any act or get involved in any situation that potentially could conflict with the principles outlined above.

Confidentiality

Staff members should not keep or make copies of correspondence, documents, papers and records, list of suppliers or consumers without the consent of the Company. Company's information and records should be kept on Company premises only and unpublished information may be disclosed to external organization / individuals only on "need to know"

basis. In case of doubt in this regard, the Management's advice should be sought.

Contributions

No contribution shall be made to any organization or to any individual who either holds public office or is a candidate for public office.

Inducement Payments

Staff members should not give or receive payments that are intended to influence a business decision or to compromise independent judgment; nor should any staff member receive money for having given Company business to an outside agency. Payment of any nature to Government officials to induce them their duties is strictly prohibited.



Proper Record of Funds, Assets, Receipts and Disbursements

All funds, assets, receipts and disbursements should be properly recorded in the books of the Company. In particular, no funds or accounts should be established or maintained for a purpose that is not fully and accurately reflected in the books and records of the Company. Funds and assets received or disbursement should be fully and accurately reflected in the books and the records of the Company. No false or fictitious entries should be made or misleading reports pertaining to the Company or its operations should be issued.

Relationships and Dealings with Government Officials, Media, Suppliers, Consultants and other Parties

SNGPL's relationships and dealings with Government officials, external agencies, parties and individuals should, at all times, be such the SNGPL's integrity and its reputation would not be damaged if details of the relationship or dealings were to become public knowledge.

It is the responsibility of each SNGPL staff member to exercise good judgment so as to act in a manner that will reflect favorably on the Company and the individual. Staff member should only make statements to the media, speeches

in public forums, or publish articles in newspapers etc. with prior authorization. In a personal capacity also, due care should be taken while discussing the Company performance or plans with outsiders. Staff members having questions on how to comply with this requirement should consult with the Management.

Health and Safety

Every staff member should take reasonable care to ensure the health and safety of him / her self and others, who may be affected by his / her acts or omissions at work. Staff members should not tamper with or misuse any item provided by the Company to secure the safety, health and welfare of its staff and for the protection of the environment.

Environment

To preserve and protect the environment, all SNGPL staff members should;

- Design and operate the Company's facilities and processes so as to ensure the trust of adjoining communities.
- Promote resource conservations, waste minimization and the minimization of the release of chemicals / gas into the environment.
- Provide employees customers, supplies, public authorities and communities with appropriate information for informed decision making; and
- Strive continuously to improve environmental awareness and protection.

Code of Conduct

Alcohol, Drugs and Gambling

The use of alcohol in any form is prohibited on all company locations / premises. Similarly, the use of drugs, except under medical advice, is prohibited on all company locations / premises.

Any staff member arriving at a work place under the influence of alcohol or drugs will not be permitted to enter the premises and will be liable to disciplinary action.

All forms of gambling / betting on the Company's premises are forbidden.

Receiving gifts

No employee shall seek accept or permit himself / herself or any member of his / her family to accept any gift or favor, the receipt of which will place him / her under form of official obligation to the donor. As part of building relationship with consumers, suppliers, etc. staff members may receive occasional gifts provided that the gift is of nominal value (e.g. pen, Notepads, calendars, diaries, key chains or such promotional material) and the gift is neither intended nor perceived by others to be intended to improperly influence business decision.

Work Place Harassment

SNGPL staff will maintain an environment that is free from harassment and in which all employees are equally respected. Workplace harassment is defined as any action that creates an intimidating, hostile or offensive work environment. Such actions include, but are not limited to, sexual

harassment, disparaging comments based on gender, religion race or ethnicity.

Regulatory Compliance and Corporate Governance

SNGPL co-operates fully with all governmental and regulatory bodies and is committed to high standards of corporate governance. We comply fully with our obligations under the Listing Rules of the Pakistan Stock Exchange Limited (PSX).

General

- All information and explanations supplied to the auditors must be complete and not misleading.
- SNGPL will not knowingly assist in fraudulent activities (e.g. tax evasion, etc.). If one has any reason to believe that fraudulent activities are taking place (whether within the Company or by others with whom the Company has business), one must report it to the concerned departmental head immediately.
- All the financial transactions will remain within the ambit of Memorandum of Association and Articles of Association of the Company.





Present Board of Directors



Mr. Muhammad Ismail Qureshi
Chairman

Mr. Muhammad Ismail Qureshi, was last Rector of National School of Public Policy (NSPP), Pakistan's premier institute of public-servants' training and education till December, 2016. He has over 36 years of experience in public service and development. He served in many high positions in the Government of Pakistan including: Secretary, Establishment Division / Chairman, Board of Trustees, Federal Benevolent Fund & Group Insurance, Secretary, Ministry of Water and Power; Secretary, Ministry of Food, Agriculture and Livestock; Additional Finance Secretary (External Finance and Policy), Ministry of Finance, Trade Minister, Embassy of Pakistan; Paris; Director General, Lahore Development Authority; Additional Secretary Finance Department, Govt. of Punjab; Secretary Health and Population, Govt. of Punjab.

Mr. Qureshi has been Alternate Governor, Multilateral Investment Guarantee Agency (MIGA), World Bank; Permanent Member, National Commission for Human Development (NCHD); and Member, General Body, Pakistan Poverty Alleviation Fund (PPAF). He has been Chairman of Board of Directors of ICIMOD, a Regional Agency for the Mountainous Regions of China, India, Bangladesh, Afghanistan, Myanmar and Pakistan under a UN charter. He also served as Vice Chairman of the Council, a governing body of the Food & Agriculture Organization (FAO) of the U.N. He was also a member of Pay and Pension Commission (2010) Government of Pakistan. He also led Government of Pakistan delegation in Pak-India water dispute and has been a member of Pakistan delegation on WTO's Doha Development Round negotiations in Geneva and Hong Kong. He has also been Chairman of Board of Governors, NESPAK (National Engineering Services Pakistan), and Director on the Board of Habib Bank (2nd largest bank in Pakistan) and has served for several years on Board of Governors of Lahore University of Management Sciences (LUMS) and National College of Arts (NCA). He is currently Convener of Search Committee to select Vice Chancellors of Punjab Public Universities.

Mr. Qureshi was born in Sargodha, has Law and Master Degree and Post Graduation in Development Administration from the University of Birmingham UK. He has also been associated with many philanthropic organizations.

Mr. Amer Tufail
Managing Director / CEO

Mr. Amer Tufail, Managing Director, Sui Northern Gas Pipelines Limited (SNGPL) is a Chartered Accountant by profession. He joined SNGPL in year 2004 and has held various key management positions. Prior to joining SNGPL has worked for large national and multinational organizations in Pakistan and abroad including key multi-lateral funding agencies featuring over 32 years of rich experience in a large variety of disciplines.



Mr. Ahmed Chinoy

Director

Mr. Ahmed Chinoy, H.I, S.I is an elected Director on the Board of Sui Northern Gas Pipelines Limited and Pakistan Stock Exchange Limited (PSX). He is the Managing Partner of Arch Group of Companies and is engaged in overseeing various businesses such as, textiles, real estate and poultry farming and security investments. Mr. Chinoy is qualified from Institute of Cost & Management Accountants of Pakistan (ICMAP) and holds a graduate degree in Commerce from University of Karachi. He is also a certified director from Pakistan Institute of Corporate Governance.

Mr. Chinoy is a prominent business and social figure in Pakistan. He has served the society in different capacities in the areas of business, education, health, crime prevention and other social services and has rendered invaluable services to the nation in these fields. He has successfully served as Chief of Citizen Police Liaison Committee, Sindh (a citizens' body for prevention of crimes) from the year 2010 to 2015. He has also been actively serving on the Boards of various hospitals and educational institutions and has been heading the Memon Community as the President of All Pakistan Memon Federation. He has also served several times on the Managing Committee of Federation of Pakistan Chamber of Commerce & Industry and has also remained as Chairman of Pakistan Cloth Merchants' Association (the apex body of textile exporters). For his services to the people of Pakistan, he has been awarded prestigious national awards of Hilal-e-Imtiaz (H.I.) and Sitara-e-Imtiaz (S.I.).

Mr. Chinoy is nominated by PSX to serve as Director on the Boards of Central Depository Company of Pakistan Limited, National Clearing Company of Pakistan Limited and Pakistan Mercantile Exchange Limited. In addition, he also serves on the boards of various private and social institutions.

Mr. Arif Saeed

Director

Mr. Arif Saeed graduated from the University of Oxford. He is currently the Chairman of Service Global Footwear Limited and Chief Executive of Service Industries Limited. He also serves as the Chairman of Engineering Development Board (EDB) and Director on the Board of Service Long March Tyres (Private) Limited as well as Servis Foundation. He has been the CEO of Dar Es Salaam Textile Mills Limited. He was the founding Chairman of Quaid-e-Azam Solar Power (Private) Limited, Quaid-e-Azam Thermal Power (Private) Limited and the National Power Parks Management Company (Private) Limited which successfully set up four leading power projects in the public sector. Mr. Saeed serves on the governing board of Aitchison College and is currently the President of the Pakistan Rugby Union. He has been Chairman of the All Pakistan Textile Mills Association (APTMA) as well as the Lahore Stock Exchange.

Present Board of Directors



Ms. Faaria Rehman Salahuddin
Director

Ms. Faaria Rehman Salahuddin is a C-level professional with a career spanning 24 years in banking and entrepreneurship at leading financial institutions like ANZ Grindlays, SCB, HBL, UBL and Bank Alfalah Ltd and more recently as the Director Placements at Suleman Dawood School of Business (SDSB) at Lahore University of Management Sciences (LUMS). Her expertise lie in delivering organizational turnarounds through synergies by strategic re-alignment of business lines. Faaria's experience spans Local and Regional Public and Private sector enterprises with a deep understanding of both operational and credit management aspects of corporate and retail banking. Her unusual experience makes her ideal to bridge the silos currently prevalent in most organizations, allowing her to lead business transformation through driving change in attitudes of teams, bringing them on a common platform and unlocking innovation and creativity.

Faaria is currently dividing time at LUMS, offering Consultancy Services to various individuals, institutions and business ventures and managing her heritage restoration boutique hotel project. A certified Director. She is also a Member of the Board of Directors for JazzCash, Dubai Islamic Bank, Ellcot Spinning Mills and GNR Consultants as well as an Advisor to the Lahore Biennale Foundation (LBF). Her passion for culture and heritage is also reflected in her reputation as a major patron and collector of art and her involvement with Pakistan's leading art institutions. Faaria holds an MBA from Lahore University of Management Sciences (LUMS) and is a Rotary International – GSE Professional Scholar to Bavaria, Germany. She has held Strategic Advisory roles as a Committee and Board member of various institutions like Allama Iqbal Medical College & Jinnah Hospital (AIMC/JH), Service Institute of Medical Sciences (SIMS)/Services Hospital, Dairy Rural Development Foundation (DRDF), LUMS Financial Aid and NOP, Management Association of Pakistan (MAP) and Pakistan Fashion Design Council (PFDC).



Mr. Hassan Mehmood Yousufzai
Director

Mr. Hassan Mehmood Yousufzai is currently serving as Additional Secretary, Petroleum Division, Government of Pakistan. He has served as Additional Secretary Maritime Affairs where he also served on the boards of PQA and PNSC, as the Director General, National Institute of Management, Pakistan Academy for Rural Development and Pakistan Provincial Services Academy, Peshawar. In Khyber Pakhtunkhwa (KPK), Mr. Yousufzai has served as Secretary Higher Education Department, Housing Department, Auqaf Department, Law and Order (Merged Area) and Administration (Establishment). Mr. Yousufzai has also served as Commercial Counselor in Frankfurt, Germany, Managing Director Small Industries, KPK and Chief Economist in the Planning & Development Department of the KPK Government. Outside the Government, he has experience of working as Capacity Development Specialist in Asian Development Bank and Assistant Political Agent in Bajaur Agency. Early in his career, Mr. Yousufzai served as District Coordination Officer, Swat; Additional Secretary, Establishment Department and Personal Staff Officer to the Chief Secretary, and was also the Assistant Commissioner in Chitral and Swat. He passed his CSS Examination in 1995 to join the 24th CTP, in the Pakistan Administrative Service (formerly called DMG). He attained M.A. in Conflict Transformation from Eastern Mennonite University, USA as a Fulbright Fellow. Currently, he is enrolled in the PhD program in the Department of International Relations, University of Peshawar. He did his schooling from Cadet College, Petaro, F.Sc. from PAF College, Sargodha and also graduated from PAF College of Aeronautical Engineering.

Mr. Yousufzai is also an M.A. in Political Science from Peshawar University and B.Sc. (Aero Sciences) from PAF Academy in Risalpur. He has participated in diverse professional training courses and promotion exams in PAF, 18-month Common Training Program and Specialized Trading Program at Civil Services Academy, mid-career management course, senior management and national management courses, JICA training on development studies and economic development training in China.

Mr. Yousufzai has also participated in numerous domestic and international seminars, certificate courses and non-degree programs on areas related to public sector. He has also drafted 'Manual for Musalihat Anjumans' for Asian Development Bank and co-authored 'Towards Understanding Pakhtoon Jirga, an indigenous way of peace building and more'. Mr. Yousufzai is the Director on Pakistan Petroleum Limited (PPL), Oil & Gas Development Corporation Limited (OGDCL), Pakistan State Oil Company Limited (PSOCL) and Mari Petroleum Company Limited (MPCL).



Mr. Osman Saifullah Khan
Director

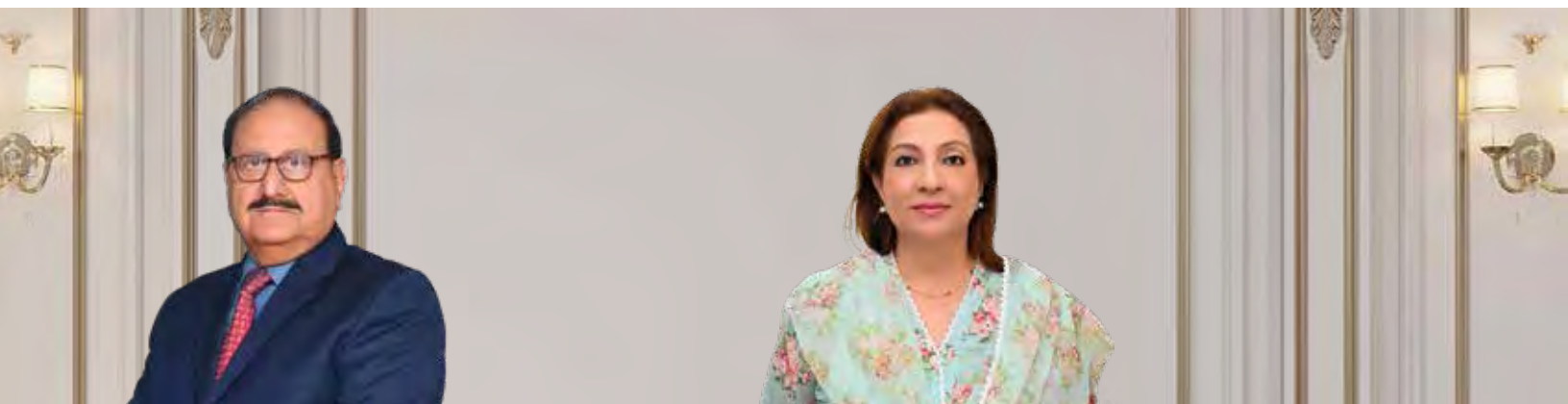
Mr. Osman Saifullah Khan currently serves as the Vice Chairman of the Saif Group, a diversified industrial and services conglomerate headquartered in Islamabad. Mr. Khan joined the Saif Group in 1995, and has held a variety of strategic and operating roles with the Group since that time. He serves as the Chairman of Saif Holding Ltd, the Group's holding company, as well as of the Group's textile manufacturing businesses. Osman Khan was formerly Chief Executive Officer of Sky Electric Pvt. Ltd, Pakistan's fastest growing solar company, and currently serves on the Board of Directors of the company. Mr. Khan is associated with various industry advocacy platforms and is a member of the Pakistan Business Council (PBC). He has served on the Advisory Committee to the Planning Commission of Pakistan, served as a member of the Policy Board of the Securities and Exchange Commission of Pakistan (SECP) and is a member of the governing body of the Ghulam Ishaq Khan Institute of Engineering Sciences (GIKI).

Osman Saifullah Khan was elected unopposed to the Senate of Pakistan in March 2012 for a six-year term and represented the Federal Capital Islamabad. He was Chairman of the Senate Standing Committee on Science & Technology and a member of the Senate Special Committee on China Pakistan Economic Corridor (CPEC). He also served on three other Senate Committees: (i) Finance (ii) Information Technology & Telecommunications and (iii) Rules & Privileges. Senator Khan was the mover of the private member's bill, the Domestic Workers (Employment Rights) Bill 2015, passed by the Senate on March 7, 2016. His term in the Senate ended in March of 2018. Osman Khan has a Master's degree in Engineering, Economics and Management from Christ Church, University of Oxford (1995), where he was a Britannia Scholar and a Masters degree in Business Administration (MBA) from the Graduate School of Business, Stanford University (2009).

Mr. Muhammad Ramzan
Director

Mr. Muhammad Ramzan is a seasoned, goal-oriented Civil Servant with over 35 years of experience of working in different positions. He has served as Joint Secretary in Ministry of Interior, Prime Minister's Office, Deputy Chief (Planning), Gilgit-Baltistan Council. Liaison and Logistic Officer in United Nation's (UN) Peace Keeping Mission in Kosovo. Presently he is serving in Petroleum Division as Joint Secretary (Corporate Affairs). He has contributed meritoriously in the field of general administration, management and governance. He has been awarded prestigious international award UN's Medal and national President's Civil Award "Tamgha-e-Imtiaz".

Present Board of Directors



Mr. Saadat Ali Khan
Director

Mr. Saadat Ali Khan has an impressive tenure of over 36 years at Sui Northern Gas Pipelines Limited (SNGPL), he served in various capacities throughout his career. Having started in the organization, he displayed his skills and expertise, which led him to assume key leadership roles.

At SNGPL, Saadat held the position of Acting General Manager (Administration), he efficiently managed functions within the company. During his tenure as General Manager (Retail Sales), he played a pivotal role in enhancing sales strategies, customer engagement, and overall operational efficiency.

Ultimately, he retired as the General Manager (HR) in October 2010, leaving behind a legacy of successful human resource management within the organization. Throughout his career, he demonstrated a keen understanding of the importance of fostering a positive work culture, employee development, and talent acquisition to drive organizational success. Saadat Ali Khan from 1986 onward served as Chief Organizer Sports and all annual functions till retirement 2010 in addition to Chief Manager of SNGPL Cricket Team for five years.

Ms. Saira Najeeb Ahmed
Director

Ms. Saira Najeeb Ahmed is a career civil servant who joined the Government of Pakistan in 1998. She has experience of working in economic policy and implementation, covering the areas of power, petroleum and mining, fiscal and trade, corporate finance, economic diplomacy, international development, regulation and compliance. Prior to assuming her responsibilities at the Ministry of Finance and Revenue (Finance Division) in 2023, she has served as Joint Secretary (JV's and Corporate Affairs), Petroleum Division, DG National Electric Power Regulatory Authority, Joint Secretary (Internal Finance and Banking), Joint Secretary (External Finance Policy) at Finance Division and Commercial Counsellor, Pakistan High Commission, London. Saira has also served as Section Officer in the Economic Affairs Division on the USAID, AusAid, CIDA desk and in the Commerce Division on the SAFTA desk. During her career, she has also worked on staff positions as Director to Commerce Minister and Finance Minister respectively. Saira holds an M.Sc. degree in Finance and Financial Law, from SOAS, University of London.



Mr. Tariq Iqbal Khan
Director

Mr. Tariq Iqbal Khan is a fellow member of Institute of Chartered Accountants of Pakistan, with diversified experience of more than 40 years. He was pivotal in founding Islamabad Stock Exchange where he subsequently served as President as well. He has also served as the Member Tax Policy & Co-ordination in the Central Board of Revenue, followed by being appointed as Commissioner SECP, where he was instrumental in restructuring the SECP. He also held the charge of Chairman SECP (acting) for a brief period. He served on prominent national level committees like Committee for formulation of Takeover law. CLA Committee for review of Securities & Exchange Ordinance 1969, Committee for formulation of CDC law & regulations and Prime Minister's Committee for Revival of Stock Market. He served as the Chairman and MD of NIT for more than 8 years, which played the role of a catalyst in establishing, strengthening and stabilizing the capital markets. Additionally, during this period, he held the charge of Chairman & MD of ICP, for almost 5 years. He has served on Boards of the top companies like CDC, Faysal Bank Limited, Bank Al-Habib Limited, GSK, ICI, Siemens and Packages etc. He has remained Chairman of Attock Refinery Limited, Sui Northern Gas Pipelines Limited, K.P. Energy Board, KPOGCL and Audit Oversight Board. Presently he is a member on the Boards of Attock Refinery Limited, Packages Limited, Interloop Limited and member Audit Oversight Board and he is also serving as Chairman of Packages Converters Limited.



Chief Financial Officer & SGM (CA) / Company Secretary



Mr. Kamran Akram
Chief Financial Officer

Mr. Kamran Akram is the Chief Financial Officer since March 2024. Kamran's career spans over 24 years, where he has built a deep understanding of energy markets and possesses a breadth of experience in regulatory compliance, utility rate making, internal controls, taxation, budgeting, and capital projects. Prior to joining Sui Northern, Kamran worked in Oil and Gas Regulatory Authority and KPMG.

Kamran is a fellow member of the Institute of Chartered Accountants of Pakistan.



Mr. Imtiaz Mehmood
SGM (CA) / Company Secretary

With an illustrious career spanning over 29 years, Mr. Imtiaz Mehmood is a seasoned professional with extensive expertise in Audit, Accounts, Finance, Corporate, and Media Affairs. His journey has seen him excel in various pivotal roles, demonstrating exceptional leadership and strategic vision.

Before his current role as Company Secretary, Mr. Mehmood made significant contributions as Chief Accountant (HO), Secretary Funds, and Deputy Company Secretary. His versatility is further highlighted by his leadership of the Media Affairs department for a year and a half, exhibits his dynamic capabilities across diverse functions.

Mr. Mehmood is a distinguished fellow member of both the Institute of Cost & Management Accountants of Pakistan (ICMAP) and the Pakistan Institute of Public Finance Accountants (PIPFA). He also holds an MS in Business Administration (Management) and has enhanced his governance acumen with a Directors Training Program certification from LUMS.

His commitment to continuous professional development is evident from his participation in numerous local and international training courses, workshops, and conferences. Currently, Mr. Mehmood is also holding the Presidentship of the Sports Steering Committee of the Company, further displaying his multifaceted talents. He has also made notable contributions as Chairman of the Technical Support Committee at the Lahore Branch Council of ICMAP.

Deputy Managing Directors



Mr. Faisal Iqbal

Dy. Managing Director (Services)

A qualified Chartered Accountant from ICAP with over 29 years of diversified senior management experience, have consistently achieved excellence in both academic and professional spheres. As Chief Financial Officer for nearly four years before promotion to DMD(S), spearheaded numerous initiatives that significantly improved business processes, focusing on digitization, enhanced working capital management, and cost rationalization across the organization. Throughout the tenure in the Organization, have not only excelled in financial management but also gained extensive experience in supply chain management, consumer services, and handling complex, multi-layered litigations.

Prior to joining SNGPL, worked at Kohinoor Group as General Manager and served as a Senior Manager at A.F. Ferguson & Co, a member firm of Price waterhouseCoopers (PwC). These roles over the years have nurtured a robust expertise in financial and operational strategies, positioning as a versatile and dynamic leader capable of driving organizational success.

Mr. Saqib Arbab

Dy. Managing Director (Operations)

Mr. Saqib Arbab, Dy. Managing Director (Operations) is an esteemed engineer, holding a master's degree in Power Systems Engineering and a bachelor's degree in Electrical Engineering. With around 30 years of extensive experience in senior management roles, his career includes distinguished positions such as Senior General Manager (Distribution-North), Senior General Manager (Business Development), General Manager (Peshawar Region), General Manager (Coordination).

Mr. Arbab is a distinguished leader in his field, renowned for his pivotal role in managing and reducing Unaccounted-for Gas (UFG) at SNGPL. His strategic initiatives have successfully aligned UFG levels within the permissible benchmark. He has spearheaded the integration of advanced technologies, including IoT devices and Geographical Information Systems (GIS), with gas systems to enhance UFG control.

As the architect behind the design and development of a substantial portion of SNGPL's distribution networks, Mr. Arbab has consistently introduced and implemented concepts such as Digitization (Mapping) of network, bifurcation of large regions, isolation of looped SMSs and Industrial Clusters, SCADA Integrations of Industrial Consumers and installation of Cyber locks on CMS for real time monitoring, control and visibility significantly enhancing the efficiency and accuracy of the distribution network design.

Mr. Arbab's unwavering dedication, innovative approach, and profound expertise continue to drive SNGPL towards operational excellence and technological advancement, solidifying his reputation as a visionary leader in the energy sector.

Corporate Governance



The prime objective of the Company is to protect the interest of its stakeholders through fair, ethical and transparent business practices. The Board has ensured compliance to Code of Corporate Governance by adopting transparent procedures and methodologies which are constantly being monitored and reviewed through better internal controls. The Company also ensures compliance to the Companies Act, 2017, SOEs Act, 2023, Public Sector Companies (Corporate Governance) Rules, 2013, the Listed Companies (Code of Corporate Governance) Regulations and Pakistan Stock Exchange Limited rule book and Financial Reporting Standards.

The Board of Directors provides strategic guidance for sustainable growth along with effective management oversight in respect of comprehensive corporate governance. All periodic financial statements and working papers for consideration of the Board and its committees are circulated to the Directors well before the meetings (i.e. at least seven days before the meeting) except in case of an emergent meeting, in order to give sufficient time for informed and prudent decision making. The minutes of the meetings are circulated within fourteen days from the date of meetings, after due clearance from respective Chairman of the Board and its committees.

Board of Directors

The Chairperson of the Board and Board Audit Committee are Independent/ Non-Executive Directors. The Board members bring with them a wide range of relevant business, financial and international experience which carries significant weight while decision-making and managerial suggestions who fulfill a

vital role of corporate accountability through the advocacy of fairness and transparency within all independent decisions. The Board has formed sub-committees viz Audit, Finance and Procurement, Human Resource, Remuneration & Nomination, Risk Management & Un-accounted for Gas (UFG) Control, and IT/Digitization

comprising different Board Members, based on their areas of expertise. The Board committees give their best input on different strategic issues as per their mandate.

The names and categories of the Board of Directors and their attendance at Board meetings during the year are given below:

Board Meetings					
Sr. No.	Name	Designation	Category	Total No. of Meetings*	No. of Meetings Attended
01	Ms. Roohi Raees Khan	Chairperson	Independent / Non-Executive	20	20
02	Mr. Ali J. Hamdani	MD / CEO	Executive / Managing Director	13	12
03	Mr. Amer Tufail	MD / CEO	Executive / Managing Director	07	07
04	Mr. Abrar Ahmed Mirza	Director	Non-Executive	07	07
05	Mr. Ahmad Aqeel	Director	Non-Executive	20	19
06	Mr. Ali Tahir	Director	Non-Executive	17	12
07	Syed Akhtar Ali	Director	Independent / Non-Executive	20	20
08	Mr. Hamed Yaqoob Sheikh	Director	Non-Executive	03	02
09	Mr. Manzoor Ahmed	Director	Non-Executive	20	19
10	Mr. Mohammad Haroon	Director	Independent / Non-Executive	20	20
11	Mr. Muhammad Anwar-ul-Haq Azad	Director	Non-Executive	08	08
12	Mr. Muhammad Haroon-ur-Rafique	Director	Non-Executive	05	05
13	Mr. Muhammad Sualeh Ahmed Faruqui	Director	Non-Executive	20	10
14	Mr. Sajid Mehmood Qazi	Director	Non-Executive	12	11
15	Mr. Shahbaz Tahir Nadeem	Director	Non-Executive	02	02
16	Dr. Sohail Razi Khan	Director	Independent / Non-Executive	20	20
17	Syed Zakria Ali Shah	Director	Non-Executive	05	05

* Held during the period the concerned Director was member of the Board of Directors.

Board Audit Committee

1 Introduction

The primary purpose of the Board Audit Committee (BAC) is to assist the Board in fulfilling its responsibility for oversight of the quality and integrity of the financial reporting, internal control, risk management and corporate governance practices of the Company. It may also have such other duties as may from time to time be assigned to it by the Board. The BAC shall govern itself in accordance with the applicable laws and regulations, Company policies and directions of the Board.

2 Composition of the Board Audit Committee

- 2.1 BAC shall comprise seven (07) members or otherwise decided by the Board. The number of members shall preferably be odd number.
- 2.2 Members shall be financially literate and majority of them shall be Independent / Non-Executive directors including its Chairman however, independent directors shall not be less than their proportionate strength on the Board.

- 2.3 Chairman / Chairperson Board and Managing Director shall not be members of the BAC.

3 Meetings and Attendance

- 3.1 The quorum for meeting shall be of three (03) members.
- 3.2 The BAC shall meet at least once every quarter of the financial year. These meetings shall be held prior to the approval of interim results of the Company by its Board and after completion of external audit.
- 3.3 A meeting of the BAC shall also be held, if requested by the External auditors, Head of Internal Audit or by Chairman of the BAC.
- 3.4 The Managing Director and the Chief Financial Officer shall not be the members of the BAC but should be available to attend its meetings at the invitation of the Chairman BAC.
- 3.5 The Secretary of the BAC will circulate the agenda and relevant working papers, minimum seven

days before the meeting and will furnish minutes of the meeting to the Board Members within fourteen days of the meeting.

- 3.6 The Chief Financial Officer, Head of Internal Audit and external auditors represented by engagement partner or in his absence any other partner designated by the audit firm shall attend meetings of the BAC at which issues, if any, relating to accounts and audit are discussed.
- 3.7 At least once a year, the BAC shall meet the external auditors without the Chief Financial Officer and the Head of Internal Audit and other executives being present, to ensure independent communication between the external auditors and the BAC.
- 3.8 The BAC shall also meet the Head of Internal Audit and other members of the Internal Audit function at least once a year, without the Chief Financial Officer and the external auditors being present.



4 Roles and Responsibilities of the BAC

4.1 The BAC shall have full and explicit authority to investigate any matter and shall be provided with adequate resources and access to all relevant information.

In the absence of strong grounds to proceed otherwise, the Board shall act in accordance with the recommendations of the BAC in all matters. However, the Board shall not be deemed to absolve itself of its overall responsibility for the functions delegated to the BAC.

4.2 The terms of reference of BAC shall include the followings:

- a) determination of appropriate measures to safeguard the Company's assets;
- b) review of preliminary announcements of results prior to external communication and publication.
- c) review of Related party transactions;
 - i. All related party transactions/ contracts shall be dealt in accordance with section 208 of the Companies Act 2017, the relevant rules and regulations and related party transactions policy of the Company.
 - ii. BAC shall review the Related Party Transactions Policy and recommend to the Board for approval.

d) review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board of Directors, focusing on:

- i. major judgmental areas;
- ii. significant adjustments resulting from the audit;
- iii. the going concern assumption;
- iv. any changes in accounting policies and practices;
- v. Compliance with applicable accounting standards;
- vi. Compliance with listing regulations and other statutory and regulatory requirements; and
- vii. all related party transactions.
Provided that the Company shall not circulate its financial statements unless the Managing Director and the Chief Financial Officer, present the financial statements, duly certified under their respective signatures, for consideration and approval of the BAC and the Board. The Board shall, after consideration and approval, authorize the signing of financial statements for issuance and circulation.

e) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);

- f) review of management letter issued by external auditors and management's response thereto;
- g) ensuring coordination between the internal and external auditors of the Company;
- h) ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- i) review of the Company's statement on internal control systems and Internal audit reports prior to endorsement by the Board;
- j) instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Managing Director and to consider remittance of any matter to the external auditors or to any other external body;
- k) determination of compliance with relevant statutory requirements;
- l) monitoring compliance with the best practices of corporate governance and identification of significant violations thereof;
- m) overseeing whistle-blowing policy and protection mechanism;
- n) review of arrangement for staff and management to report to Board Audit Committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures; and
- o) consideration of any other issue or matter as may be assigned by the Board of Directors.

4.3 Where there is a perceived overlap of responsibilities between BAC and any other sub-committee of the Board, the Chairman BAC and the respective Committee's

Chairman shall have the discretion to agree the most appropriate Committee to fulfill any obligation.

5 Relationship with External Auditors

5.1 The Board Audit Committee shall be responsible for managing the relationship of the Company with the external auditors, in managing the Company's relationship with the external auditors on behalf of the Board, the Board Audit Committee's responsibilities include:

- a) suggesting the appointment of the external auditor to the Board, the audit fee, and any questions of resignation or dismissal;
- b) considering the objectives and scope of any non-financial audit or consultancy work proposed to be undertaken by the external auditors, and reviewing the remuneration for this work;
- c) discussing with the external auditors before the audit commences the scope of the audit and the extent of reliance on internal audit and other review agencies; Corporate Governance
- d) discussing with the external auditors any significant issues from the review of the financial statements by the Management, and any other work undertaken or overseen by the Board Audit Committee;

- e) reviewing and considering the external auditors' communication with Management and Management's response thereto; and
- f) reviewing progress on accepted recommendations from the external auditors.

5.2 The BAC shall ensure that appointment of external auditor is made in accordance with the Companies Act 2017 and the applicable Code of Corporate Governance rules / regulations.

6 Relationship with Internal Audit Department (IAD)

6.1 The relationship with IAD encompasses reporting and oversight relationships, which includes:

- a) review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company.
- b) consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- c) recommending or approving the hiring or removal of the Head of Internal Audit;

6.2 Procedure for appointment or removal or filling of vacancy of the

Head of Internal Audit shall be as follows;

- a) terms and conditions of the employment for the position of Head of Internal Audit shall be recommended by the BAC to the Board for its approval.
 - b) The Acting Head of Internal Audit shall be approved by the Board on the recommendations of the BAC.
- 6.3 In accordance with IIA standards adopted by the IAD, BAC shall;
- a) approve the Internal Audit Charter;
 - b) approve the Internal Audit Manual;
 - c) approve the Risk Based Annual Internal Audit Plan;
 - d) review and recommend the internal audit budget and resource plan;
 - e) receive communications from the Head of Internal Audit on the internal audit activity's performance relative to its plan and other significant audit matters;
 - f) make appropriate inquiries of Management and Head of Internal Audit to determine whether there is inappropriate scope or resource limitation;
 - g) monitor conformance with IIA standards and best practices by the IAD through Internal and External Assessments under Quality Assurance and Improvement Program;
 - h) oversee the independence of IAD and ensuring it complies with the ethical requirements.

The composition of the Board Audit Committee, category, detail of meetings and Directors' attendance are given below:

BOARD AUDIT COMMITTEE					
Sr. No.	Name	Designation	Category	Total No. of Meetings*	No. of Meetings Attended
01	Syed Akhtar Ali	Chairman	Independent / Non-Executive	12	12
02	Mr. Abrar Ahmed Mirza	Member	Non-Executive	01	01
03	Mr. Hamed Yaqoob Sheikh	Member	Non-Executive	02	01
04	Mr. Manzoor Ahmed	Member	Non-Executive	12	11
05	Mr. Mohammad Haroon	Member	Independent / Non-Executive	12	12
06	Mr. Sajid Mehmood Qazi	Member	Non-Executive	06	06
07	Dr. Sohail Razi Khan	Member	Independent / Non-Executive	12	12
08	Syed Zakria Ali Shah	Member	Non-Executive	04	04

* Held during the period, the concerned Director was member of the Board Audit Committee.



Finance and Procurement Committee

Procedure:

1. Number of Members 07
2. Quorum will be three members.
3. The Committee shall meet as frequently as required.
4. The Secretary of the Finance and Procurement Committee will circulate the agenda and relevant supporting data, minimum seven days before the meeting and will furnish minutes of the meeting to the Board Members within fourteen days of the meeting.

Objectives & Responsibilities:

The Purpose of the Finance and Procurement Committee is to have an oversight function with respect to financial operations by balancing short- and long-term obligations and goals and to oversee transparency in financial & procurement transactions including compliance with policies

and procedure as well as dealing with the suppliers.

The scope shall inter alia include:

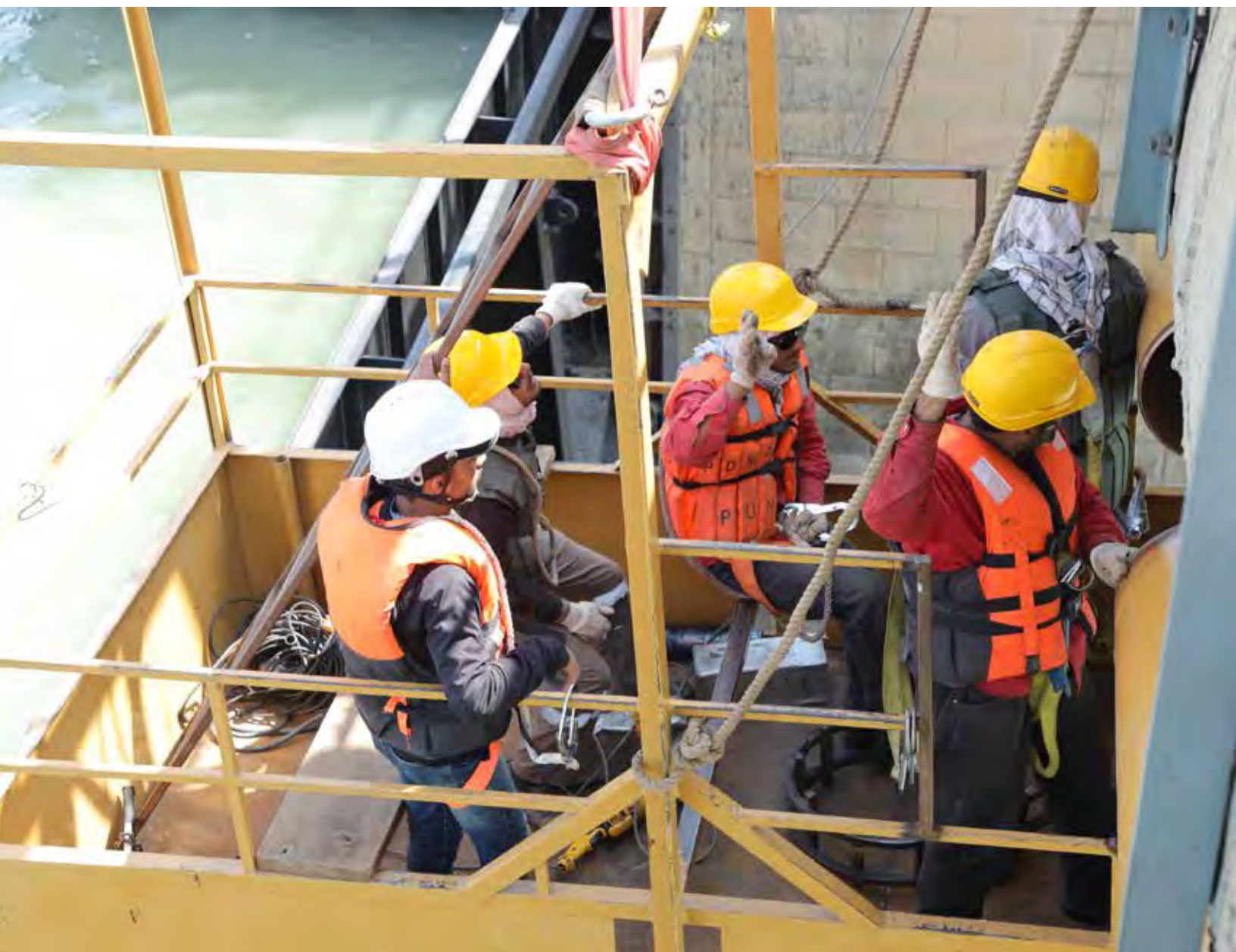
- a) To review the Strategic Business Plan, investment proposals, policies prepared in pursuit of the corporate objective of the Company and make recommendations to the Board for approval.
- b) To review contracts of strategic nature that may have a material impact on the Company's operations and sustainability and make recommendations to the Board for approval.
- c) To review the financial position of the Company and apprise the Board of Directors in the matters which may significantly impact the financial condition or operations of the Company.
- d) To review the Operating and Capital Budgets, Revenue Requirements and recommend to the Board of Directors for approval including performance evaluation of its utilization.
- e) To examine the Budgetary and Operating limits of authority and recommend to the Board any deviation or any enhancement thereof.
- f) To review the contracts or purchase orders including civil works and purchase of land alongwith cost benefit analysis exceeding the financial authority of the Managing Director and make recommendations to the Board for approval.
- g) To review and recommend to the Board procurement timelines for goods and services including practices, and strategies to strengthen, streamline and speed-up the procurement process and ensure that the procurement process achieves value for money in delivering the corporate strategy and strategic priorities.
- h) To review the financing strategies including borrowing plans by assessing the requirements with respect to various available options and make recommendations to the Board for approval.
- i) To review the Company's policies and procedures for the procurement of goods, and services on the recommendations of the management for bringing improvement thereof.
- j) Re-appropriation of Capital and Revenue Budget as proposed by the Management.
- k) Where there is a perceived overlap of responsibilities between the Finance and Procurement Committee, the Risk Management & UFG Control Committee and the Board Audit Committee, the respective Committee Chairmen shall have the discretion to agree the most appropriate Committee to fulfill any obligation.
- l) Any other matter entrusted by the Board of Directors.

The composition of the Finance and Procurement Committee, category, detail of meetings and Directors' attendance are given below:

FINANCE AND PROCUREMENT COMMITTEE					
Sr. No.	Name	Designation	Category	Total No. of Meetings*	No. of Meetings Attended
01	Mr. Manzoor Ahmed	Chairman	Non-Executive	08	08
02	Mr. Abrar Ahmed Mirza	Member	Non-Executive	04	04
03	Mr. Ahmad Aqeel **	Member	Non-Executive	01	01
04	Mr. Ali Tahir	Member	Non-Executive	08	07
05	Syed Akhtar Ali	Member	Independent / Non-Executive	08	08
06	Mr. Mohammad Haroon	Member	Independent / Non-Executive	08	08
07	Mr. Muhammad Anwar-ul-Haq Azad	Member	Non-Executive	03	03
08	Dr. Sohail Razi Khan	Member	Independent / Non-Executive	08	08
09	Syed Zakria Ali Shah	Member	Non-Executive	01	01

* Held during the period the concerned Director was member of the Finance and Procurement Committee.

** The Membership of Mr. Ahmad Aqeel remained suspended from the F&PC during the period, however, he attended one F&PC meeting on special invitation during the period.





Human Resource, Remuneration & Nomination Committee

Procedure:

1. Number of Members 05
2. Committee will meet at least once in a quarter.
3. Quorum will be three members.
4. The Secretary of the Human Resource & Remuneration Committee will circulate the agenda and relevant supporting data, minimum seven days before the meeting and will furnish minutes of the meeting to the Board Members within fourteen days of the meeting.

Objective & Responsibilities:

The Committee will be responsible for making recommendations to the Board for maintaining:

1. Sound human resource management policies;
2. Effective employees development policies;
3. Sound compensation and benefit, policies and practices, designed to attract and retain talent needed to manage the business effectively.

- a) Review organization structure periodically to:
 - i. Evaluate and recommend for approval of changes in organization, functions, and relationships affecting Management positions equivalent in importance to those on the Management position schedule;
 - ii. Determine appropriate limits of authority and approval procedures for personnel matters requiring decision at different level of Management.
- b) Review the employees development system to ensure that it:
 - i. Foresees the Company's Senior Management requirement;
 - ii. Succession policy for Senior Management positions;
 - iii. Training and development policies.
- c) Compensation and Benefits to ensure talent retention:
 - i. Review data of competitive compensation practices and review and evaluate policies and programs through which the corporation/ company compensates its employees;
 - ii. Review salary ranges, compensation for MD/CEO and Senior Management reporting to the MD/CEO.
- d) To recommend to the Board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the Board which shall normally include to the level of SGM below the chief executive)officer level;
- e) To undertake, annually, a formal process of evaluation of performance of the Board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing therein name and qualifications of such consultant and major terms of his / its appointment;
- f) To recommend to the Board the selection, evaluation, development, compensation (including retirement benefits) of MD/ CEO , Chief Financial Officer, Company Secretary, and head of internal audit and up to GMs;
- g) To consider and accord approval on recommendations of MD / Chief Executive Officer on such matters for key management positions who report directly to MD / Chief Executive Officer or Chief Operating Officer;
- h) where human resource and remuneration consultants are appointed, they shall disclose to the committee, their credentials and as to whether they have any other connection with the Company.

The composition of the Human Resource, Remuneration & Nomination Committee, category, detail of meetings and Directors' attendance are given below:

Human Resource, Remuneration & Nomination Committee*					
Sr. No.	Name	Designation	Category	Total No. of Meetings**	No. of Meetings Attended
01	Ms. Roohi Raees Khan	Chairperson	Independent / Non-Executive	12	12
02	Syed Zakria Ali Shah	Chairman***	Non-Executive	01	01
03	Mr. Ali J. Hamdani	Member	Executive / Managing Director	05	05
04	Mr. Amer Tufail	Member	Executive / Managing Director	04	04
05	Mr. Abrar Ahmed Mirza	Member	Non-Executive	01	01
06	Syed Akhtar Ali	Member	Independent / Non-Executive	02	02
07	Mr. Manzoor Ahmed	Member	Non-Executive	12	12
08	Mr. Mohammad Haroon	Member	Independent / Non-Executive	13	13
09	Mr. Muhammad Haroon-ur-Rafique	Member	Non-Executive	02	02
10	Mr. Muhammad Sualeh Ahmed Faruqi	Member	Non-Executive	13	11
11	Mr. Sajid Mehmood Qazi	Member	Non-Executive	07	07
12	Dr. Sohail Razi Khan	Member	Independent / Non-Executive	12	12

* The Human Resource & Remuneration Committee was merged with Nomination Committee during the year.

** Held during the period the concerned Director was member of the Human Resource, Remuneration & Nomination Committee.

*** Chairman of the Nomination Committee.





Risk Management & UFG Control Committee

Procedure:

1. There shall be minimum five (5) and maximum eight (8) members of the Risk Management and UFG Control Committee.
2. Quorum will be three members.
3. The Committee shall meet as frequently as required.
4. The Secretary of the Risk Management and UFG Control Committee will circulate the agenda and relevant supporting data, minimum seven days before the meeting and will furnish minutes of the meeting to the Board Members within fourteen days of the meeting.

Objective & Responsibilities:

A. The Risk Management related responsibilities:

The Committee is entrusted to carry out a review of effectiveness of risk management procedures and present a report to the Board. The scope shall inter alia include:

1. To review and approve the procedures laid down by

the Management about risk assessment and the Company's capability to identify and manage current and new Principal Risk Categories.

2. To review and approve the identification of Strategic; Compliance; Operational and Financial Risks (Principal Risks) to the Company by the Management and approve the strategy devised by the Management to mitigate the Principal Risks.
3. To identify internal and external risk trends and concentrations and to consider reports on the nature and extent of the risks being faced by the Company, likelihood of their recurrence and their individual and cumulative impact on the Company's key performance matrix.
4. To assess whether the Company's current exposure to the risks it faces is acceptable and, if not, the ability to reduce such exposure by reference to risk treatment and mitigation options.
5. To review and approve the statements included in the Company's Annual Report and Accounts in relation to the Company's "Principal risks and

uncertainties" and the internal controls and assurance in place within the Company for the identification and management of risk.

6. To advise the Board on the Company's overall risk appetite and tolerance/resilience within and outside Principal Risk Categories, taking account of the current and prospective macro-economic, financial, political, business and sector environments.
7. To oversee and advise the Board on the current risk exposures of the Company within and outside the Principal Risk Categories and advise on the Company's future risk strategy.
8. To provide appropriate extent of disclosure of Company's risk framework and internal control system in Directors report.
9. Where there is a perceived overlap of responsibilities between other sub-committees of the Board, the respective Committees' Chairmen shall have the discretion to agree the most appropriate Committee to fulfill any obligation.

B. The UFG Control related responsibilities:

The scope shall inter alia include:

1. Review the Management's plan to minimize the UFG losses on periodic basis and present the same to the Board for approval along with its recommendations.
2. Monitor the performance of Management in reduction of UFG.
3. Review status of UFG of the Company.
4. Recommend Company's position vis a vis Government and the Authority regarding different issues.
5. Recommend incentive schemes, policies etc. for reduction of UFG.
6. To review issues pertaining to UFG and Key Monitoring Indicators (KMIs) set by OGRA and guide the Management.

The composition of the Risk Management & UFG Control Committee, category, detail of meetings and Directors' attendance are given below:

Risk Management & UFG Control Committee*					
Sr. No.	Name	Designation	Category	Total No. of Meetings**	No. of Meetings Attended
01	Ms. Roohi Raees Khan	Chairperson	Independent / Non-Executive	04	04
02	Mr. Ali J. Hamdani	Member	Executive / Managing Director	04	04
03	Syed Akhtar Ali	Member	Independent / Non-Executive	04	04
04	M. Ali Tahir	Member	Non-Executive	03	02
05	Mr. Mohammad Haroon	Member	Independent / Non- Executive	04	04
06	Mr. Muhammad Anwar-ul-Haq Azad	Member	Non-Executive	01	01
07	Mr. Muhammad Haroon-ur-Rafique	Member	Non-Executive	02	02
08	Mr. Muhammad Sualeh Ahmad Faruqui	Member	Non-Executive	04	04
09	Mr. Sajid Mehmood Qazi	Member	Non-Executive	02	02
10	Dr. Sohail Razi Khan	Member	Independent / Non-Executive	04	04

* The Risk Management Committee was merged with UFG Control Committee during the year.

** Held during the period the concerned Director was member of the Risk Management and UFG Control Committee.

UFG Control Committee*					
Sr. No.	Name	Designation	Category	Total No. of Meetings**	No. of Meetings Attended
01	Ms. Roohi Raees Khan	Chairperson	Independent / Non-Executive	04	04
02	Mr. Amer Tufail	Member	Executive / Managing Director	04	03
03	Syed Akhtar Ali	Member	Independent / Non-Executive	04	04
04	M. Ali Tahir	Member	Non-Executive	04	04
05	Mr. Mohammad Haroon	Member	Independent / Non-Executive	04	04
06	Mr. Muhammad Sualeh Ahmad Faruqui	Member	Non-Executive	04	03
07	Mr. Sajid Mehmood Qazi	Member	Non-Executive	02	02
08	Dr. Sohail Razi Khan	Member	Independent / Non-Executive	04	04

Risk Management Committee*					
Sr. No.	Name	Designation	Category	Total No. of Meetings**	No. of Meetings Attended
01	Mr. Abrar Ahmed Mirza	Chairman	Non-Executive	01	01
02	Syed Akhtar Ali	Member	Independent / Non-Executive	01	01
03	Mr. Manzoor Ahmed	Member	Non-Executive	01	01
04	Mr. Mohammad Haroon	Member	Independent / Non- Executive	01	01
05	Dr. Sohail Razi Khan	Member	Independent / Non-Executive	01	01

* The Risk Management and UFG Control Committee was changed during the year as Risk Management Committee and UFG Control Committee separately.

** Held during the period the concerned Director was member of the UFG Control Committee.





IT / Digitization Committee

Procedure:

1. There shall be four directors including the Managing Director on the IT/ Digitization Committee.
2. The Committee shall meet as frequently as required.
3. Quorum will be two members.
4. The Secretary of the IT/ Digitization Committee will circulate the agenda and relevant supporting data, minimum seven days before the meeting and will furnish minutes of the meeting to the Board Members.
5. Proposed attendees other than Directors

- DMD (Operations)
- DMD(Services)
- Chief Financial Officer
- GM (IT/MIS)/Secretary to the Committee

Objective & Responsibilities:

The committee is established to develop, Technological innovations and Digitalization in the Company; coordinate and manage the relevant activities across all Company departments and ensure that service improvement and operational efficiency objectives are achieved.

- Review and approve the information technology strategy, priorities and/or structures implemented throughout the Company and its wider group, including the impact of and opportunities from emerging changes in technology for improvement in operations of the Company;
- Review and incorporate new evolving IT technologies to improve internal control environment, streamline processes, and improve the overall operations;
- Review and monitor the Company's information management and data governance framework and systems including any current or future legislative requirements;
- Review Information Technology (IT), Information Security (IS) and Digital Strategies and relevant policies before submission to the Board;
- Review and monitor the ongoing allocation of resources, IT budget and funding required to deliver both the short-term and long-term information technology strategy;
- Ensure appropriate information technology standards and procedures are in place, to include full coverage of any external IT audit requirements;
- Monitor key performance indicators against critical information technology systems and third parties, and ensure actions are taken as necessary;
- Guide and Promote Technological Innovation in Gas Transportation and Distribution and allied area related to Quality, Process and Energy Conservation and Efficiency issues.
- Promote and Guide in the development of Alternative Gas Resources and other Energy Technologies.
- Ensure that resource gaps (people, process & technology) identified by the management are adequately and timely fulfilled.

The composition of the IT/ Digitization Committee, category, detail of meetings and Directors' attendance are given below:

IT / Digitization Committee					
Sr. No.	Name	Designation	Category	Total No. of Meetings*	No. of Meetings Attended
01	Dr. Sohail Razi Khan	Chairman	Independent / Non-Executive	06	06
02	Mr. Ali J. Hamdani	Member	Executive / Managing Director	03	02
03	Mr. Abrar Ahmed Mirza	Member	Non-Executive	03	03
04	Syed Akhtar Ali	Member	Independent / Non-Executive	06	06
05	Mr. Muhammad Anwar-ul-Haq Azad	Member	Non-Executive	01	01
06	Mr. Muhammad Haroon-ur-Rafique	Member	Non-Executive	02	02
07	Mr. Sajid Mehmood Qazi	Member	Non-Executive	02	02
08	Syed Zakria Ali Shah	Member	Non-Executive	02	02

* Held during the period the concerned Director was member of the IT / Digitization Committee.



Statement of Compliance

With the Public Sector Companies (Corporate Governance) Rules, 2013 and Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: Sui Northern Gas Pipelines Limited

Name of the line Ministry: Ministry of Energy (Petroleum Division)

For the year ended: June 30, 2023

I. This statement is being presented to comply with the Public Sector Companies (Corporate Governance) Rules, 2013 (hereinafter called "the Rules") issued for the purpose of establishing a framework of good governance, whereby a public sector company is managed in compliance with the best practices of public sector governance as well as Listed Companies (Code of Corporate Governance) Regulations, 2019.

II. The Company has complied with the provisions of the Rules in the following manner:

Sr. No.	Provision of the Rules	Rule No.	Yes	No																																				
1.	The independent directors meet the criteria of independence, as defined under the Rules.	2(d)	✓																																					
2.	<div>The Board has at least one-third of its total members as independent directors. As at June 30, 2023 the Board includes the following except one casual vacancy:</div> <table><thead><tr><th>Name</th><th>Category</th><th>Date of appointment</th></tr></thead><tbody><tr><td>1. Ms. Roohi Raees Khan</td><td>Independent/Non-Executive</td><td>06/07/2020</td></tr><tr><td>2. Mr. Amer Tufail*</td><td>Executive</td><td>24/06/2023</td></tr><tr><td>3. Dr. Sohail Razi Khan</td><td>Independent/Non-Executive</td><td>06/07/2020</td></tr><tr><td>4. Mr. Mohammad Haroon</td><td>Independent/Non-Executive</td><td>06/07/2020</td></tr><tr><td>5. Syed Akhtar Ali</td><td>Independent/Non-Executive</td><td>21/07/2020</td></tr><tr><td>6. Mr. Manzoor Ahmed</td><td>Non-Executive</td><td>06/07/2020</td></tr><tr><td>7. Mr. Ahmad Aqeel</td><td>Non-Executive</td><td>06/07/2020</td></tr><tr><td>8. Mr. Muhammad Sualeh Ahmed Faruqi</td><td>Non-Executive</td><td>24/08/2020</td></tr><tr><td>9. Mr. Abrar Ahmed Mirza</td><td>Non-Executive</td><td>16/03/2023</td></tr><tr><td>10. Mr. Ali Tahir</td><td>Non-Executive</td><td>07/09/2022</td></tr><tr><td>11. Mr. Shahbaz Tahir Nadeem</td><td>Non-Executive</td><td>24/06/2023</td></tr></tbody></table> <div>*The number of elected directors on the Board is Eleven (11) whereas the Managing Director is a “deemed director” under section 188(3) of the Companies Act, 2017.</div>	Name	Category	Date of appointment	1. Ms. Roohi Raees Khan	Independent/Non-Executive	06/07/2020	2. Mr. Amer Tufail*	Executive	24/06/2023	3. Dr. Sohail Razi Khan	Independent/Non-Executive	06/07/2020	4. Mr. Mohammad Haroon	Independent/Non-Executive	06/07/2020	5. Syed Akhtar Ali	Independent/Non-Executive	21/07/2020	6. Mr. Manzoor Ahmed	Non-Executive	06/07/2020	7. Mr. Ahmad Aqeel	Non-Executive	06/07/2020	8. Mr. Muhammad Sualeh Ahmed Faruqi	Non-Executive	24/08/2020	9. Mr. Abrar Ahmed Mirza	Non-Executive	16/03/2023	10. Mr. Ali Tahir	Non-Executive	07/09/2022	11. Mr. Shahbaz Tahir Nadeem	Non-Executive	24/06/2023	3(2)	✓	
Name	Category	Date of appointment																																						
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11. Mr. Shahbaz Tahir Nadeem	Non-Executive	24/06/2023																																						
3.	The directors have confirmed that none of them is serving as a director on more than five public sector companies and listed companies simultaneously, except their subsidiaries.	3(5)	✓																																					
4.	The appointing authorities have applied the fit and proper criteria given in the Annexure in making nominations of the persons for election as board members under the provisions of the Act.	3(7)	✓																																					
5.	The Chairperson of the board is working separately from the Chief Executive of the Company.	4(1)	✓																																					
6.	The Chairperson has been elected by the Board of Directors except where Chairperson of the Board has been appointed by the Government.	4(4)	✓																																					
7.	The Board has evaluated the candidates for the position of the chief executive on the basis of the fit and proper criteria as well as the guidelines specified by the Commission, except where Chief Executive has been nominated by the Government.	5(2)	✓																																					

Sr. No.	Provision of the Rules	Rule No.	Yes	No
8.	(a) The Company has prepared a "Code of Conduct" to ensure that professional standards and corporate values are in place. (b) The Board has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures, including posting the same on the Company's website: www.sngpl.com.pk (c) The Board has set in place adequate systems and controls for the identification and redressal of grievances arising from unethical practices.	5(4)	✓ ✓ ✓	
9.	The Board has established a system of sound internal control, to ensure compliance with the fundamental principles of probity and propriety; objectivity, integrity and honesty; and relationship with the stakeholders, in the manner prescribed in the Rules.	5(5)	✓	
10.	The Board has developed and enforced an appropriate conflict of interest policy to lay down circumstances or considerations when a person may be deemed to have actual or potential conflict of interests, and the procedure for disclosing such interest.	5(5)(b) (ii)	✓	
11.	The Board has developed and implemented a policy on anti-corruption to minimize actual or perceived corruption in the company.	5(5)(b) (vi)	✓	
12.	The Board has ensured equality of opportunity by establishing open and fair procedures for making appointments and for determining terms and conditions of service.	5(5)(c) (ii)	✓	
13.	The Board has ensured compliance with the law as well as the Company's internal rules and procedures relating to public procurement, tender regulations, and purchasing and technical standards, when dealing with suppliers of goods and services.	5(5)(c) (iii)	✓	
14.	The Board has developed a vision or mission statement and corporate strategy of the Company.	5(6)	✓	
15.	The Board has developed significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended, has been maintained.	5(7)	✓	
16.	The Board has quantified the outlay of any action in respect of any service delivered or goods sold by the Company as a public service obligation and has submitted its request for appropriate compensation to the Government for consideration.	5(8)	Not Applicable	
17.	The Board has ensured compliance with policy directions requirements received from the Government.	5(11)	✓	
18.	(a) The Board has met at least four times during the year. (b) Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. (c) The minutes of the meetings were appropriately recorded and circulated.	6(1) 6(2) 6(3)	✓ ✓ ✓	

Statement of Compliance

Sr. No.	Provision of the Rules	Rule No.	Yes	No																											
19.	The Board has monitored and assessed the performance of senior management on annual basis and held them accountable for accomplishing objectives, goals and key performance indicators set for this purpose.	8(2)	✓																												
20.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A party wise record of transactions entered into with the related parties during the year has been maintained.	9	✓																												
21.	(a) The Board has approved the profit or loss account for, and Statement of Financial Position as at the end of, the first, second and third quarter of the year as well as the financial year end. (b) In case of Listed Public Sector Company, the Board has prepared half yearly accounts and undertaken limited scope review by the auditors. (c) The Board has placed the annual financial statements on the Company's website.	10	✓ ✓ ✓																												
22.	All the Board members underwent an orientation course arranged by the company to apprise them of the material developments and information as specified in the Rules.	11	✓																												
23.	a) The Board has formed the requisite committees, as specified in the Rules. b) The committees were provided with written term of reference defining their duties, authority and composition. c) The minutes of the meetings of the committees were circulated to all the Board members. d) The committees were chaired by the following non-executive directors: <table border="1"><thead><tr><th>Committee</th><th>Number of Members</th><th>Name of Chair</th></tr></thead><tbody><tr><td>1. Board Audit Committee</td><td>05</td><td>Syed Akhtar Ali</td></tr><tr><td>2. Human Resource & Remuneration Committee</td><td>06</td><td>Ms. Roohi Raees Khan</td></tr><tr><td>3. Finance & Procurement Committee</td><td>06</td><td>Mr. Manzoor Ahmed</td></tr><tr><td>4. Risk Management & UFG Control Committee</td><td>07</td><td>Ms. Roohi Raees Khan</td></tr><tr><td>5. UFG Control Committee</td><td>07</td><td>Ms. Roohi Raees Khan</td></tr><tr><td>6. Risk Management Committee</td><td>05</td><td>Mr. Abrar Ahmed Mirza</td></tr><tr><td>7. Nomination Committee</td><td>04</td><td>Syed Zakria Ali Shah</td></tr><tr><td>8. IT/Digitization Committee</td><td>03</td><td>Dr. Sohail Razi Khan</td></tr></tbody></table>	Committee	Number of Members	Name of Chair	1. Board Audit Committee	05	Syed Akhtar Ali	2. Human Resource & Remuneration Committee	06	Ms. Roohi Raees Khan	3. Finance & Procurement Committee	06	Mr. Manzoor Ahmed	4. Risk Management & UFG Control Committee	07	Ms. Roohi Raees Khan	5. UFG Control Committee	07	Ms. Roohi Raees Khan	6. Risk Management Committee	05	Mr. Abrar Ahmed Mirza	7. Nomination Committee	04	Syed Zakria Ali Shah	8. IT/Digitization Committee	03	Dr. Sohail Razi Khan	12	✓ ✓ ✓ ✓	
Committee	Number of Members	Name of Chair																													
1. Board Audit Committee	05	Syed Akhtar Ali																													
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24.	The board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor, with their remuneration and terms and conditions of employment.	13	✓																												
25.	The Chief Financial Officer and the Company Secretary have requisite qualification prescribed in the Rules.	14	✓																												

Sr. No.	Provision of the Rules	Rule No.	Yes	No																		
26.	The company has adopted International Financial Reporting Standards notified by the Commission in terms of sub-section (1) of section 225 of the Act.	16	✓																			
27.	The directors' report for this year has been prepared in compliance with the requirements of the Act and the Rules and fully describes the salient matters required to be disclosed.	17	✓																			
28.	The directors, CEO and executives, or their relatives, are not, directly or indirectly, concerned or interested in any contract or arrangement entered into by or on behalf of the Company except those disclosed to the Company.	18	✓																			
29.	(a) A formal and transparent procedure for fixing the remuneration packages of individual directors has been set in place and no director is involved in deciding his own remuneration. (b) The annual report of the Company contains criteria and details of remuneration of each director.	19	✓ ✓																			
30.	The financial statements of the Company were duly endorsed by the chief executive and chief financial officer before consideration and approval of the Board audit committee and the Board.	20	✓																			
31.	<div>The Board has formed Board Audit Committee, with defined and written terms of reference, and having the following members:</div> <table><tr><th>Name of Member</th><th>Category</th><th>Professional Background</th></tr><tr><td>Syed Akhtar Ali</td><td>Independent/Non-Executive</td><td>Engineer</td></tr><tr><td>Mr. Mohammad Haroon</td><td>Independent/Non-Executive</td><td>Consultant</td></tr><tr><td>Dr. Sohail Razi Khan</td><td>Independent/Non-Executive</td><td>Consultant</td></tr><tr><td>Mr. Manzoor Ahmed</td><td>Non-Executive</td><td>COO(NIT)</td></tr><tr><td>Mr. Abrar Ahmed Mirza</td><td>Non-Executive</td><td>Government Servant</td></tr></table> <div>The Chief Executive and Chairperson of the Board are not members of the Board Audit Committee.</div>	Name of Member	Category	Professional Background	Syed Akhtar Ali	Independent/Non-Executive	Engineer	Mr. Mohammad Haroon	Independent/Non-Executive	Consultant	Dr. Sohail Razi Khan	Independent/Non-Executive	Consultant	Mr. Manzoor Ahmed	Non-Executive	COO(NIT)	Mr. Abrar Ahmed Mirza	Non-Executive	Government Servant	21(1) and 21(2)	✓	
Name of Member	Category	Professional Background																				
Syed Akhtar Ali	Independent/Non-Executive	Engineer																				
Mr. Mohammad Haroon	Independent/Non-Executive	Consultant																				
Dr. Sohail Razi Khan	Independent/Non-Executive	Consultant																				
Mr. Manzoor Ahmed	Non-Executive	COO(NIT)																				
Mr. Abrar Ahmed Mirza	Non-Executive	Government Servant																				
32.	(a) The Chief Financial Officer, the Chief Internal Auditor, and a representative of the External Auditors attended all meetings of the Audit Committee at which issues relating to accounts and audit were discussed. (b) The Audit Committee met the External Auditors, at least once a year, without the presence of the Chief Financial Officer, the Chief Internal Auditor and other executives. (c) The Audit Committee met the Chief Internal Auditor and other members of the internal audit function, at least once a year, without the presence of Chief Financial Officer and the external auditors.	21(3)	✓ ✓ ✓																			

Statement of Compliance



Sr. No.	Provision of the Rules	Rule No.	Yes	No
33.	(a) The Board has set up an effective internal audit function, which has an audit charter, duly approved by the audit committee. (b) The chief internal auditor has requisite qualification and experience prescribed in the Rules. (c) The internal audit reports have been provided to the external auditors for their review.	22	✓ ✓ ✓	
34.	The external auditors of the company have confirmed that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as applicable in Pakistan.	23(4)	✓	
35.	The auditors have confirmed that they have observed applicable guidelines issued by IFAC with regard to provision of non-audit services.	23(5)	✓	

Additional disclosures as required under Listed Companies (Code of Corporate Governance) Regulations, 2019:

- a. The total number of directors are 11 including Chief Executive Officer as per the following, except one casual vacancy.
 - i) Male: 10 members
 - ii) Female: 1 member
- b. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Act and regulations.
- c. The Company is complying with Code of Corporate Governance regarding Directors Training Program.
- d. The meetings of the Board Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the Committee have been formed and advised to the Committee for compliance.
- e. The meetings of the Board were presided over by the Chairperson and, in her absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulation of minutes of meeting of board.

- f. The Board has formed committees comprising members given below:

A Board Audit Committee	B Human Resource & Remuneration Committee	C Nomination Committee	D Finance & Procurement Committee
Syed Akhtar Ali <i>Chairman</i>	Ms. Roohi Raees Khan <i>Chairperson</i>	Syed Zakria Ali Shah <i>Chairman</i>	Mr. Manzoor Ahmed <i>Chairman</i>
Mr. Abrar Ahmed Mirza	Mr. Amer Tufail, MD	Syed Akhtar Ali	Mr. Abrar Ahmed Mirza
Mr. Manzoor Ahmed	Mr. Manzoor Ahmed	Mr. Mohammad Haroon	Syed Akhtar Ali
Mr. Mohammad Haroon	Mr. Mohammad Haroon	Mr. Muhammad Sualeh Ahmed Faruqui	Mr. Ali Tahir
Dr. Sohail Razi Khan	Mr. Muhammad Sualeh Ahmed Faruqui		Mr. Mohammad Haroon
	Dr. Sohail Razi Khan		Dr. Sohail Razi Khan

E Risk Management & UFG Control Committee	F UFG Control Committee	G Risk Management Committee	H IT / Digitization Committee
Ms. Roohi Raees Khan <i>Chairperson</i>	Ms. Roohi Raees Khan <i>Chairperson</i>	Mr. Abrar Ahmed Mirza <i>Chairman</i>	Dr. Sohail Razi Khan <i>Chairman</i>
Syed Akhtar Ali	Mr. Amer Tufail, MD	Syed Akhtar Ali	Mr. Abrar Ahmed Mirza
Mr. Mohammad Haroon	Syed Akhtar Ali	Mr. Manzoor Ahmed	Syed Akhtar Ali
Dr. Sohail Razi Khan	Mr. Ali Tahir	Mr. Mohammad Haroon	
Mr. Sajid Mehmood Qazi	Mr. Mohammad Haroon	Dr. Sohail Razi Khan	
Mr. Muhammad Sualeh Ahmed Faruqui	Mr. Muhammad Sualeh Ahmed Faruqui		
Mr. Ali Tahir	Dr. Sohail Razi Khan		

- g. The frequency (yearly) of meetings of the Committee's were as per following:

Committee's Name	Frequency of Meetings (Yearly)
Board Audit Committee	12
Human Resource & Remuneration Committee	12
Finance and Procurement Committee	8
Risk Management & UFG Control Committee	4
UFG Control Committee	4
Risk Management Committee	1
Nomination Committee	1
IT/Digitization Committee	6

- h. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
- i. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- j. We confirm that all other material principles enshrined in the CCG have been complied with.



(Amer Tufail)
Managing Director/CEO

Lahore
July 26, 2024



(Muhammad Ismail Qureshi)
Chairman - BOD

Notice of 59th Annual General Meeting



The Notice is hereby given that the 59th Annual General Meeting of the Company will be held on Wednesday, August 21, 2024 at 10:30 a.m. at Pearl Continental Hotel, Lahore for the purpose of transacting the following business:

Ordinary Business:

1. To Confirm the minutes of the Extraordinary General Meeting held on September 30, 2023.
5. To transact any other ordinary business of the Company with the permission of the Chairman.

2. To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended June 30, 2023 together with the Directors' and Auditors' Reports thereon. As required under section 223(7) of the Companies Act, 2017, the Financial Statements of the Company have been uploaded on the website of the Company which can be downloaded from the following link:



(SCAN ME FOR ANNUAL REPORT)

3. To consider and approve payment of cash dividend to the shareholders at the rate of Rs. 4.50 per share of Rs. 10/- each i.e. 45% for the year ended June 30, 2023, as recommended by the Board of Directors.
4. To appoint External Auditors for the year ended June 30, 2024 and to fix their remuneration.

The share transfer books of the Company will remain close from August 14, 2024 to August 21, 2024 (both days inclusive). The members whose names appear in the register of members as at the close of business on August 13, 2024 will qualify for the payment of dividend.

By order of the Board

Imtiaz Mehmood
SGM (Corporate Affairs)/
Company Secretary

Lahore.
July 26, 2024

Notes:

1. Participation In General Meeting

i. Through Electronic Means (Optional/Recommended Via Video Conferencing)

In the light of the relevant guidelines issued by Securities & Exchange Commission of Pakistan (SECP) from time to time latest vide Circular No. 4 dated February 15, 2021 and Circular No. 6 dated March 03, 2021, the shareholders are encouraged to participate in the General Meeting through electronic facility organized by SNGPL. In order to attend the General Meeting through electronic facility, the shareholders are requested to get themselves registered with CDC Share Registrar Services Limited at least 48 hours before the time of General Meeting at cdcsr@cdcsrsl.com or at **Whatsapp number 0321-8200864**.

The entitled shareholders whose name appear on the Books of the Company by close of Business on August 13, 2024 will be treated in time for the purpose of attending the meeting and those shareholders are requested to provide the information as per below format:

Sr. No	Folio Number/ CDC Account No.	Name of the shareholder	CNIC Number	Cell Number	Email address

The details of the electronic facility will be sent to the Shareholders on the email addresses provided by them. The login facility will be opened at 10:00 a.m. on August 21, 2024 enabling the participants to join the proceedings after identification and verification process before joining the meeting which will start at 10:30 a.m. sharp.

ii. Attending Meeting in Person or through Proxies

- All members, entitled to attend and vote at the General Meeting, are entitled to appoint any person in writing as their proxy to attend and vote on their behalf. A legal entity, being a member, may also appoint any person as proxy. However, in case of legal entities, a resolution of the Board of Directors' / Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the legal entity shall be submitted to the Company. The proxy holders are required to produce their original CNIC or original Passport at the time of the meeting.
- The proxy instrument must be completed in all respects and in order to be effective should be



deposited at the Office of the Company Secretary but not later than 48 hours before the time of holding the meeting.

- If any member appoints more than one proxy for any one meeting and more than one instruments of proxy are deposited with the Company, all such instruments of proxy shall be rendered invalid.

Guidelines for CDC Account Holders:

CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

- In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.
- In case of legal entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies

- In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the requirements mentioned below.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

- iii) Attested copies of CNIC or the Passport of the beneficial owners and of the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.
- v) In case of a legal entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

2. Submission of copy of CNIC/NTN Certificate (Mandatory):

Please provide valid copy of CNIC/NTN to our Shares Registrar, in case of physical shareholders and in case of CDC account to its Participant/Investor Account Services

In case of non-availability of CNIC/NTN of shareholders, the Company will be constrained to withhold payment of dividend to shareholders as per Section 243 of the Companies Act, 2017 and Regulation No. 6 of the Companies (Distribution of Dividend) Regulations, 2017.

Physical shareholders are also requested to please update their other particulars i.e. Contact number, email address, residential address etc. through letter appending their signatures.

3. Deduction of Income Tax from Dividend:

Pursuant to the provision of Finance Act the income tax from dividend payment under section 150 of the Income Tax Ordinance, 2001 shall be deducted as per applicable rates for Filers and Non Filers.

All members may check their status from the Active Tax Payers list available on FBR website.

Please note that the Shares Registrar will check status of the members (Filer or Non Filer) from the Active Tax Payers list on the basis of valid CNIC/NTN numbers and would deduct tax as per provisions of the law. Furthermore, in case of Joint holder(s) according to clarification received from Federal Board of Revenue (FBR), withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint holder(s) based on their shareholding proportions. In this regard all shareholders who hold

shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

Sui Northern Gas Pipelines Limited		
Folio /CDC Account No.		
Total No. of Shares held		
Principal Shareholder	Name & CNIC No.	
	Shareholding Proportion (No. of Shares)	
Joint Shareholder	Name & CNIC No.	
	Shareholding Proportion (No. of Shares)	

The above information must reach our Share Registrar by the close of business on August 13, 2024; otherwise it will be assumed that the shares are equally held by Principal Shareholder and Joint Holder(s).

4. Mandatory requirement of Bank Account Details for Electronic Credit of Cash Dividend Payment:

Section 242 of the Companies Act, 2017 stipulates that in case of a listed company, any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. It is requested to provide the information on following format duly signed along with a copy of valid CNIC to your respective CDC Participant / CDC Investor Account Services in case of Book Entry Form or to our Shares Registrar, in case of Physical Form at the earliest.

[illegible]

The e-dividend mandate form is also available on the Company's website: **www.sngpl.com.pk**

5. Circulation of Annual Audited Accounts for the year ended June 30, 2023 to the shareholders through QR enabled code and web-link.

The Securities and Exchange Commission of Pakistan vide SRO No. 389 (I)/ 2023 dated March 21, 2023, has allowed listed companies to circulate their Annual Audited financial statements (i.e. the Annual Balance Sheet and Profit and Loss Account, Auditors Report and Directors' report) to its members through QR enabled code and web-link, which is given below:



Pursuant to the approval of shareholders, the Annual Audited financial statements of the Company for the year ended June 30, 2023, are being circulated to the members through QR enabled code and web-link. However, shareholder may request to provide a hard copy of Annual Accounts.

Those shareholders who desire to receive the Company's Annual Audited Financial Statements through e-mail are requested to fill the requisite form available on Company's website i.e. www.sngpl.com.pk

6. Availability of Annual Audited Financial Statements on the Company's website:

In accordance with the provisions of Section 223(7) of the Companies Act, 2017, the audited financial statements of the Company for the year ended June 30, 2023 are available on the Company's website i.e. www.sngpl.com.pk

7. Conversion of Physical shareholding in Book-Entry Form:

Securities and Exchange Commission of Pakistan has issued directions vide letter No. CSD/ED/Misc./2016/ 639-640 dated March 26, 2021 in the light of Section 72 of Companies Act, 2017 that every existing listed company shall be required to replace its physical shares with Book-Entry Form within the period not exceeding four years from the promulgation of the Act i.e. May 30, 2017. In order to ensure compliance with the aforesaid provision and to be benefited of the holding of shares in Book-Entry Form, all shareholders who still hold shares in physical form are encouraged

to open CDC sub-Account with any of broker or investor account directly with CDC to convert their shares in Book-Entry Form. This will benefit the valued shareholders in many ways, including safe custody/ online trading of shares, easy transfer of ownership, no risk of damage/lost/duplicate shares, instant credit of entitlements (bonus/right issue).

8. Unclaimed Dividends and Shares:

As per the provisions of Section 242 of the Companies Act, 2017, any shares issued or dividend declared by the Company which have remained unclaimed/ unpaid after having completed the stipulated procedure, of three (3) years and more from the date on which it was due and payable, shall be deposited to the credit of Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to SECP after issuance of notices to the shareholders to file their claim. Shareholders of the Company are hereby informed that as per our record there are some unclaimed/uncollected / unpaid dividends and shares. Shareholders who could not collect their dividends/shares are advised to contact the Share Registrar to enquire/ collect about their unclaimed dividend or shares, if any. In case, no claim is lodged, the Company shall proceed to deposit the unclaimed/ unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of Companies Act, 2017.

Registered Office

Gas House, 21-Kashmir Road,
P.O. Box No. 56, Lahore (Pakistan),
Tel No.: +92-42-99201451-60, 99201490-99
Fax No.: +92-42-99201369, 99201302
Website: www.sngpl.com.pk

Share Registrar

CDC Share Registrar Services Limited (CDCSRSL)

CDCSRSL Lahore Office:

Mezzanine Floor, South Tower, LSE Plaza,
19-Khayaban-e-Aiwan-e-Iqbal, Lahore (Pakistan)
Tel No.: +92 -42-36362061-66
Fax No.: +92 -42-36300072

CDCSRSL Karachi Office:

CDC House, 99-B, Block B, S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi (Pakistan).
Tel No.: +92-21-111-111-500
Fax No.: +92-21-34326053
Website: www.cdcsrsl.com

Transmission System and Network

As at June 30, 2023





Chairman's Review



Mr. Muhammad Ismail Qureshi
Chairman - Board of Directors



Dear Shareholders,

On behalf of the Board, I am pleased to present your Company's performance during the fiscal year 2022-23. Guided by its strategic vision, the Company achieved notable progress, supported by its continuous reductions in Unaccounted for Gas, growing profitability, connecting discoveries in the challenging terrains of Lakki Marwat adjacent to Bannu/ North Waziristan, comprehensive digitization and optimization of resources across the organization.

The reduction in Unaccounted for Gas (UFG) was particularly remarkable, decreasing from 38.6 bcf to 32.6 bcf, which represents an annualized volumetric reduction of over 15%. The digitization efforts included extensive process automation and the development of interactive dashboards, facilitating availability of precise and accurate information for timely decision-making. During the year, your Company continued to earn a handsome Profit after tax of Rs. 10,564 million, with an Earning Per Share (EPS) of Rs. 16.66, marking an increase from Rs. 10,366 million and an EPS of Rs. 16.34 from the previous financial year.



The development of digital maps for our pipeline network and associated features using Geographic Information System (GIS) technology is revolutionizing our operations. This cutting-edge approach not only enhances our efficiency but also empowers us to address consumer complaints with precision and provide targeted solutions. By leveraging GIS technology, our Company is advancing in a multi-disciplinary manner, setting new standards in service delivery and operational excellence. The Company successfully began utilizing discoveries in the challenging terrains of Lakki Marwat adjacent to Bannu/North Waziristan to the SNGPL network, laying the groundwork for future connectivity in the region.

SNGPL stands at the forefront of the energy sector, playing a pivotal role in driving the nation's economic engine. As a leading energy utility company, it not only meets the energy demands of major industrial and commercial consumers but also improves the lives of over 7.5 million households in environmentally and socially responsible way. Through its continuous commitment to excellence and innovation, SNGPL is a cornerstone in the energy mix of the country, fueling growth and prosperity. Your Company remains committed to continue its leading role.

Your Company steers in a highly regulated landscape where the control over gas purchase and sale prices is dictated by a given policy framework, leaving limited margin towards profitability. With the Federal Government and its institutions holding a majority stake, the Company is obliged to align with the socio-economic agenda of the Federal Government with its operations. This unique position requires the balance between compliance and operational success, making strategic adaptability crucial for the Company.

The Directors and Management of the Company are fully cognizant of excellence required in the areas of consumer services, improving accountability framework across the organization, completion of micro level management at TBS level and enhancing digital footprint of the Company.

To ensure sustainability and drive strategic growth, your Company is actively exploring diversification to establish

steady and varied revenue streams. This strategic pivot includes significant advancements in the supply of LPG cylinders and ambitious plans for vertical integration and as part of green initiatives solarization in various offices across the organization. These initiatives pave the way for the Company's long-term financial prosperity. Through these forward-thinking efforts, your Company is positioning itself as a leader in the energy sector, committed to innovation, resilience and transitioning to sustainability.

Fully aware of the challenges that lie ahead, the Board remains steadfast in its efforts to lend its full support to enhance country's progress. With that in view, the Board is committed that robust corporate governance is essential for enhancing accountability and upholding the highest standards of corporate governance to safeguard the stakeholders' interest.

I would like to thank all stakeholders in general and the employees of the Company in particular for their support, loyalty, perseverance, and commitment. Your faith in these challenging times and showing positive results in a difficult business and economic environment deserve appreciation. I also extend my deepest gratitude for the guidance and steadfast support from the Government of Pakistan, the Ministry of Energy (Petroleum Division), and the Oil & Gas Regulatory Authority (OGRA).

On behalf of the Board, I pray for the continued sustainable success and growth of the Company and the well-being of all of its stakeholders.

(Muhammad Ismail Qureshi)
Chairman - Board of Directors

Lahore.
July 26, 2024

Directors' Report



Mr. Amer Tufail
Managing Director / CEO

The Board of Directors are pleased to present the 60th Annual Report including the Audited Financial Statements of your Company for the Financial Year ended June 30, 2023 along with the Auditors' Report.

Financial Review

We are pleased to present the audited financial statements of your Company for the year ended June 30, 2023, incorporating the Final Revenue Requirements (FRR) determined by the Regulator for the FY 2022-23. During this period your Company earned a profit before tax of Rs. 15,772 million. The Profit after tax for the year stood at Rs. 10,564 million, with an earnings per share EPS of Rs. 16.66 per share as compared to the profit after tax of Rs. 10,366 million and EPS Rs. 16.34 per share during the corresponding period.

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

	(Rs. in million)
Profit before taxation	15,772
Provision for taxation	(5,208)
Profit after taxation	10,564

Some of the significant factors that have contributed to maintain the profit stream of your Company are set out below:

a) Un accounted for gas (UFG) decreased from 5.58% to 5.15% (i.e. reduced by 0.43%) with Unaccounted for Gas volumes declining from 38.5 BCF to 32.6 BCF (i.e. reduced by 5.9 BCF). Out of total 16 regions, UFG of 7 regions is below 4% while 4 regions are below 6.25%. This significant reduction in UFG was achieved under the continuous guidance of the Board, including setting ambitious UFG reduction targets and consistent monitoring.

b) From 2022-23, the regulator revised parameters for Company's UFG benchmark setting separate benchmarks for transmission and distribution system, as against the earlier consolidated number for both networks. Company considers that unilateral benchmarking without consulting stakeholders is not in line with the license condition, accordingly matter has been raised with the Regulator. Recognizing the positive contribution of KMI regime in reducing UFG volume, the Regulator has maintained the KMI regime for the distribution system only i.e. setting a fixed 5% benchmark and an additional 2.6% dependent on the progress of KMIs. The benchmark for the transmission system was set at 0.36% and after determining 84% progress of KMIs during the

year, benchmark for distribution network was fixed at 7.18%. The Regulator has assessed indigenous gas UFG as 0.24% for transmission system and 8.33% for Distribution system, resulting in disallowance amounting to Rs. 3,074 million (compared to Rs. 2,498 million in 2022). This increase in disallowance is primarily attributed to the application of new benchmark as explained above and increased cost of gas during the year.

c) Moreover, the Regulator has also excluded volumes of certain consumers from the calculation on the plea that the gas sold to these consumers do not enter the Company's Network. Consequently, UFG losses have been assessed excluding these volumes. However, the Company has taken up the matter with the Regulator.

d) Resource optimization through digitalization and other administrative measures continued and your Company managed savings to the tune of nearly Rs. one billion.

Customer Facilitation Services

Customer facilitation lies at the heart of SNGPL's ethos and operational decisions. The winter months present a particular challenge due to soaring demand from around 7.5 million domestic consumers, against limited supplies. To tackle these issues head-on, SNGPL has established an extensive network of 182 complaint centers including 16 Regional Offices, 37 Sub-regional Offices, 42 Customer Service Centers, and 87 independent Complaint Centers across Punjab, Khyber Pakhtunkhwa, Islamabad





Capital Territory, and Azad Jammu & Kashmir.

Despite facing constraints in human resources, SNGPL has proactively addressed this challenge through continuous training programs for its Customer Service personnel and innovative Technology Implementation Programs (TIPs). The company has also embraced digital solutions, closely monitoring consumer complaints lodged via the 'Pakistan Citizen Portal' under the Prime Minister's Performance Delivery Unit (PMDU).

Furthermore, to enhance outreach and responsiveness, SNGPL conducts monthly e-Kacheris across all regions, led by Regional Heads, providing direct access to company leadership. Additionally, the Managing Director oversees regular separate e-Kacheris, ensuring comprehensive supervision of customer services at the company level.

Operational Review

The transmission network of your Company has expanded to 9,239 KMs high pressure pipelines, ranging from 6 inches to 42 inches in diameter, across its franchise area. During the year, 108 new towns and villages were connected with the existing system by laying 2,916 KMs of distribution mains and service lines, extending the network to a total of 149,242 KMs. Currently, a total of 5,500 towns, villages, District Head Quarters and Tehsil Head Quarters are now part of the Company's network.

Contributions towards UFG Control

UFG control is a prime concern for the Company. Guidelines are issued to Distribution regions in the light of directives/decisions of BOD, RM & UFG Control Committee of BOD and the Management from time to time to reduce UFG losses of the company. UFG Reduction Targets are

assigned to distribution regions and monitoring of the same is carried out on monthly basis. The Regional Heads of Distribution Department are responsible for physical execution of various UFG control activities and to control UFG losses in their respective areas of operation through their teams comprising of executives and staff, pertaining to different departments/sections, deputed in regions.

The following major UFG Control activities have contributed toward UFG reduction of the Company:

- Reduction in distribution network UFG losses of Oil & Gas producing areas (Karak etc.) from 4,441 MMCF in FY2021-22 to 3,015 MMCF in FY2022-23 through network Extension and Rehabilitation, provision of legitimate connections and UFG control activities
- Mega projects for de-bottle necking of network in big cities including but not limited to following:
 - Islamabad/Rawalpindi cities: Laying of 45 Kms larger dia lines
 - Lahore city: Construction of 6 new SMSs along with laying of 97.6 Km Transmission and 12.5 Km Distribution Network
 - Gujranwala city: Construction of 2 new SMSs and laying of 8.7 Kms larger dia lines.
- Commenced Micro monitoring of losses at Town Border Stations (TBSs) by installing 902 meters in major UFG loss contributing cities i.e. Lahore, Islamabad, Rawalpindi, Peshawar and Mardan.



- Integration of Transmission and Distribution Network through SCADA for remote monitoring and acquisition of EVC data.
- Segmentation of 11 looped Sales Meter Stations (SMS) Clusters comprising of 39 SMSs to quantify losses under individual SMSs and to take corrective measures.
- Isolation of Industrial clusters from Domestic consumers in Gujranwala, Gujrat, Mardan, Multan and Faisalabad.
- Replacement of 1,551 Kms leaking underground network and rectification of more than 42,000 underground leakages.
- Booking of 1,165 MMCF against 114,177 theft cases and registration of 281 FIRs against gas pilferers.
- Replacement of 517,153 meters has resulted in booking of 5,846 MMCF measurement volume.
- Monitoring of Losses at SMSs (Sales Meter Stations) level.
- Use of Technology for continuous monitoring of site activities through computer-based dashboards.

Ongoing / Future Network Projects

The pipeline projects which remained in progress during the fiscal year ended on June 30, 2023 are given below:

1. 18"dia x 230 Km transmission pipeline from Bannu west well-1 to Daudkhel for receiving gas from Bannu West Well-1. Company has laid upto 155.35 km whereas, 62.05 km of the pipeline has been commissioned during this year.
2. 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, 12.43 KM of the pipeline has been laid, whereas construction activities for 16" dia x 6.50 KM pipeline are likely to commence soon.
3. 10"dia x 20.80 Km transmission pipeline from Charsadda SMS to Khazana SMS is being laid under Phase-I and 10"dia x 24 Km Charsadda-Tangi under Phase-II for addressing low gas pressure issues during winter season in

Mardan and Peshawar. Out of 10" dia x 20.80 Km, Company has laid upto 19.94 Km, whereas survey and Engineering design of Phase-II has been completed during the said year and construction activities are likely to start soon.

4. 8"dia x 22.50 Km transmission pipeline starting from Sheikh Dheri to Yar Hussain for the supply of gas to various villages of NA-12, District Swabi. Company has laid up to 22.50 Km pipeline during the said year.

Geographic Information System

Your Company has developed a digital map of its pipeline system and associated features (including customers, leakages, corrosion control points etc.) through utilization of Geographic Information System (GIS) technology, wherein the transmission system is completely mapped while distribution system mapping is in progress. The enterprise GIS portal enable the management and users to visualize the pipeline network and customers related information through interactive Web-Apps and GIS Dashboards. Notably, the distribution pipeline network's digital mapping



project is in full swing, and Phase 1A (4"–24" dia pipelines) has been 100% completed during the year.

Corrosion Control

Your Company is continuously striving to protect the underground precious MS pipeline network from attack of corrosion through application of coatings and Cathodic Protection (CP) systems. For protection of network, 1,920 CP Stations have been installed and being monitored through 39,633 test points on Distribution and Transmission network. Your Company has ISO-9001:2015 certified Corrosion Control Centre at Kot Lakhpat, Lahore, fully equipped and capable for in-house fabrication & repairing of Transformer / Rectifier units, repairing of CP equipment/ instruments, testing facility of coating materials and related R&D works for development of equipment and software to enhance in-house capabilities in design and economical engineering solutions.



Metering

Your Company is exerting considerable efforts to ensure the accuracy of gas measurements through specialized activities such as inspection, flow proving, calibration of meters/EVCs, and configuration of measurement parameters in EVCs at Meter Shops, adhering to international practices.

Your Company is not only saving costs through the repair and maintenance of domestic, commercial, and industrial meters/ EVCs, but it is also playing a vital role in detecting gas pilferage to curb UFG losses.

Additionally, 15 Domestic Meter Inspection Shops (DMISs) have been established in various regions for the purpose of flow proving and inspection of replaced/ disconnected domestic meters. Furthermore, the construction of DMIS Multan is currently in progress.



During the year 2022-23 Central & Regional Meter Shops have successfully repaired / calibrated 10,856 Nos. Industrial & High-Pressure Commercial Meters, 13,032 Nos. Low Pressure Commercial Meters & 244,186 Nos. Domestic Meters to Regions to achieve OGRA's defined KMIs. Moreover, Meter Inspection Reports of 11,296 Nos. Industrial & High-Pressure Commercial Meters, 13,076 Nos. Commercial Meters and 627,891 Nos. Domestic Meters were also generated and dispatched to Regions.

Furthermore, Accreditation of Central Meter Shop Lahore & Regional Meter Shops (Islamabad, Faisalabad, and Multan) for Testing and Inspection based on ISO 17025; 2005 & ISO 17020:2012 through Pakistan National Accreditation Council (PNAC) is under process. Regional Meter Shop Multan 1st surveillance audit has been conducted against the accreditation of ISO 17020:2012. Moreover, these Meter Shops have been certified against the latest Quality Management System (QMS), namely ISO 9001:2015.

In the past year, surveillance audits were conducted by third-party certification bodies on Central Meter Shop Lahore, Regional Meter Shops in Islamabad, and Domestic Meter Inspection Shops in Multan, Faisalabad, Sahiwal, and Lahore.

In the Fiscal Year 2022-2023, a Transfer Prover Machine for the



flow proving of Industrial/High-Pressure Commercial Gas Meters has been successfully installed and commissioned at the Central Meter Shop in Lahore.

Compression

Your Company owns the largest fleet of gas turbines in the Country, operating 69 Nos. Gas Turbine Driven Compressor packages, with total installed capacity of 226,200 hp, at Company-wide 11 compressor stations, for sustainable supply of gas to National Gas grid. During the Fiscal Year 2022-23, the Company compressed more than 923 BCF RLNG & Indigenous gas at different Compressor Stations. These stations operated 106,478 cumulative operating hours to transmit low & variable pressure gases from different sources, including depleting sources, into Company's Transmission network and maintain stability and uniform system operations amid large swings in demands & supplies.

Compressor Packages Refurbishment & Control System Up-gradation Project:

In order to address the challenges posed by system obsolescence due to technological advancements over the years, the project for compressor package refurbishment & control system up-gradation of 9 nos. Centaur-47 compressor packages (1995 model) was initiated. The project is being executed in two

phases, wherein 5 nos. compressor packages have been successfully up-graded in Phase-I while Phase-II of the project is in progress for upgradation of remaining 4 nos. packages. The benefits achieved from these up-gradations are as follows;

- Operational life is extended for another 15-20 years.
- Overall Fuel efficiency is improved by 12%.
- 100% saving of Service gas on up-graded packages, thereby reducing Green House Gas emissions.
- Through these up-gradations, inventory is standardized resulting in 24% overall reduction in inventory cost.
- System reliability is improved resulting in 100% improvement in MTBF (Mean Time Between Failure) and 44% improvement in MTTR (Mean Time to Recovery) on all up-graded packages.
- Equipment safety is enhanced through implementation of latest Fire Protection System, Vibration Monitoring and Surge Control Systems.

Power Generation & HVAC Project for Head Office Building:

In order to address the obsolescence of Power Generation (PG) & HVAC

system of Head office building, new project was proposed and approved by BOD and the Regulator for replacement of obsolete PG&HVAC system with new and efficient system to cater for electricity and air conditioning requirement of the building.

Gas Turbine Engines Overhauling Project:

Your Company is working on its five-year plan (2021-26) for overhauling of turbine engines and centrifugal compressors, which have completed their TBO (time between overhaul), as per International Standard API-616. Your Company is privileged to be the only authorized Company in Pakistan to overhaul the gas turbines along with technologically advanced testing facility. During FY 2022-23, four (04) Nos. Centaur & Saturn Gas Turbine Engines were overhauled.

Multistage Centrifugal Compressors Field Overhaul:

Your Company is also self-reliant for field overhauling of centrifugal compressors used for gas pressure boosting. In-field overhauling of boost compressors has been carried out to change the rotor dynamics for matching process requirements and maintaining isentropic head and efficiency.

Re-Certification & Implementation of ISO 9001:2015 Quality Management System:

Your Company has the distinction of acquiring the status of ISO 9001:2015 certification from M/s. DAS International (The International Certifying Body), in order to upgrade the processes and activities for the achievements of the quality goals in all of its operations. In this respect, a Quality Policy ensuring the laid down Objectives & Targets in line with international codes & standards, ISO-9001:2015 and ISO-14001:2015 & OHSAS 45001:2018 has been formulated.



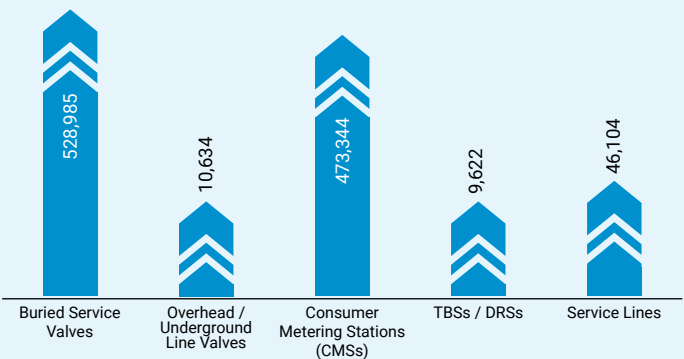
Quality Assurance

Your Company operates under a comprehensive Quality Management System (QMS) certified under ISO 9001:2015 standard. It ensures the implementation of relevant national and international standards, including ASME and API standards, departmental manuals, approved procedures, and specifications across the Company.

Technical audits were conducted across all engineering departments, including Customer Services, to ensure adherence to established standards. Furthermore, stringent inspections were carried out on the distribution and transmission gas network, which include the following activities:

QA Inspection Activities

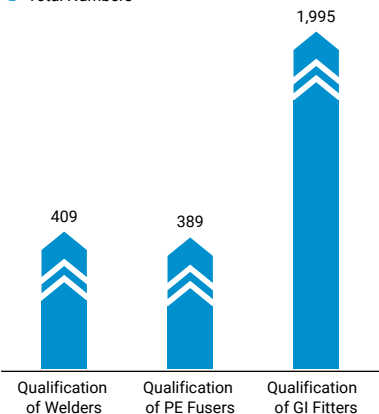
● Total Inspection



Additionally, 900 punch lists (277 for M.S and 623 for P.E) were prepared for transmission and distribution lines. 74,971 bare pipes and 74,640 coated pipes were inspected.

No. of Employees Trained

● Total Numbers



Employee training and qualification were prioritized, with personnel trained and certified at all 15 Nos. Regional Training Centers (RTCs). The training statistics for the fiscal year include:

Telecommunication

Your Company is maintaining a dedicated wireless backbone telecommunication network along Company's Transmission right-of-way (ROW) since the inception of the Company.

During the year under review Telecom Network and SCADA Host System remained operational with zero outage time. Moreover, following special projects and enhancement in network and services were performed:

- A total of 330-nos. TBSs, 7-nos. PODs and 21-nos. SMSs were integrated with SCADA Host.
- Different Dash boards for System Gas Reconciliations were developed for effective vigilance of Pipeline networks and to ensure reduction in UFG. Similarly, Dashboards for Gas Internally Consumed were developed.
- Successful Testing of Industrial Billing was performed for Test Sites.
- Pilot project was successfully implemented for IoT based pressure monitoring at different tail end locations. Project will later be rolled over across the organization.
- In order to cater the increased load on Telecom network due to new applications i.e. GIS, CCNB, bandwidth of Telecom network has been enhanced from 100 Mbps to 400 Mbps at some critical links.
- SCADA has been commissioned at special economic zones Faisalabad, Bhalwal, Allama Iqbal Industrial Estate, M3, and Quad-e-Azam Industrial Estate.
- An in-house R&D for integration of various types of EVCs and RTUs with SCADA Host has been performed and innovative interface with SSGC system for SCADA integration of RLNG Terminals has been developed.
- Installation and configuration of GPRS Modem at Gas sources including Togh field Kohat, Tolanj field and Dhok Hussain field & SMS including SMS Ragi & New SMS Rawat performed.



- Installation of SCADA system at SMS Gujjar Khan, pressure and temperature sensors along with Flow Computer, Radio Transceiver and Solar system were installed by Telecom Team.
- Flow computer installed for SCADA at SMS Pir Sabaq as part of Rashakai SEZ Project. A separate flow computer was also installed at SMS Topi.
- Configured and commissioned IoT instruments in Islamabad and Upstream Pressure transmitter installed and configured at SMS Karak for continuous monitoring and vigilance.
- Provisioning of data service to connect biometric machine at Gali Jagir (C-6) with IT server at Wah using Telecom network.
- Installation and configuration of Satellite system at Bettani (Wali-1) Source for SCADA communication.

Health, Safety, & Environment

An Integrated HSE Management System (IMS) based upon ISO 14001:2015 and ISO 45001:2018 standards is in place in your Company for systematic implementation of

best practices for all operations of the Company.

Compliance of ISO 14001:2015 / ISO 45001:2018 Standards, and industry best practices is monitored through a system of Surveillance audits by third party on bi-annual basis. Successful execution of these audits demonstrates the effectiveness of HSE Management System. Your Company's commitment towards HSE has been highly appreciated by the Independent Auditors.

HSE Trainings are imparted to the Company's Executives and staff with the prime objective to learn, refresh and update HSE knowledge and skill to continually improve on their HSE performance at work. This year training on behavior safety of drivers is much emphasized; a total 2,787 No. of drivers have been trained through NH & MP. Your Company is a member of 'National Safety Council', which is a non-profit organization with mission of saving lives by preventing injuries and deaths at work, in homes and communities. In addition to this, HSE Engineers are members of the International Member of American Society of Safety Professionals (ASSP).

Occupational Health

On spot health screening of employees through usage of



occupational health mobile unit was carried out. To promote health care awareness, this activity is arranged on regular basis. An Occupational Health Mobile Unit is in operation with facilities of pulmonary function test, pure tone audiograms, and eyes refraction. Occupational Health Surveillance results provide us input for adequacy of existing controls and suggest what further controls are required to maintain a healthy productive workforce and safe workplace.

Directors' Report

In addition to this, medical screening tests of Diabetes, Hypertension and Hepatitis B&C are also performed to inform the workers about any infectious and non-communicable disease. Total 13 Nos. occupational health surveillance camps have been arranged during the fiscal year 2022-23.

RO Plants:

Availability of potable water is emphasized at all Company locations. Company spends a reasonable amount for procurement and installation of RO plants for provision of safe drinking water to Company employees. During FY 2022-23, 17 Nos. new RO plants were procured and installed at Company sites including Compressor stations BC-1 Manawala, CC-3 Gali Jagir, FC-1 Dhullian, CC-1 Haranpur, AC-4 Uch Sharif, Sub Office Transmission Kohat, Sub area Shujabad, Sub Area D.G Khan etc.



Fire Prevention

Your Company emphasizes fire safety to ensure mitigation arrangement in case of any fire related emergency through introduction of Fire Extinguishers, Fire Hydrant Systems, Fire Trucks, Fire Alarm and Smoke Detection Systems at all Company offices. During FY 2022-23, fire hydrant system was installed at CC-3 Compressor station Gali Jagir, addressable smoke detection systems are under procurement for Head Office Lahore, Islamabad

Office and Compressor Station AC-6 Multan. 530 Nos. fire extinguishers and 100 Nos. battery operated smoke detectors have been procured during the year.



Personal Protective Equipment

To protect its employees from potential injuries, your Company provides PPEs including safety helmet, coverall, shoes, gloves, face shields etc. During 2022-23 approximately 40,601 No. PPEs were procured and distributed among the staff.



Environmental Monitoring

Conserving environment is a major part of your Company's policy and the requirement of ISO-14001 standard. Environmental Monitoring is carried out of all machines, stacks and vehicles to ensure that all exhaust emissions remain within PEQS / NEQS. The Company has developed / installed an in-house

emission analyzer for monitoring of emissions with state-of-the-art portable equipment's like LANCOM and TESTO 350. Environmental Monitoring of 2447 No. of vehicles, 294 No. of stacks, 388 No. of machines have been carried out in fiscal year 2022-2023. Environmental impacts Assessment is carried out to ensure that activities do not result in degradation of environment.



Noise Monitoring Through Noise Meters

Noise level monitoring is carried out to measure the magnitude of Noise at various Company installations including machinery/ equipment and vehicles. Data collected from Noise level monitoring helps us to understand trends and action is taken to reduce noise pollution.



Illumination Level Survey

Illumination Survey or Lux Level survey is conducted to measure the intensity of light in a space/on a particular work area. Too much bright light, glare, low light or flickering light has a potential hazard towards employee work efficiency. Sufficient Lighting has major impact on performance and efficiency of the employees at workplace.



World Environment Day

World Environment Day was celebrated across the Company on 5th June, 2023. Ceremonies were held in regions and at Head Office demonstrating your Company's commitment for clean environment. The events were attended by employees and their children creating awareness and enthusiasm across the human capital of the Company.



Pink Ribbon Day

Keeping in view the indigenous nature of Breast Cancer in women, the Company organized an awareness session on Breast Cancer Awareness under the title of Pink Ribbon at number of offices across the Company. These events were attended by female employees of the Company.

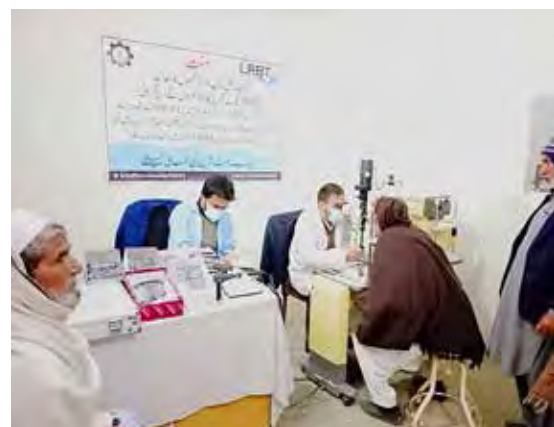
Archive Center

For an effective record management, Company established an archive center for maintaining Company records including record identification, maintenance, retention, storage, access and disposal. Currently 150,000 Nos. (approx.) of files containing Company record are placed at Company's Archive Center.

Online Incident Reporting:

Online Incident reporting gives access to Company executives for timely reporting of accidents which results in early detection of hazards and its mitigation.

Accident Statistics 2022-23		
Sr. No.	Category	Nos.
1	Lost Time Injury	1
2	Fire	4
3	Vehicle	21
4	Third party ruptures	154
5	Near Miss	46
Total		226



Corporate Social Responsibility

Corporate Social Responsibility function in the Company was formally started in 2013. CSR initiatives are mainly focused in the areas of Health, Education and Environment as per Company's approved CSR Policy.

Your Company's Corporate Social Responsibility policy is based on global best practices envisaging management of the business processes by producing an overall positive impact on society and the environment.

CSR policy comply with the guidelines provided by Securities and Exchange Commission of Pakistan (SECP) 2013, new tariff regime for regulated gas sector in Pakistan by OGRA, Principles of United Nations Global Compact (UNGC) - relevant Sustainable Development Goals (SDG's) and Company's vision, mission and business code of conduct.

The Company believes in

1. Business that should be both profitable and beneficial to the society.
2. Improving the quality of life of the communities under developed / under privileged / gas producing areas with priority



Directors' Report

to community residing in 15 Km radius of gas fields.

- Ensuring harmonious relations with our stakeholders, by working in partnership with the community, the Government and NGOs through the principles of Sustainable Development.

The Company incurred expenditure against following projects under Corporate Social Responsibility in FY 2022-23:



Flood Relief Campaign

- Provision of shelters, food items, medicines etc. to flood affectees by utilizing in-house resources.
- Collaboration with NGOs of good repute for disaster relief / rehabilitation activities at flood affected areas.
- Contribution to Prime Minister Flood Relief Fund.



Environment:

- Maintenance cost for 20,000 Nos. saplings planted at Kalpani Top (Lower Dir) has been disbursed to Forest Department Khyber Pakhtunkhwa.



Ration Distribution Drive:

- In wake of economic slowdown and inflation in the Country, your Company extended its support for special project of National importance by initiating a ration distribution drive for provision of 10,000 Nos. ration bags to needy and deserving Citizens

Awards:

- National Forum for Environment & Health (NFEH) 12th Annual Fire Safety Award 2022;
- National Forum for Environment & Health (NFEH) 19th Annual Environment Excellence Awards 2022; and
- National Forum for Environment & Health (NFEH) 15th Annual Corporate Social Responsibility Award 2023.



Information Technology and Digitization

Your Company has consistently demonstrated excellence, showcasing its proficiency in ensuring a robust technology infrastructure, effectively managing information assets, and delivering services, facilitating business users as well as customers.

Major projects completed during the year include:

- **Vehicle Tracking System**
- **Enhancements in Mobile Apps**
 - Company Mobile App ConnectOn for Consumers (Android/IOS)
 - Mobile App for LPG Sales
 - Bill App for employees
- **Enhancements in ERP system**
 1. The ERP application has been successfully upgraded to the latest version i.e. Oracle EBS 12.2. The upgraded version provides functionality advancements, streamlined installation, operational efficiency, and enhanced performance.
 2. Multi-Factor Authentication (MFA) for EBS users for secure login has also been introduced. The user receives OTP on the official email address to access the application.
- **Document Management System**
Pilot Project of the Document Management System (DMS) has been successfully implemented at the Head Office across all departments to digitize office correspondence documents hence making document tracking easy and efficient. Automation and digitization of overtime is also in process.



- **Digitization of Land Records**
Land Record Management System has been developed to keep track of land records and payments made against the awarded/mutated land. The system is fully integrated with GIS.

Billing

Your Company remains committed in providing transparent and credible billing services to its valued consumers. Emphasis is given to ensure timely and accurate billing, maximum recovery and provision of quality customer service. Your Company is leaving no stone unturned to resolve non-billing and other meter reading related matters



through prompt action and decision making. Special emphasis is given in dealing with recovery related issues to improve Company's cash flows.

In this era of digital transformation, your Company has exerted its vital role by providing our valued consumers facility to get their gas bills through e-mail. Furthermore, for expeditious and prompt response, comprehensive OGRA complaints management system development has also been rolled over across the Company.

Your Company is making all-out efforts to ensure that any anomaly, defect or violation observed at site should be reported on expeditious basis for prompt remedial action to safeguard Company's financial interest. Accordingly, over 1.8 million different reports were generated during FY 2022-23. Resultantly, over 650,000 cases of theft / non-theft charges were finalized and incorporated in system. This led to booking of over 1,150 MMCF theft volume and 5,800 MMCF non-theft volume, cumulatively amounting to over Rs. 10 billion.

Moreover, concerted efforts resulted in recovery of additional security amounts to secure receivables and combat the fear of unpredictable default by consumers. As a result of these efforts, the total cash

Directors' Report

securities/ bank guarantees maintained by the Company increased by over Rs. 8.6 billion in FY 2022-23. Provisions of Gas (Theft Control and Recovery) Act, 2016 are being invoked, specially seeking support from Land Revenue Authorities, SECP and other organizations etc. under section 27(2) to ensure maximum recovery against defaulters.



Liquified Petroleum Gas (LPG)

Your Company has made a strategic decision to embark on the LPG cylinder distribution business to cope with the shortage of natural gas. This novel venture aimed to augment service delivery through provision of LPG cylinders to the tail-end low-pressure and off-grid consumers. Moreover, an exclusive customer service call center is functioning 24/7 to register customer orders.

Another landmark achievement of your Company is the successful commissioning and commencement of operations of its flagship LPG Air Mix Plant at Gilgit. In this regard, consumer connection activity is in full swing and upstream supply of LPG has been assured to streamline operational utilization of plant by entering into LPG supply agreement with M/s. OGDCL.



Human Resource Development

Your Company firmly uphold the belief that our people are our greatest asset. Throughout 2023, our unwavering dedication remained focused on nurturing the growth and development of our human resources through a diverse array of initiatives aimed at enriching their skills, knowledge, and overall well-being. The strength of Executives & Non-Executives, both Operations wise and Projects wise, as on 30th June, 2023 is as under:

	Executive	Non-Executive	Total
Operations	1,380	6,602	7,982
Projects	95	205	300
Total	1,475	6,807	8,282

In fiscal year 2022-2023, the Company prioritized Human Resource Development by conducting training needs assessments to address skill gaps among employees. In-house leadership development programs focused on empowering future leaders and promoting upward mobility. Potential Assessment Tests for 699 executives, facilitated by a reputable HR consultant, to evaluate competencies were conducted. Insights from these assessments informed tailored training initiatives to foster growth.

i. Corporate Culture

The Company's ability to execute its long-term strategy hinges on its culture and capabilities in the evolving energy sector. Your Company is committed to enhancing corporate culture through HR best practices and talent management to foster a positive work environment. Committed to the SoEs Act 2023, the Company upholds principles of integrity, objectivity, and high ethical standards. Your Company is revamping HR practices to improve motivation, communication, collaboration, and innovation. Regular internal





and external assessments align the Company with industry trends and best practices.

ii. Gender Diversity

Your Company is an equal opportunity employer and believes in gender diversity and inclusiveness. We derive strength from our employees who hail from areas all across Pakistan. The employees belonging to different areas, genders, religion and ethnic origin work together for achieving organizational goals. All policies, and procedures are aimed at ensuring that all decisions made in relation to appointments, promotions, transfers, training opportunities and performance assessments are made entirely on merit alone. It is ensured that no employee is discriminated on the grounds of their race, nationality, ethnic/ social origin, religious or political beliefs, age, gender, marital status or disability.

Your Company has grade wise pay scales for both executive and subordinate cadres that are approved by the Board. It is confirmed that no discrimination is made among employees on the basis of gender, region, religion or ethnic origin in service matters. The salary of employees may vary on the basis of performance and length of service however, there is no discrimination on the basis of gender. Performance, qualification and length of service

are the only factors that may lead to any variance in salary of employees of same grade.

Present gender pay gap (male to female) based on salary of full-time employees in the Company is:

Cadre	Mean Gender Pay Gap	Median Gender Pay Gap
Executive	11%	10%
Subordinate	37%	41%

Percentage gap in Subordinate cadre is high since it covers both white collar and blue-collar work and this cadre predominantly comprises of male employees (98% in Subordinate cadre) as female employees are not engaged on blue collar/ field work.

Additionally, your Company maintains a zero-tolerance policy towards harassment, reaffirming our commitment to safeguarding the rights and well-being of all employees.

iii. Industrial Relations

Your Company is committed to fostering a positive and collaborative relationship with the Collective Bargaining Agreement (CBA) to ensure a conducive working environment and promote industrial harmony within the organization. Through careful and determined efforts from both the Management

and the CBA, industrial peace was maintained throughout the period without any disruptions.

Additionally, during this timeframe, 28 individuals were recruited under the Deceased Blood Relations Quota, while large number of scholarships were awarded to the children of current employees to support their pursuit of professional education.

iv. Employment of Differently-Abled Persons (DAPs)

The Company is honored to play a role in advancing the broader societal objective of fostering an inclusive workforce, recognizing the invaluable skills and perspectives that differently-abled individuals contribute to our organization. Consistent with this commitment, initiatives are underway to actively promote the employment of Differently-Abled Persons (DAPs). Presently, we have 26 DAPs employed in Executive positions and 57 in Subordinate roles within the Company.

As part of our dedication to inclusivity, the Company is steadfast in providing a supportive work environment for differently-abled employees.

v. Business Ethics and Anti-Corruption Measures

Your Company upholds the highest standards of business

Directors' Report

ethics and integrity, maintaining a strict stance against corruption. The Company ensures transparency, accountability, and honesty in its operations, supported by a clear disciplinary policy to prevent unethical practices. The Whistle Blowing Policy allows confidential reporting of concerns without fear of retaliation, ensuring that any misconduct is addressed promptly. These measures aim to eradicate corruption and unethical behavior within the organization.

vi. Training and Development

Training of Human Resource is crucial to any organization's success and growth. The Company in the year 2005 established Sui Northern Gas Training Institute (SNGTI) at Quaid-E-Azam Industrial Estate, Kot Lakhpat, Lahore, with an aim to develop employee skills and competencies which contribute towards overall organizational efficiency.

The Institute features highly qualified trainers with extensive academic and corporate experience, skilled in designing and delivering training programs utilizing contemporary business tools. They provide diverse training across more than nine categories, including technical, soft skills, regional and foreign, orientation, and mandatory

promotion programs. In FY 2022-23, the Institute conducted 356 training courses, training 3,187 employees through methods like classroom lectures, technical workshops, hands-on training, case studies, and practical exams.

The rapid evolution of digital technology is having a significant impact on industries. To provide exciting new opportunities with maximum efficiencies with reduced costs, your Company has taken an initiative to increase capacity building of the employees through online training portal. Resultantly, Virtual Learning Platform namely "Sui Northern Gas Virtual Learning Platform" (SNGVLP) was initiated in 2020, since then 71 online courses have been designed, recorded and uploaded so far which have are being used successfully by both executives and subordinate staff all across the organization.

Legal Cases

There are more than 25,000 pending cases before Civil Courts, 130 Gas Utility Courts, High Courts and Hon' able Supreme Court of Pakistan. During FY 2022-23, the Company has successfully managed the disposal of 2003 recovery suits having amount involved of Rs. 4.9 Billion & 1,473 declaratory suits in favor of the Company from different Courts of Law.

Business Diversification and Development

Your Company is engaged in pipeline construction projects and is actively focusing on securing and executing various pipeline engineering & construction jobs for both national and multinational clients like

OGDCL, FFC, Mari Petroleum Company (MPCL), MOL Pakistan etc. Continuous reliance of these clients on your Company underscores their trust in the high engineering and construction standards of your Company which is vital help to achieve its ambitious goals of business diversification particularly in its areas of expertise like pipeline construction, compression infrastructure, O&M services and capacity enhancement of technical staff etc. Some of the ongoing projects are set out under:

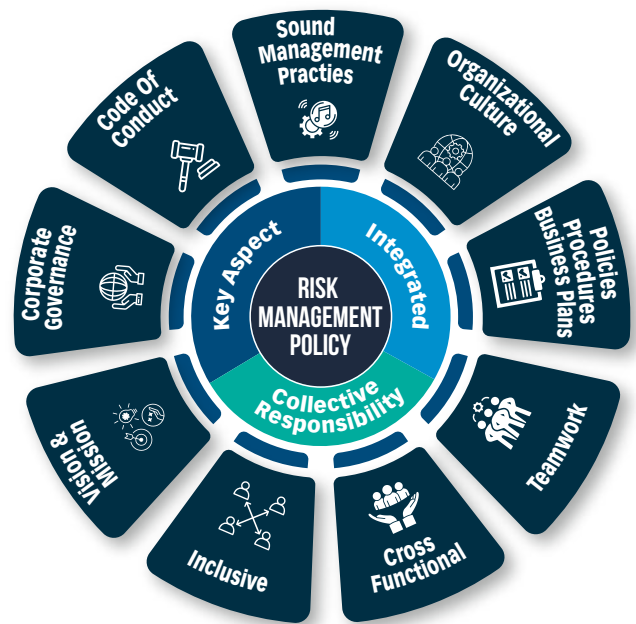
1. Laying of 20" dia x 14 Km transmission spur on 100% cost recovery basis for the provision of 105 MMCFD gas to M/s Fauji Fertilizer Company Limited (FFC).
2. Providing Operation and Maintenance services to the Special Economic Zone Development Companies for their internal distribution pipeline network.
3. Actively exploring the injection of pipeline specification gas from Bio Gas plant to fulfill the green initiative requirements.

Risk Management Framework

The Risk Management Framework of the Company is based on best and international practices and guidelines provided by ISO 31000 and Committee of Sponsoring Organizations (COSO) Enterprise Risk Management (ERM) Framework. Risk management framework focuses on policies, procedures and practices that support the Company in decision making and achieving business objectives while considering and mitigating all relevant risks.

The Risk Management process consists of four (04) phases, Risk





Identification, Risk Assessment & Prioritization, Risk Treatment & Control, and Risk Monitoring & Review. The framework provides an organized and comprehensive risk management approach to manage risks across the Company with clear governance and reporting requirements.

Risk Management Policy

Your Company recognize that the Risk Management is as a key aspect of Corporate Governance Principles and Code of Conduct which aims to improvise the governance practices across the business activities. Risk Management is regarded as an integral part of sound management practices and is seamlessly integrated into your Company's organizational culture, policies procedures and business practices through a collective responsibility at all levels of management and is not to be seen or practiced as a separate activity.

Internal Control System

The objective of an internal control system is to ensure effectiveness and efficiency of the Company's operations, reliability of the internal and external reporting, compliance with the applicable laws, regulations, policies and safeguarding the Company's assets.

A sound system of internal control is in place, which is effectively implemented and maintained at all levels within the Company. Internal control processes are adequately designed and implemented to safeguard the Company's assets and to appropriately address and / or mitigate emerging risks being faced by the Company.

The Board, whilst maintaining its overall responsibility for governance, Risk Management and controls, has delegated their detailed design, implementation and Monitoring to the Management of the Company.

Internal Audit Function:

The Internal Audit function is an integral part of the Company's governance structure. Internal Audit in the Company, is an independent assurance and

consulting activity and is designed to add value and improve Company's operations. The scope of the internal audit function is clearly defined in its duly approved Charter.

The role of Internal Audit function is aligned with the Public Sector Companies (Corporate Governance) Rules, 2013, Listed Companies (Code of Corporate Governance) Regulations, 2019, SoEs Act, 2023 and the standards issued by the Institute of Internal Auditors (IIA).











Your Company acknowledges the importance of the Internal Audit function in the overall control environment and is continuously in process of strengthening it. Number of steps are being taken to implement series of initiatives increasing the effectiveness of the function.













Significant Risks / Challenges faced by the Company











Your Company is fully abreast with challenges at strategic, operational and financial fronts. Proactive efforts are made to address these risks/challenges.

Your Company's most significant risks and their mitigations are given as follows:

<div> DEMAND & SUPPLY GAP</div>				
Risk Type		Nature	Source	Risk Level
Strategic 		Long-Term 	External 	High 
About Risk	Your Company is facing the risk of depleting gas reserves as opposed to increasing demand of gas within the franchised area. The dependency on imported gas (RLNG) is increasing and its non-availability and fluctuation in prices due to rupee devaluation and uncertainty in the international market is posing a serious growth challenge for the organization.		Mitigation Strategy	Various measures, such as reallocating RLNG supplies and exploring gas storage and pipeline construction, have been taken up with the Government to address the gas supply issue. Implementation of country wide WACOG will help in alleviating demand and supply challenges and help manage Company’s increasing competition through third party access regime.
	With market liberalization in focus, third parties are entering into Gas network. Their advent may reduce demand for Company’s full paying consumers in industrial clusters especially where there are minimum losses.			Additionally, the Company has entered into the LPG cylinder distribution business and is actively perusing a long-term alternative solution to address consumer needs.
<div> ACCUMULATED CIRCULAR DEBT</div>				
Risk Type		Nature	Source	Risk Level
Financial 		Long-Term 	External 	High 
About Risk	Due to insufficient and delay in timely revision of gas prices by Federal Government coupled with delayed payments by power sector, the Company is constrained to withhold payments to its gas suppliers resulting in accumulation of circular debt.		Mitigation Strategy	Recent changes to OGRA Ordinance have addressed tariff adjustment accumulation. The Federal Government has also raised consumer prices in 2023 and later in 2024.
				During the year Company received cash subsidy of over Rs. 87 billion to offset the impact of cost of RLNG diversion to domestic sector.
		Your Company is also pursuing WACOG-based pricing and seeking payment for accumulated RLNG diversion costs. Efforts will continue for resolution and recovery of the amount through various channels.		



<div> UNACCOUNTED FOR GAS (UFG)</div>							
Risk Type		Nature		Source		Risk Level	
Operational 		Medium-Term 		Internal 		High 	
About Risk		Unaccounted for Gas (UFG) is one of the major risks for the Company. It not only impacts the profitability of your Company but also affects the availability of natural gas resources in the Country.		Mitigation Strategy		Your Company is actively implementing UFG Control Programs across all regions, which include Leakage Control, Measurement Error Control, and Theft Control Programs. A dedicated UFG Control Committee at the Board Level is overseeing the UFG control programs.	
<div> REGULATORY CHALLENGES</div>							
Risk Type		Nature		Source		Risk Level	
Compliance 		Medium-Term 		External 		High 	
About Risk		Your Company is subject to a highly Regulatory landscape with associated laws, regulations and policies. Inconsistent Regulatory practices may impact the Company's profitability and operational efficiency. Any adverse Regulatory developments or delays in policy implementation may pose risk to the Company's financial performance.		Mitigation Strategy		Your Company has developed a team of qualified and experienced professionals in the organization to ensure compliance with applicable laws, rules and regulations. The Company actively remains in liaison with the Regulator(s) and the Federal Government to ensure the Company's best interests are protected and represented appropriately.	

 TAX CONTINGENCIES			
Risk Type	Nature	Source	Risk Level
Financial 	Medium-Term 	Internal 	High 
About Risk	<p>Your Company has significant contingent liabilities in respect of various income and sales tax matters, which are pending adjudication at various levels with appellate authorities.</p>	Mitigation Strategy	<p>While the Company is pursuing all available legal recourse available to defend these matters at appellate forums, your Company is also working actively with Government through the line Ministry to affect changes in various laws to address certain tax demands which have been raised by not recognizing the scheme of operations in which Company operates.</p>
 CYBERSECURITY RISK			
Risk Type	Nature	Source	Risk Level
Operational 	Medium-Term 	External 	High 
About Risk	<p>New and emerging technologies bring unprecedented threats of hacking and cyber-attacks which can disrupt our Company's operations and may compromise important Company data and operations.</p>	Mitigation Strategy	<p>Your Company strives to implement consistent security policies and procedures to embed best practices. Company has recently deployed two-factor authentication servers and completed an annual penetration test to protect digital assets and prevent data loss or system disruptions. Our IT/MIS Data Center is also ISO 27001 certified. Surveillance audits are a part of the continuous evaluation process to ensure adherence to ISO 27001 standard.</p>

Changes in the Board

During the year Mr. Ali Tahir, Mr. Sajid Mehmood Qazi, Mr. Muhammad Anwar ul Haq Azad, Mr. Abrar Ahmad Mirza and Mr. Shahbaz Tahir Nadeem were appointed as Directors in place of Mr. Hamed Yaqoob Sheikh, Mr. Muhammad Haroon ur Rafique, Syed Zakria Ali Shah, Mr. Muhammad Anwar ul Haq Azad and Mr. Sajid Mehmood Qazi respectively. Moreover, Mr. Amer Tufail was appointed as Managing Director in

place of Syed Ali Javaid Hamdani. However, one casual vacancy exists on the Board as a result of resignation of Mr. Afan Aziz.

The Board of Directors would like to place on record their sincere appreciation and gratitude to the outgoing Members of the Board for their hard work, valuable guidance and unwavering support during their tenure as Directors of the Company.

Composition of the Board

During the year under review Ms. Roohi Raees Khan- Chairperson, Syed Ali Javaid Hamdani, Mr. Amer Tufail- Managing Director(s), Mr. Abrar Ahmad Mirza, Mr. Ahmad Aqeel, Syed Akhtar Ali, Mr. Ali Tahir, Mr. Hamed Yaqoob Sheikh, Mr. Manzoor Ahmed, Mr. Mohammad Haroon, Mr. Muhammad Anwar ul Haq Azad, Mr. Muhammad Haroon ur Rafique, Mr. M. Sualeh Ahmed Faruqi, Mr. Sajid Mehmood Qazi,

Mr. Shahbaz Tahir Nadeem, Dr. Sohail Razi Khan, Syed Zakria Ali Shah, Directors remained on the Board of the Company.

At present the Board consists of Mr. Muhammad Ismail Qureshi- Chairman, Mr. Amer Tufail-Managing Director, Mr. Ahmed Chinoy, Mr. Arif Saeed, Ms. Faaria Rehman Salahuddin, Mr. Hassan Mehmood Yousafzai, Mr. Muhammad Ramzan, Mr. Osman Saifullah Khan, Ms. Saira Najeeb Ahmed, Mr. Saadat Ali Khan and Mr. Tariq Iqbal Khan, Directors.

Orientation Programme for the Directors

The directors were given briefing during the year on the Company's business, operations and environment.

Performance Evaluation of Board, Managing Director/ CEO and Senior Management

In compliance with the requirements of the Public Sector Companies (Corporate Governance) Rules, 2013 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, the performance evaluation of the Board and its Committees was carried out through self-evaluation mode by a third party i.e. Pakistan Institute of Corporate Governance (PICG), an institution accredited by Securities & Exchange Commission of Pakistan (SECP). Board Members received an online questionnaire to evaluate their performance. Additionally, a comprehensive Performance Management System is also in place for annual performance evaluation of Managing Director and Senior Management of the Company.



Directors' Report

Directors' Remuneration

Name of Director	After Tax Remuneration (Rupees)	Board of Directors			Board Audit Committee			Finance & Procurement Committee			Human Resource Remuneration & Nomination Committee		
		Member	Total No. of Meetings	No. of Meetings Attended	Member	Total No. of Meetings	No. of Meetings Attended	Member	Total No. of Meetings	No. of Meetings Attended	Member	Total No. of Meetings	No. of Meetings Attended
Ms. Roohi Raees Khan	4,160,000	✓	20	20	-	-	-	-	-	-	✓	12	12
Mr. Abrar Ahmed Mirza	1,360,000	✓	7	7	✓	1	1	✓	4	4	✓	1	1
Mr. Ahmad Aqeel ¹	1,600,000	✓	20	19	-	-	-	✓	1	1	-	-	-
Syed Akhtar Ali ²	5,760,000	✓	20	20	✓	12	12	✓	8	8	✓	2	2
Mr. Ali Tahir	2,000,000	✓	17	12	-	-	-	✓	8	7	-	-	-
Mr. Hamed Yaqoob Sheikh	240,000	✓	3	2	✓	2	1	-	-	-	-	-	-
Mr. Manzoor Ahmed ³	4,320,000	✓	20	19	✓	12	11	✓	8	8	✓	12	12
Mr. Mohammad Haroon ³	5,200,000	✓	20	20	✓	12	12	✓	8	8	✓	13	13
Mr. Muhammad Anwar-ul-Haq Azad	1,040,000	✓	8	8	-	-	-	✓	3	3	-	-	-
Mr. Muhammad Haroon-ur-Rafique	880,000	✓	5	5	-	-	-	-	-	-	✓	2	2
Mr. Muhammad Sualeh Ahmed Faruqi	2,240,000	✓	20	10	-	-	-	-	-	-	✓	13	11
Mr. Sajid Mehmood Qazi ⁴	2,560,000	✓	12	11	✓	6	6	-	-	-	✓	7	7
Mr. Shahbaz Tahir Nadeem	160,000	✓	2	2	-	-	-	-	-	-	-	-	-
Dr. Sohail Razi Khan ²	6,560,000	✓	20	20	✓	12	12	✓	8	8	✓	12	12
Syed Zakria Ali Shah ⁵	1,120,000	✓	5	5	✓	4	4	✓	1	1	✓	1	1

Name of Director	Risk Management & UFG Control Committee			UFG Control Committee			Risk Management Committee			IT / Digitization Committee		
	Member	Total No. of Meetings	No. of Meetings Attended	Member	Total No. of Meetings	No. of Meetings Attended	Member	Total No. of Meetings	No. of Meetings Attended	Member	Total No. of Meetings	No. of Meetings Attended
Ms. Roohi Raees Khan	✓	4	4	✓	4	4	-	-	-	-	-	-
Mr. Abrar Ahmed Mirza	-	-	-	-	-	-	✓	1	1	✓	3	3
Mr. Ahmad Aqeel ¹	-	-	-	-	-	-	-	-	-	-	-	-
Syed Akhtar Ali ²	✓	4	4	✓	4	4	✓	1	1	✓	6	6
Mr. Ali Tahir	✓	3	2	✓	4	4	-	-	-	-	-	-
Mr. Hamed Yaqoob Sheikh	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Manzoor Ahmed ³	-	-	-	-	-	-	✓	1	1	-	-	-
Mr. Mohammad Haroon ³	✓	4	4	✓	4	4	✓	1	1	-	-	-
Mr. Muhammad Anwar-ul-Haq Azad	✓	1	1	-	-	-	-	-	-	✓	1	1
Mr. Muhammad Haroon-ur-Rafique	✓	2	2	-	-	-	-	-	-	✓	2	2
Mr. Muhammad Sualeh Ahmed Faruqi	✓	4	4	✓	4	3	-	-	-	-	-	-
Mr. Sajid Mehmood Qazi ⁴	✓	2	2	✓	2	2	-	-	-	✓	2	2
Mr. Shahbaz Tahir Nadeem	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Sohail Razi Khan ²	✓	4	4	✓	4	4	✓	1	1	✓	6	6
Syed Zakria Ali Shah ⁵	-	-	-	-	-	-	-	-	-	✓	2	2

Notes:

- The Membership of Mr. Ahmad Aqeel remained suspended from the F&PC during the period, however, he attended one F&PC meeting on special invitation during the period.
- Payment includes one meeting fee pertaining to FY 2021-22 paid in FY 2022-23 and also includes fee paid on account of attending 14 meetings of joint /special sub-committees.
- Payment includes one meeting fee pertaining to FY 2021-22 paid in FY 2022-23 and also includes fee paid on account of attending 2 meetings of joint sub-committees.
- Payment includes fee paid on account of attending 2 meetings of joint sub-committees.
- Payment includes one meeting fee pertaining to FY 2021-22 paid in FY 2022-23.
- Being Chairperson, Ms. Roohi Raees Khan was also entitled for an honorarium of Rs. 100,000 per month (an amount of Rs. 960,000 was paid to her excluding tax as honorarium), Company maintained car with fuel and free medical cover.
- The directors' fees amounting to Rs. 100,000 (inclusive of tax) per meeting was paid to the non-executive directors apart from entitlement of business class/ club class return airfare from the venue of the meeting to his/ her usual place of residence in Pakistan along with traveling, boarding and lodging facilities.

The details of fees paid to the Directors and the remuneration of the CEO are disclosed in Note 46 of the financial statements.

Post Balance Sheet Events

The Directors have not received, as at July 26, 2024 being the date on which these financial statements were approved, any information concerning significant conditions in existence at the balance sheet date, other than those disclosed in the financial statements, which affects the financial statements as presented.

Corporate Governance

The Board of Directors has complied with the relevant principles of corporate governance outlined in the Public Sector Companies (Corporate Governance) Rules, 2013; Listed Companies (Code of Corporate Governance) Regulations, 2019 and SoEs Act, 2023.

Threshold for Executive Definition

In compliance with clause 5.6.1 and 5.6.4 of the PSX regulations, in addition to Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, and Company Secretary, the Board of Directors has set the threshold of executives' grade VII (i.e. Chief Officer and above) for the definition of "Executives" to give disclosure of interest.

Statement on Corporate and Financial Reporting Framework

The Board of Directors hereby declares that for the year ended June 30, 2023:



- a. The financial statements, together with the notes thereon have been drawn up in conformity with the Fourth Schedule of the Companies Act, 2017. These statements present fairly the Company's state of affairs, result of its operations, cash flows and changes in equity;
- b. Proper Books of Accounts of the Company have been maintained;
- c. Appropriate accounting policies have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- d. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and any departures there from has been adequately disclosed and explained;
- e. The system of internal control is sound in design and has been effectively implemented and monitored;
- f. The appointment of Chairman and other members of Board and the terms of their appointment along with the remuneration policy adopted are in the best interests of the Company as well as in line with the best practices;
- g. There are no significant doubts upon the Company's ability to continue as a going concern. The Board of Directors has satisfied itself that the Company has adequate resources to continue its operations in the foreseeable future. The Company's Financial Statements have accordingly been prepared on a 'going concern' basis;
- h. Significant deviations from last year's operating results have been disclosed as deemed appropriate in this Chairman's Review & Directors' Report and in the notes to the accounts, annexed to this report;
- i. Key operating and financial data of the last six years in summarized form is a part of this Annual Report;

Directors' Report

- j. All statutory payments on account of taxes, duties, levies and charges in the normal course of business, payable as on June 30, 2023 have been cleared subsequent to the year end;
- k. Value of investment in employee's retirement funds based on audited accounts of the funds for the year ended June 30, 2023 is as follows:

	(Rs. in '000)
1. SN Senior Staff Pension Fund.	5,932,088
2. SN Junior Staff Pension Fund.	29,032,259
3. SN Executive Staff Gratuity Fund.	352,501
4. SN Non-Executive Staff Gratuity Fund.	9,374,538
5. SNGPL Trustees Provident Fund.	20,486,747
6. SNGPL Superannuation Free Gas Executives Fund.	164,418
7. SNGPL Superannuation Free Gas Subordinates Fund.	9,036,026
8. SNGPL Superannuation Compensated Absences Executives Fund.	1,043,348
9. SNGPL Superannuation Compensated Absences Subordinates Fund.	2,237,353
10. SNGPL Superannuation Medical Executives Fund.	8,098,203
11. SNGPL Superannuation Medical Subordinates Fund.	16,168,347
12. SNGPL Employees Accidental Death Endowment Fund.	13,113
13. SNGPL Workers' Profit Participation Fund	6,087,430
Total	108,026,376

- l. The number of Board of Directors and Committees meetings held during the year and attendance by each has been disclosed in Corporate Governance section of this report;
- m. The name of directors on the Board and its committees as well as disclosures as to number of male and female directors, executive, non-executive & independent directors have been made in Statement of Compliance of this report;
- n. The Company is fully compliant with the Public Sector Companies (Corporate Governance) Rules, 2013 & Listed Companies (Code of Corporate Governance) Regulations, 2019 regarding Directors Training Program.
- o. The pattern and categories of shareholding as on June 30, 2023 has been given in a separate section of this Annual Report;
- p. There was no default or likelihood of default in respect of any loan / debt instruments;
- q. No trading of shares by Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, Executives (Chief & above), their spouses and minor children has been carried out, other than the transactions disclosed as per statute. The number of shares, if any, held by them have been disclosed in categories of shareholders of this report.

Auditors

M/s. Yousuf Adil, Chartered Accountants were appointed as External Auditors of the Company for conducting audit for Financial Year 2022-23 in the Annual General Meeting held on August 1, 2023. The Board proposes the appointment of M/s A. F Ferguson, Chartered Accountants as Auditors of the Company for the Financial Year 2023-24 on the recommendation of the Board Audit Committee.

Share Watch

The Company's share opened at Rs. 34.68 on July 01, 2022 and closed at Rs. 39.37 on June 30, 2023. During the period under review, the highest price of the share was Rs. 48.45 and the lowest was Rs. 30.10. The market capitalization as on June 30, 2023 was Rs. 24,969 million.

Future Outlook

Higher inflation and rising costs of doing business are not only affecting our consumers' ability to pay for the gas consumed but also impacting the Company's profitability due to increasing disallowances. Your Company's Management has developed a detailed business plan, focusing on the key areas, and is confident that concerted efforts will help overcome these challenges. Various initiatives / activities are being envisaged to be undertaken to achieve Company's objectives and goals particularly with respect to UFG reduction and digitalization including but not limited to following.

1. Customer facilitation lies at the heart of SNGPL's ethos and operational decisions. Company plans to invest enhanced digital and social media campaigns to raise awareness and promote various energy conservation initiatives. Your Company is committed to proactively

address consumer grievances continuous training programs for its Customer Service personnel and innovative Technology Implementation Programs (TIPs). The company endeavors to embrace digital solutions, closely monitoring consumer complaints lodged via the 'Pakistan Citizen Portal' under the Prime Minister's Performance Delivery Unit (PMDU) and 24/7 dedicated call center.

2. Your company has made significant strides in slashing UFG losses in oil and gas-producing regions, notably Karak, and we are resolutely committed to driving down UFG losses in these areas to the absolute minimum through ongoing projects such as network extension and rehabilitation, providing legitimate connections, and rigorous UFG control measures.
3. Our unwavering commitment to micro management and monitoring of losses is paramount, as we tirelessly strive for network segmentation and effective measurement. In the initial phase, metering facilities have been successfully installed on TBSs in major UFG contributing cities across five regions, launching micro monitoring of losses by breaking them into smaller segments. We recognize the significance of equipping all TBSs with measurement facilities and their de looping underground networks and are meticulously progressing through phased procurement and installation of Gas Meters, ensuring timely completion of the project. Furthermore, we are actively pursuing following additional initiatives to combat the challenge of UFG within our Company.

- Continuity of use of technological gadgets/ equipment/ methods for effective monitoring through online dash boards across the Company.
- Replacement of leaking underground network along with rectification thereon are underway for sustainable supply and reduction in UFG losses.
- Segmentation of looped Sales Meter Stations (SMS) Clusters to identify root causes and immediate remedial actions.
- Isolation of Industrial clusters from Domestic consumers.
- Continue scheduled replacement of meters to reduce measurement errors.
- Effective vigilance to ensure timely detection of theft cases and booking of pilfered volume.

4. The GIS mapping project of your company's network is forging ahead, with Phase 1A (4"-24" diameter pipelines) triumphantly wrapped up. Our relentless pursuit of the remaining network demonstrates our unwavering commitment to investing in advanced technological infrastructure and resources. The impending completion of the next phase is set to revolutionize network visibility, catapulting operational efficiency to new heights and delivering unparalleled customer satisfaction.
5. To achieve sustainability and propel strategic growth, your company is aggressively exploring diversification strategies. These include substantial increase in LPG cylinder business and striving plans for vertical integration. These forward-looking initiatives will drive your Company toward long-term financial prosperity, positioning it as an industry leader.

Your company is unwaveringly committed to surpassing its targets and goals. With unwavering determination, we eagerly anticipate unveiling even more promising results in the years ahead.

Acknowledgements

The Board is dedicated to enhancing Efficiency, Governance, Transparency and providing strategic direction for the successful operations of your Company.

Your Directors express their sincere appreciation for the unwavering support and patronage received from shareholders and our valued consumers. We acknowledge the dedication and commitment of all employees who have contributed valuable services to sustain the Company's operations.

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

On behalf of the Board,



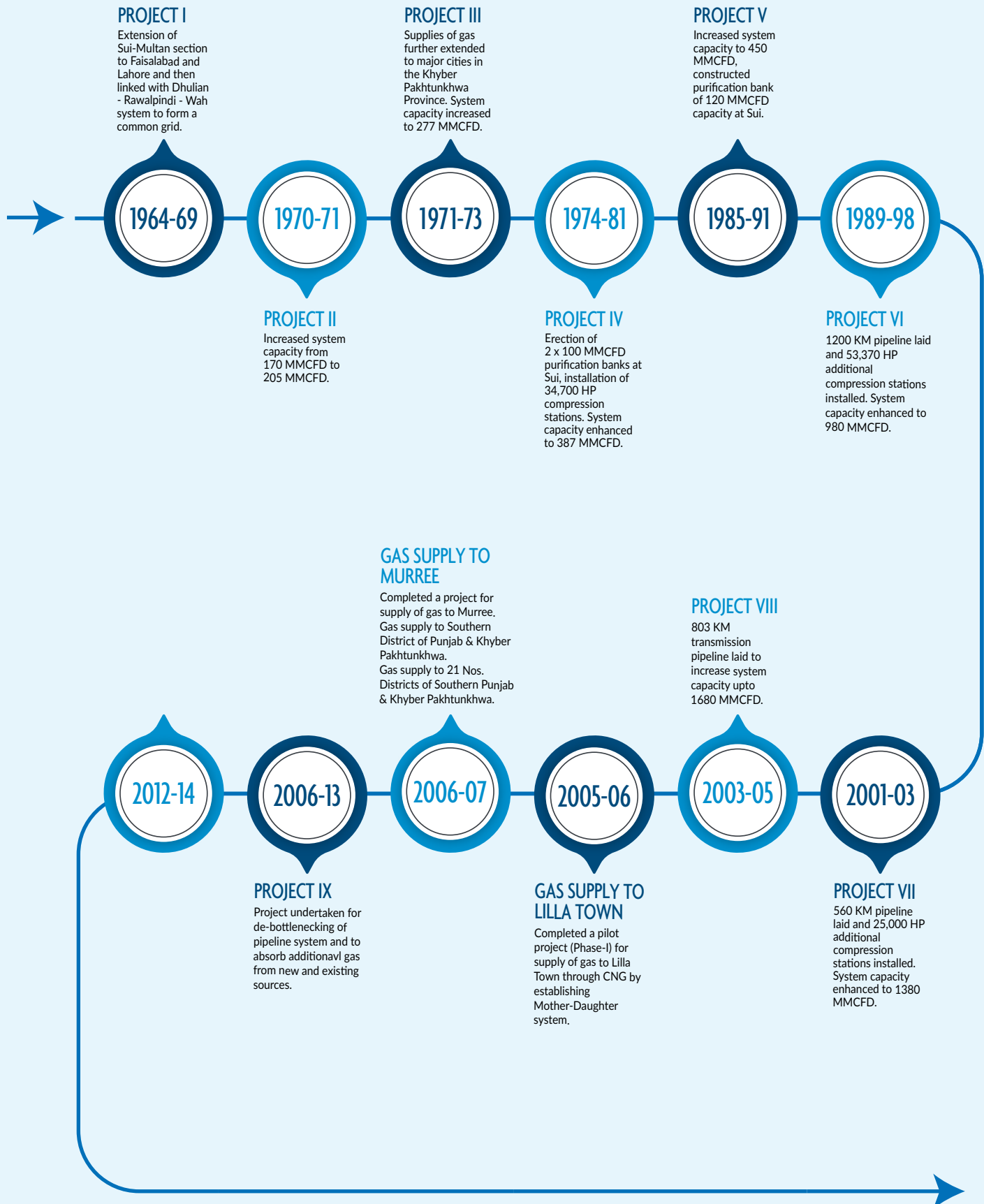
(Amer Tufail)
Managing Director

Lahore.
July 26, 2024



(Muhammad Ismail Qureshi)
Chairman - BOD

Milestones



1. 16" dia x 17 km transmission pipeline
from MP 59 Valve Assembly to the terminal point of Quaid-e-Azam Business Park (QABP), Special Economic Zone, has been successfully completed for the provision of gas supply to the industrial units of QABP.

2. 8" dia x 20.81 km transmission pipeline
from Downstream Chenab Crossing to Jalalpur Jattan (including Chenab Crossing) has been successfully completed for addressing the low pressure problems in Jalalpur Jattan

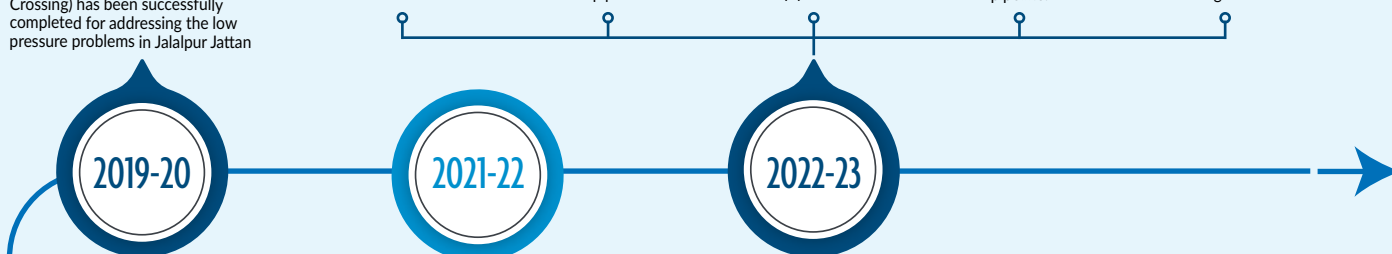
Gas from newly discovered Wali Well 1 has been injected into SNGPL's transmission network by laying 8" dia x 16 Km contract flow line for OGDCL from Wali Well 1 to OGDCL's (CPF) and 8" dia x 50 Km in house pipeline from CPF to Kakakhel V/A.

For injection of newly discovered gas from Shewa Well 1 into SNGPL system, laying of 155 Km portion has been completed out of 18" dia x 230 Km pipeline.

Gas facility has been extended to Bhalwal Industrial Estate SEZ by laying 8" dia x 12.25 Km pipeline and Allama Iqbal Industrial City SEZ Faisalabad by laying 12" dia x 19.75 Km pipeline.

Gas supply has been augmented to M3 Industrial City SEZ Faisalabad by laying 8" dia x 15.6 Km pipeline.

10" dia x 27.75 Km and 8" dia x 25.20 Km pipelines have been laid to address low-pressure issues in the Mardan, Peshawar and Gujranwala Regions.



16" dia x 28.70 Km

Spur starting from Ismail kot to terminal point of Rashakai SMS CUM CMS, Special Economic Zone (SEZ) has been successfully completed during this year for the provision of 30 MMCFD gas supply to Rashakai SEZ.

24" dia x 46.80 KM Transmission Line

from Phoolnagar to Nabi Bakshwala (Ferozepur Road) and 16" dia x 26.20 KM Transmission Line from Ferozepur Road to Barki (Phase-I) has been successfully completed during this year for augmentation / bifurcation of gas network in Lahore city.

16" dia x 49 Km transmission gas pipeline

from A-5 (Khairpur Daha) to Bahawalpur has been successfully completed during this year in order to address the acute low gas pressure / no gas issues of Bahawalpur City, Lodhran city and adjoining localities.

16" dia x 7.00 Km

from Wazirabad to Chenab River and 8" dia x 20.00 Km from D/s Chenab River to Jalalpur Jattan has been successfully completed during this year in order to address the acute low pressure/ no gas issues of Jalalpur jattan city and adjoining villages.

INFRASTRUCTURE

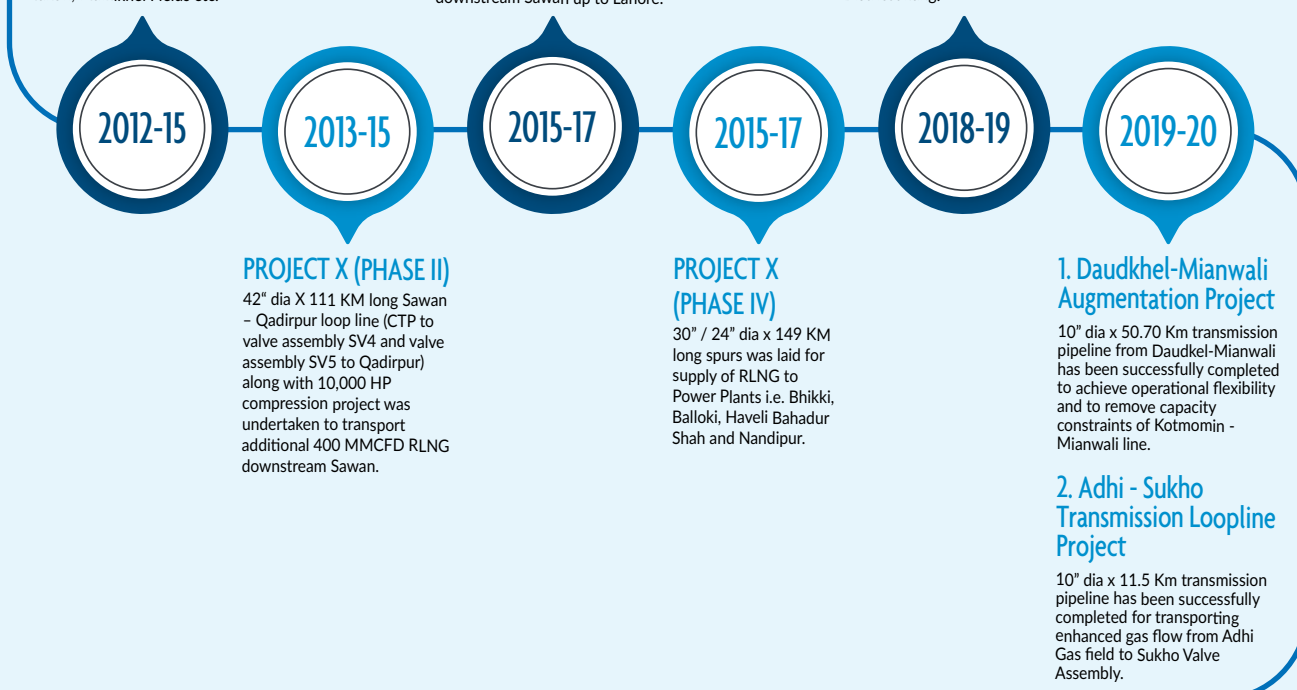
Development project (to receive additional northern gases)
24" Dia x 145 km long pipeline project between Kohat - Dakhni - Dhullian - Gali Jagir is being undertaken to pick up additional gas supplies of approved 160 MMCFD from northern sources i.e. Mol Manzalai, Maramzai, Makori, Mamikhel Fields etc.

PROJECT X (PHASE III)

16" - 42" dia x 762 KM long Qadirpur - Lahore Pipeline along with installation of 25,000 HP Compression Project gas downstream Sawan up to Lahore.

GAS SUPPLY TO PUNJAB POWER PLANT

24" dia x 93 KM long pipeline is being laid for supply of RLNG to Punjab Power Plant near Trimmu District Jhang.



PROJECT X (PHASE II)

42" dia X 111 KM long Sawan - Qadirpur loop line (CTP to valve assembly SV4 and valve assembly SV5 to Qadirpur) along with 10,000 HP compression project was undertaken to transport additional 400 MMCFD RLNG downstream Sawan.

PROJECT X (PHASE IV)

30" / 24" dia x 149 KM long spurs was laid for supply of RLNG to Power Plants i.e. Bhikki, Balloki, Haveli Bahadur Shah and Nandipur.

1. Daudkhel-Mianwali Augmentation Project

10" dia x 50.70 Km transmission pipeline from Daudkel-Mianwali has been successfully completed to achieve operational flexibility and to remove capacity constraints of Kotmomin - Mianwali line.

2. Adhi - Sukho Transmission Loophole Project

10" dia x 11.5 Km transmission pipeline has been successfully completed for transporting enhanced gas flow from Adhi Gas field to Sukho Valve Assembly.

Pattern of Shareholding

As at June 30, 2023

Name of Shareholders*	No. of Shareholders	Shareholding Slab		Total Shares Held
		From	To	
	4,347	1	100	191,190
	4,808	101	500	1,409,546
	4,964	501	1000	3,875,270
	4,056	1001	5000	10,379,534
	933	5001	10000	7,164,080
	320	10001	15000	4,056,798
	221	15001	20000	4,037,261
	146	20001	25000	3,399,052
	81	25001	30000	2,284,298
	60	30001	35000	2,004,101
	52	35001	40000	2,014,443
	30	40001	45000	1,290,649
	50	45001	50000	2,457,420
	27	50001	55000	1,426,503
	15	55001	60000	888,431
	10	60001	65000	641,043
	15	65001	70000	1,017,112
	13	70001	75000	966,724
	11	75001	80000	863,803
	6	80001	85000	499,870
	13	85001	90000	1,152,993
	10	90001	95000	936,048
	33	95001	100000	3,279,752
	7	100001	105000	716,225
	8	105001	110000	867,471
	6	110001	115000	677,189
	2	115001	120000	235,730
	9	120001	125000	1,114,202
	2	130001	135000	267,764
	3	135001	140000	413,813
	3	140001	145000	430,500
	9	145001	150000	1,344,033
	6	150001	155000	915,039
	7	155001	160000	1,103,990
	4	160001	165000	655,800
	4	165001	170000	669,858
	3	170001	175000	524,500
	4	175001	180000	717,118
CDC Trustee - Meezan Dedicated Equity Fund	1	180001	185000	182,150
	3	185001	190000	568,040

Name of Shareholders*	No. of Shareholders	Shareholding Slab		Total Shares Held
		From	To	
	3	190001	195000	580,194
	13	195001	200000	2,591,902
	3	200001	205000	604,945
	2	205001	210000	419,325
	4	210001	215000	846,259
	3	215001	220000	653,996
	2	220001	225000	450,000
	2	225001	230000	459,032
	2	230001	235000	470,000
CDC - Trustee JS Large Capital Fund	1	235001	240000	240,000
	3	240001	245000	727,000
	6	245001	250000	1,494,102
Amjad Ali	1	260001	265000	260,025
CDC - Trustee Alfalah GHP Alpha Fund	1	270001	275000	270,704
	2	275001	280000	556,100
National Insurance Company Limited	1	280001	285000	284,846
	4	285001	290000	1,152,500
MCBFSL - Trustee ABL Islamic Stock Fund	1	290001	295000	292,500
	4	295001	300000	1,194,000
Zaheer ul Hassan	1	300001	305000	301,500
	3	315001	320000	958,720
	2	320001	325000	643,785
CDC - Trustee Faysal MTS Fund - MT	1	330001	335000	333,005
	2	335001	340000	676,663
Mohammad Munir Mohammad Ahmed Khanani Securities Limited	1	345001	350000	349,000
CDC - Trustee Faysal Islamic Dedicated Equity Fund	1	355001	360000	357,890
CDC - Trustee Meezan Balanced Fund	1	360001	365000	360,888
Ghulam Reza Namaiti	1	365001	370000	367,978
	2	380001	385000	765,414
Friendly Securities (Pvt) Limited	1	400001	405000	403,500
Sana Nadeem	1	405001	410000	405,500
Shenila Fawad	1	420001	425000	425,000
Samba Bank Limited	1	425001	430000	428,000
	2	435001	440000	871,900
Jabeen Zahid	1	445001	450000	448,000
Shahbaz Ali Malik	1	450001	455000	451,000
Adamjee Life Assurance Company Limited	1	470001	475000	475,000
	3	480001	485000	1,446,616
	4	495001	500000	2,000,000
	3	500001	505000	1,508,116

Pattern of Shareholding as at June 30, 2023

Name of Shareholders*	No. of Shareholders	Shareholding Slab		Total Shares Held
		From	To	
CDC - Trustee HBL Investment Fund	1	505001	510000	508,582
	2	530001	535000	1,065,252
CDC - Trustee Lakson Equity Fund	1	550001	555000	554,948
Aitazaz Ahmad Khan	1	555001	560000	557,000
	2	560001	565000	1,126,361
Imperial Developers and Builder (Private) Limited	1	570001	575000	573,000
	2	590001	595000	1,182,561
CDC - Trustee Alhamra Islamic Stock Fund	1	595001	600000	600,000
Polunin Funds	1	610001	615000	612,023
Pak Brunei Investment Company Limited	1	645001	650000	650,000
	2	650001	655000	1,304,986
CDC - Trustee HBL Energy Fund	1	670001	675000	674,170
CDC - Trustee HBL Equity Fund	1	695001	700000	696,000
Asad Umar	1	735001	740000	740,000
Aneela Mushtaq	1	740001	745000	740,001
	2	760001	765000	1,527,933
Freemen Corporation (Private) Limited	1	795001	800000	800,000
CDC - Trustee Meezan Energy Fund	1	830001	835000	831,399
Zaheer ul Hassan	1	895001	900000	900,000
	2	905001	910000	1,815,839
Fatima Fertilizer Company Limited	1	1000001	1005000	1,000,979
Mohammad Munir Mohammad Ahmed Khanani Securities Ltd. - MF	1	1015001	1020000	1,017,700
CDC - Trustee NIT Islamic Equity Fund	1	1030001	1035000	1,034,100
MC FSL - Trustee JS Growth Fund	1	1050001	1055000	1,054,453
Hassaan Basit Mirza	1	1245001	1250000	1,250,000
CDC - Trustee Al-Ameen Islamic Energy Fund	1	1295001	1300000	1,300,000
	2	1325001	1330000	2,657,394
Muhammad Anaf	1	1360001	1365000	1,360,500
The Bank of Punjab - Treasury Division	1	1445001	1450000	1,446,430
Habib Bank Limited - Treasury Division	1	1495001	1500000	1,500,000
Hira Faisal	1	1645001	1650000	1,650,000
CDC - Trustee UBL Stock Advantage Fund	1	1660001	1665000	1,663,153
Acadian Frontier Markets Equity Fund	1	1705001	1710000	1,707,785
Muhammad Bilal	1	1725001	1730000	1,726,000
Ghani Halal Feed Mill (Private) Limited	1	1950001	1955000	1,953,866
CDC - Trustee HBL Growth Fund	1	1980001	1985000	1,980,500
Bank Alfalah Limited	1	2010001	2015000	2,011,655
CDC - Trustee NIT - Equity Market Opportunity Fund	1	2090001	2095000	2,092,449
CDC - Trustee Al-Ameen Shariah Stock Fund	1	2110001	2115000	2,114,180
Riffat Zaheer	1	2175001	2180000	2,178,000

Name of Shareholders*	No. of Shareholders	Shareholding Slab		Total Shares Held
		From	To	
Habib Metropolitan Bank Limited	1	2295001	2300000	2,300,000
Sui Southern Gas Company Limited	1	2410001	2415000	2,414,174
Pak Qatar Family Takaful Limited	1	2475001	2480000	2,480,000
CDC - Trustee HBL Investment Fund	1	2485001	2490000	2,488,024
CDC - Trustee Meezan Tahaffuz Pension Fund - Equity Sub Fund	1	2505001	2510000	2,508,600
CDC - Trustee Al Meezan Mutual Fund	1	2515001	2520000	2,517,000
NCC - Pre Settlement Delivery Account	1	2790001	2795000	2,792,883
Arrowstreet Global Equity CCF	1	2995001	3000000	2,999,722
Pak Qatar Family Takaful Limited	1	3095001	3100000	3,100,000
Sindh Bank Limited	1	3230001	3235000	3,231,800
Askari Bank Limited	1	3590001	3595000	3,590,300
Adamjee Insurance Company Limited	1	5125001	5130000	5,126,935
Meezan Bank Limited	1	5295001	5300000	5,300,000
CDC - Trustee NIT State Enterprise Fund	1	5320001	5325000	5,323,067
Pak Qatar Family Takaful Limited	1	6195001	6200000	6,200,000
CDC - Trustee Meezan Islamic Fund	1	8685001	8690000	8,688,815
Pakistan Reinsurance Company Limited	1	8695001	8700000	8,698,203
CDC - Trustee HBL Growth Fund	1	9910001	9915000	9,911,246
State Life Insurance Corporation of Pakistan	1	10725001	10730000	10,725,728
Shahid Malik	1	11370001	11375000	11,375,000
Trustee - MCB Employees Pension Fund	1	15425001	15430000	15,429,000
Polunin Emerging Markets Small Cap Fund LLC	1	16100001	16105000	16,104,624
State Life Insurance Corporation of Pakistan	1	16755001	16760000	16,757,409
CDC - Trustee National Investment (Unit) Trust	1	21275001	21280000	21,275,758
Employees Old Age Benefits Institution	1	25225001	25230000	25,229,155
National Bank of Pakistan	1	25830001	25835000	25,830,318
Sngpl Employees Empowerment Trust	1	27395001	27400000	27,399,709
Pakistan Industrial Development Corporation (Pvt) Limited	1	38160001	38165000	38,164,538
The President of Islamic Republic of Pakistan	1	200930001	200935000	200,931,210
	20,470			634,216,665

*Name of Shareholders have been specified where shares are held by a single shareholder.

Categories of Shareholders

As of June 30, 2023

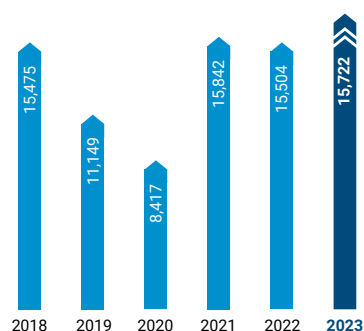
Categories of Shareholders	Shareholders	Shares Held	Percentage
Government of Pakistan			
The President of Islamic Republic of Pakistan	1	200,931,210	31.68
Directors, Chief Executive Officer and their spouse(s) and minor children			
Ms. Roohi Raees Khan	1	2,600	0.00
Mr. Ahmad Aqeel	1	3,000	0.00
Dr. Sohail Razi Khan	1	2,500	0.00
Mr. Mohammad Haroon	1	2,500	0.00
Syed Akhtar Ali	1	500	0.00
Associated Companies, undertakings and related parties			
	8	29,983,579	4.73
NIT and ICP			
	1	321,147	0.05
Banks, Development Financial Institutions, Non-banking Financial Institutions			
	33	85,515,986	13.48
Insurance Companies			
	23	56,038,682	8.84
Modarabas and Mutual Funds			
	84	47,899,247	7.55
General Public			
a. Local	19,161	99,427,397	15.68
b. Foreign	895	2,407,915	0.38
Foreign Companies			
	31	23,476,453	3.70
Others			
	228	88,203,949	13.91
TOTAL	20,470	634,216,665	100.00
Shareholders holding 10% or more			
The President of Islamic Republic of Pakistan		200,931,210	31.68

Summary of Six Years

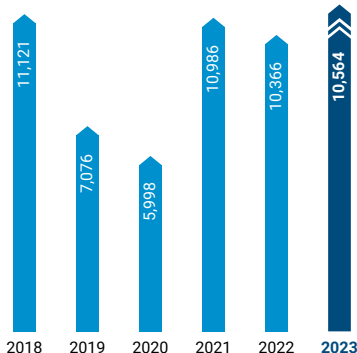
Particulars	Unit	2023	2022	2021	2020	2019	2018
Statement of profit or loss							
Net turnover	Rs.' 000	1,459,043,969	1,293,677,464	757,627,055	744,555,413	781,899,964	503,782,390
Gross profit	Rs.' 000	127,458,478	85,521,705	52,851,737	54,336,916	35,796,009	26,996,739
Operating profit	Rs.' 000	136,293,311	72,800,002	55,878,729	57,392,621	36,926,064	26,281,556
Profit before tax	Rs.' 000	15,772,145	15,503,613	15,841,904	8,416,931	11,149,217	15,475,401
Profit after tax	Rs.' 000	10,563,704	10,366,231	10,985,994	5,997,709	7,075,834	11,121,475
Earnings before interest, taxes, depreciation and amortization (EBITDA)	Rs.' 000	156,006,231	92,061,784	80,003,424	80,161,381	54,968,097	42,083,377
Statement of financial position							
Share capital	Rs.' 000	6,342,167	6,342,167	6,342,167	6,342,167	6,342,167	6,342,167
Reserves	Rs.' 000	39,243,428	33,305,891	27,877,899	18,794,692	14,700,046	12,334,514
Property, plant and equipment	Rs.' 000	245,880,358	224,937,870	214,090,961	205,997,782	200,837,557	190,609,690
Net current liabilities	Rs.' 000	(38,244,204)	(22,262,753)	(22,706,694)	(32,122,169)	(20,896,506)	(13,619,994)
Long term / deferred liabilities	Rs.' 000	200,673,623	199,696,872	195,803,286	190,785,806	162,812,183	161,766,344
Summary of cash flows							
Net cash (used in) / generated from operating activities	Rs.' 000	(46,683,427)	50,461,301	35,740,954	35,320,743	17,339,137	39,589,745
Net cash used in investing activities	Rs.' 000	(34,814,667)	(25,294,330)	(28,132,679)	(23,546,553)	(27,832,011)	(41,582,308)
Net cash (used in) / from financing activities	Rs.' 000	(17,221,530)	(9,122,121)	(4,667,702)	(11,651,419)	(14,929,727)	2,432,526
Net (decrease) / increase in cash and cash equivalents	Rs.' 000	(98,719,624)	16,044,850	2,940,573	122,771	(25,422,601)	439,963
Investor information for six years							
Profitability ratios :							
Gross profit ratio	%	11.79	7.94	8.20	8.78	5.23	6.04
Net profit to sales	%	0.98	0.96	1.70	0.97	1.03	2.49
Ebitda margin	%	14.42	8.55	12.41	12.96	8.03	9.42
Return on equity	%	24.79	28.07	37.02	25.98	35.63	75.99
Return on capital employed	%	15.29	9.19	9.67	10.40	8.09	8.90
Efficiency ratios							
Operating cycle	Days	106	84	98	99	70	67
Inventory turnover ratio	Times	86.62	140.67	122.51	87.19	36.93	22.88
Debtor turnover ratio	Times	3.59	4.48	3.82	3.84	6.12	7.20
Total asset turnover ratio	Times	0.64	0.85	0.70	0.77	1.09	0.97
Fixed asset turnover ratio	Times	4.40	4.79	3.01	3.00	3.41	2.34
Weighted average cost of debt	%	14.59	10.30	8.17	9.74	6.96	3.40
Investment							
Earnings per share (basic and diluted)	Rs./Share	16.66	16.34	17.32	9.46	11.16	17.54
Market value per share	Rs./Share	39.37	34.21	48.58	54.60	69.49	100.22
Share's highest value during the year	Rs./Share	48.45	56.60	69.35	85.39	107.39	169.95
Share's lowest value during the year	Rs./Share	30.10	25.40	36.00	33.30	52.60	81.08
Price earning ratio	Times	2.36	2.09	2.80	5.77	6.23	5.72
Break up value per share	Rs./Share	71.88	62.51	53.96	39.63	33.18	29.45
Cash dividend per share	Rs./Share	4.50	4.00	7.00	4.00	3.50	7.05
Leverage							
Debt: equity ratio	%	79.40	68.09	74.98	81.35	79.05	78.05
Dividend yield ratio	%	11.43	11.69	14.41	7.33	5.04	7.03
Dividend payout ratio	%	27.02	24.47	40.41	42.30	31.37	40.20
Interest cover ratio	Times	1.13	1.27	1.40	1.17	1.43	2.43
Dividend cover ratio	Times	3.70	4.09	2.47	2.36	3.19	2.49
Current ratio	Times	0.97	0.98	0.97	0.95	0.95	0.95
Quick / acid test ratio	Times	0.96	0.96	0.95	0.92	0.92	0.83
Statement of value added & how distributed							
Employees as remuneration	Rs.' 000	26,288,131	23,457,009	21,298,393	18,985,842	17,565,293	17,021,819
Government as taxes	Rs.' 000	227,876,473	187,163,625	110,074,599	109,460,952	97,627,200	70,710,179
Shareholders as dividends	Rs.' 000	2,853,975	2,536,867	4,439,517	2,536,867	2,219,758	4,471,227
Retained with the business	Rs.' 000	30,830,446	22,990,259	16,293,834	10,381,711	8,823,931	3,967,856
Financial charges to providers of finance	Rs.' 000	120,521,166	57,296,389	40,036,825	48,975,690	25,776,847	10,806,155

Graphical Presentation

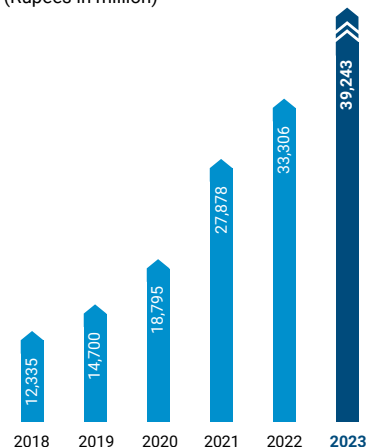
Profit Before Taxation
(Rupees in million)



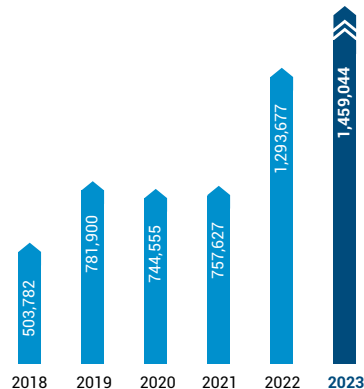
Profit After Taxation
(Rupees in million)



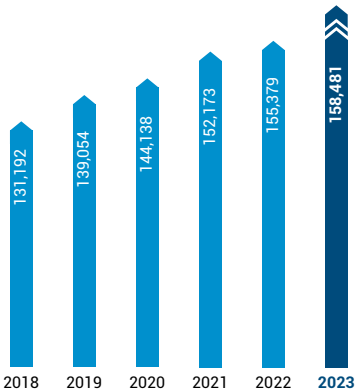
Reserves
(Rupees in million)



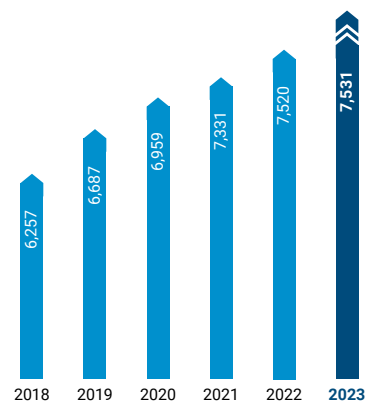
**Net Turnover including
Tariff Adjustment**
(Rupees in million)



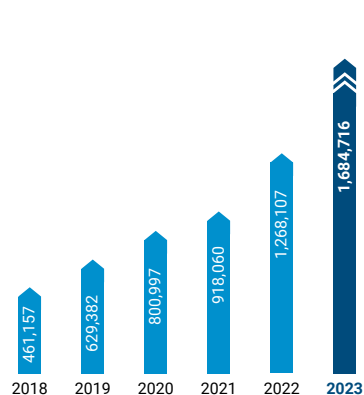
**Transmission and
Distribution System**
(in Kilometers)



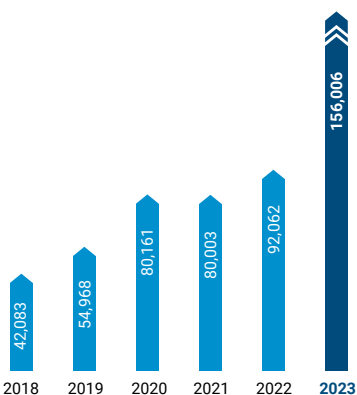
Customers
(Numbers in thousand)



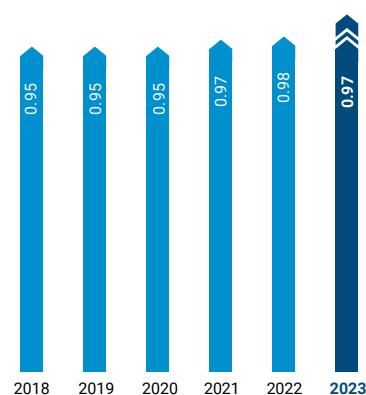
Growth of Total Assets
(Rupees in million)



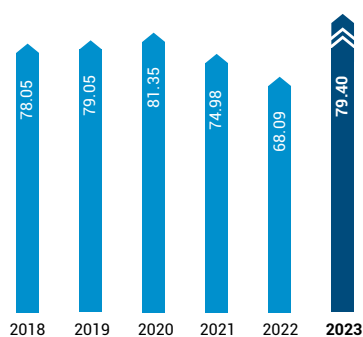
EBITDA
(Rupees in million)



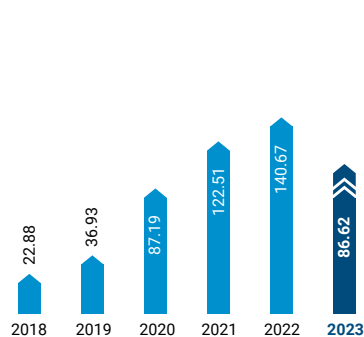
Current Ratio
(in Times)



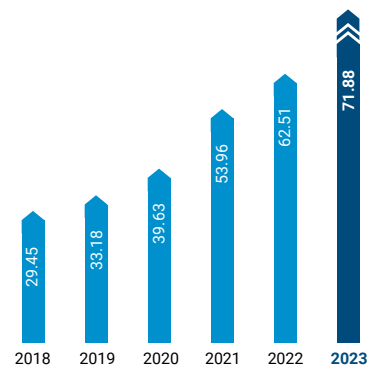
Debt Equity Ratio
(in Percentage)



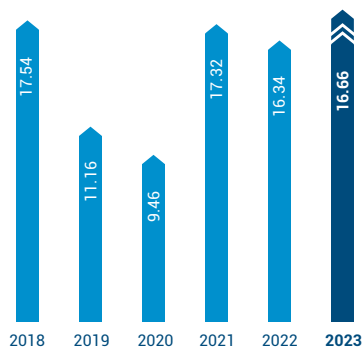
Inventory Turnover Ratio
(in Times)



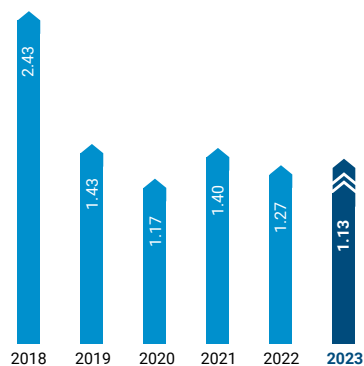
Breakup Value Per Share
(Rupees per share)



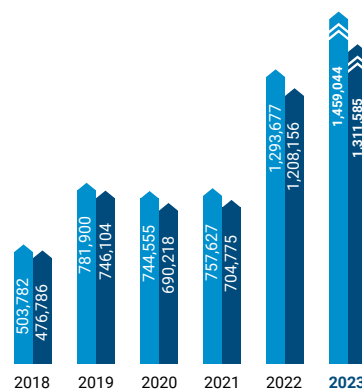
Earnings Per Share
(Rupees per Share)



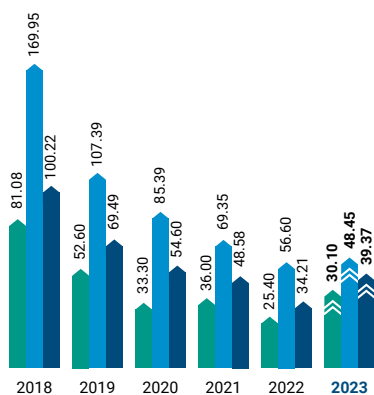
Interest Cover Ratio
(in Times)



**Revenue including Tariff
Adjustment & Cost Analysis**
(Rupees in million)



Share's Value
(Rupees per share)



Horizontal Analysis

	Jun 30, 18	Jun 30, 19	Jun 30, 20	Jun 30, 21	Jun 30, 22	Jun 30, 23
STATEMENT OF FINANCIAL POSITION ITEMS						
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	100	105	108	112	118	129
Intangible assets	100	160	83	330	315	209
Right of use assets	-	-	-	-	-	-
Deferred taxation	-	-	-	-	-	-
Long term investment	100	-	-	-	-	-
Long term loans	100	101	104	78	143	132
Employee benefits	100	116	168	170	96	162
Long term deposits and prepayments	100	62	92	136	176	2228
	100	106	128	130	135	147
CURRENT ASSETS						
Stores and spare parts	100	131	146	172	217	199
Stock in trade-gas in pipelines	100	29	22	15	40	58
Trade debts	100	238	248	260	464	443
Loans and advances	100	168	200	168	212	282
Trade deposits and short term prepayments	100	107	72	44	51	230
Interest accrued	100	192	149	76	438	455
Other receivables	100	166	272	365	492	779
Contract assets	-	-	-	-	-	-
Short term investments	-	-	-	-	-	-
Income tax recoverable - Net	100	289	237	65	-	5
Sales tax recoverable	100	113	90	67	169	318
Cash and bank balances	100	87	106	146	223	229
	100	159	207	249	377	524
TOTAL ASSETS	100	136	174	199	275	365
EQUITY AND LIABILITIES						
SHARE CAPITAL AND RESERVES						
Authorized share capital						
(1,500,000,000 ordinary shares of Rs. 10 each)	100	100	100	100	100	100
Issued, Subscribed and paid up share capital	100	100	100	100	100	100
Revenue reserves	100	119	152	226	270	318
Total equity	100	113	135	183	212	244
NON-CURRENT LIABILITIES						
Long term financing:						
- Secured	100	78	61	54	50	39
- Unsecured	100	73	63	43	30	23
Lease liability	-	-	-	-	-	-
Security deposits	100	111	120	126	129	133
Deferred Credit	100	89	86	95	100	100
Contract liabilities	-	-	-	-	-	-
Deferred tax	100	269	100	76	-	-
Employee benefits	100	100	133	149	157	192
	100	101	118	121	123	124
CURRENT LIABILITIES						
Trade and other payables	100	152	194	226	355	445
Contract liabilities	-	-	-	-	-	-
Unclaimed dividend	100	98	148	140	154	159
Unpaid dividend	-	-	-	-	-	-
Income tax	-	-	-	-	-	-
Sales tax Payable	-	-	-	-	-	-
Interest / Mark up accrued	100	161	268	356	508	833
Short term borrowings	100	715	746	742	477	2964
Current portion of lease liabilities	-	-	-	-	-	-
Current portion of long term financing	100	98	79	81	55	59
	100	159	208	245	366	512
Total liabilities	100	137	175	200	278	370
TOTAL EQUITY AND LIABILITIES	100	136	174	199	275	365
PROFIT OR LOSS ITEMS						
Gas sales	100	153	138	144	241	242
Add: tariff adjustment	100	171	221	198	380	662
	100	155	148	150	257	290
Cost of gas sold	100	156	145	148	253	279
Gross profit	100	133	201	196	317	472
Other operating income	100	131	135	138	152	256
	100	132	179	176	260	398
Less: Operating expenses						
Selling cost	100	105	119	135	155	180
Administrative expenses	100	105	104	117	122	143
	100	105	111	125	136	159
	100	143	207	197	312	499
Other operating expenses	100	173	98	45	143	304
Take or pay adjustment relating to prior years	-	-	-	-	-	-
Operating profit / (loss)	100	141	218	213	277	519
Finance cost	100	239	453	371	530	1,115
Profit before taxation	100	72	54	102	100	102
Taxation	100	94	56	112	118	120
Profit after taxation	100	64	54	99	93	95
Earnings per share - basic and diluted (rupees)	100	64	54	99	93	95

Vertical Analysis

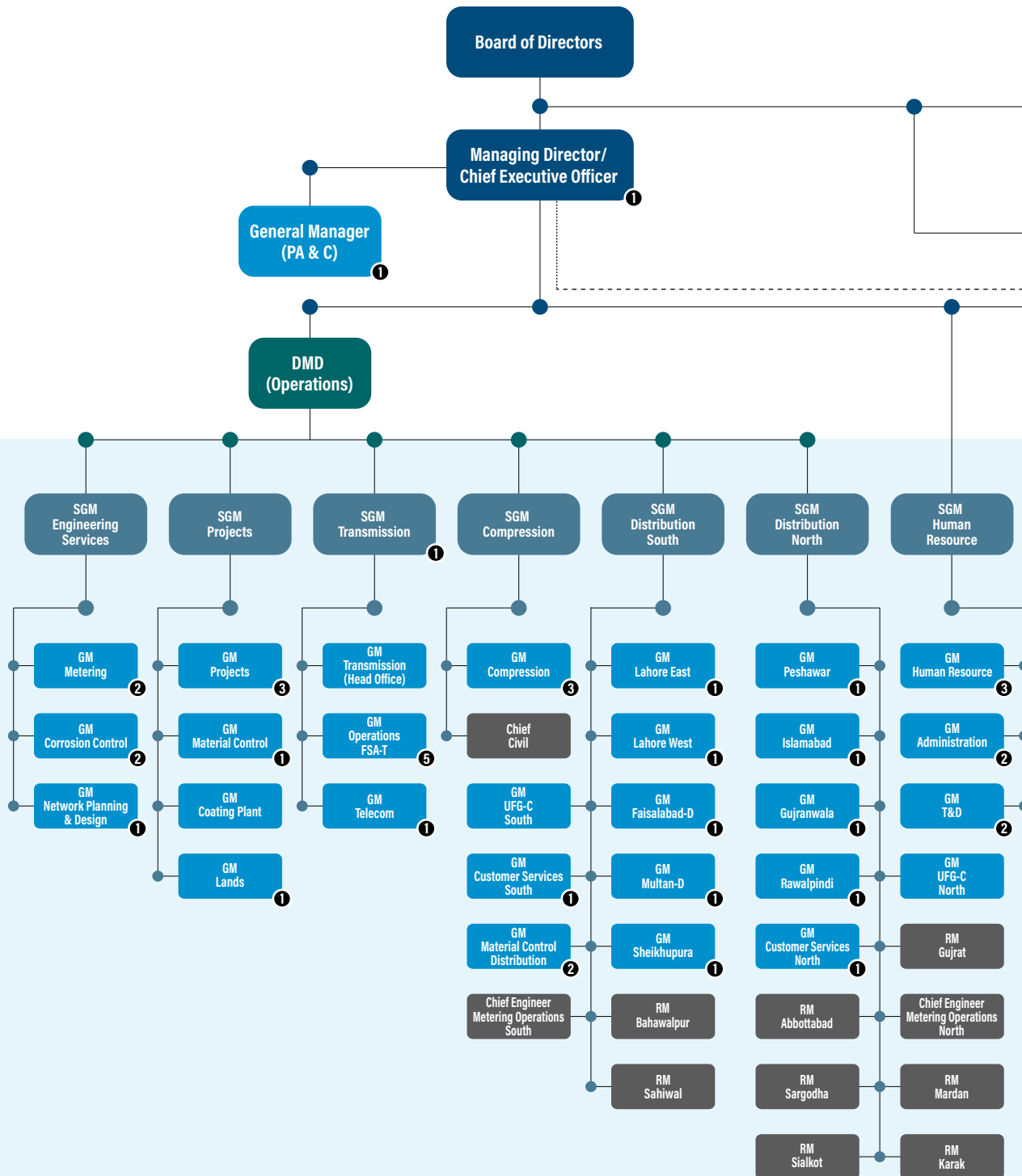
	Jun 30, 18	Jun 30, 19	Jun 30, 20	Jun 30, 21	Jun 30, 22	Jun 30, 23
STATEMENT OF FINANCIAL POSITION ITEMS						
ASSETS						
NON-CURRENT ASSETS						
Property, plant and equipment	41.33	31.91	25.72	23.32	17.74	14.59
Intangible assets	0.03	0.03	0.01	0.04	0.03	0.01
Right of use asset	-	-	4.61	3.63	2.36	1.57
Deferred taxation	0.00	0.00	0.00	0.00	0.22	0.37
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00
Long term loans	0.18	0.13	0.11	0.07	0.09	0.06
Employee benefits	0.54	0.46	0.52	0.46	0.19	0.24
Long term deposits and prepayments	0.01	0.00	0.00	0.00	0.00	0.03
	42.08	32.53	30.97	27.53	20.63	16.89
CURRENT ASSETS						
Stores and spare parts	0.83	0.80	0.70	0.72	0.65	0.45
Stock in trade-gas in pipelines	6.81	1.43	0.85	0.51	0.99	1.08
Trade debts	14.38	25.04	20.57	18.76	24.28	17.45
Loans and advances	0.27	0.34	0.32	0.23	0.21	0.21
Trade deposits and short term prepayments	0.05	0.04	0.02	0.01	0.01	0.03
Interest accrued	0.00	0.01	0.00	0.00	0.01	0.00
Other receivables	26.53	32.30	41.54	48.60	47.51	56.60
Contract assets	0.00	0.01	0.00	0.00	0.00	0.00
Income tax recoverable - Net	0.24	0.51	0.33	0.08	0.00	0.00
Sales tax recoverable	7.27	6.03	3.77	2.43	4.47	6.32
Short term investments	0.00	0.00	0.00	0.00	0.00	0.00
Cash and bank balances	1.53	0.98	0.94	1.12	1.25	0.96
	57.92	67.47	69.03	72.47	79.37	83.11
TOTAL ASSETS	100.00	100.00	100.00	100.00	100.00	100.00
EQUITY AND LIABILITIES						
SHARE CAPITAL AND RESERVES						
Authorized share capital (1,500,000,000 ordinary shares of Rs. 10 each)						
Issued, Subscribed and paid up share capital	1.38	1.01	0.79	0.69	0.50	0.38
Revenue reserves	2.67	2.34	2.35	3.04	2.63	2.33
Total equity	4.05	3.34	3.14	3.73	3.13	2.71
NON-CURRENT LIABILITIES						
Long term financing:						
- Secured	10.93	6.25	3.83	2.99	2.01	1.16
- Unsecured	0.09	0.05	0.03	0.02	0.01	0.01
Lease liability	-	-	4.20	3.29	2.23	1.55
Security deposits	9.49	7.72	6.53	6.01	4.45	3.46
Deferred Credit	12.55	8.17	6.19	5.98	4.55	3.44
Contract liabilities	-	1.76	1.55	1.66	1.56	1.43
Deferred tax	0.36	0.72	0.21	0.14	0.00	0.00
Employee benefits	1.65	1.21	1.27	1.24	0.94	0.87
	35.08	25.87	23.82	21.33	15.75	11.91
CURRENT LIABILITIES						
Trade and other payables	50.67	56.27	56.48	57.55	65.36	61.66
Contract liabilities	-	0.04	0.41	0.33	0.73	0.50
Unclaimed dividend	0.02	0.02	0.02	0.02	0.01	0.01
Unpaid dividend	-	0.12	0.00	0.00	0.00	0.00
Income Tax	-	-	-	0.00	0.03	0.00
Sales tax Payable	0.00	0.00	0.00	0.00	0.00	0.00
Interest / Mark up accrued	6.80	8.02	10.50	12.17	12.56	15.50
Short term borrowing	0.86	4.53	3.71	3.22	1.50	7.01
Current portion of lease liabilities	-	0.00	0.77	0.63	0.42	0.29
Current portion of long term financing	2.51	1.79	1.15	1.02	0.50	0.40
	60.87	70.79	73.04	74.94	81.13	85.38
Total liabilities	95.95	96.66	96.86	96.27	96.87	97.29
TOTAL EQUITY AND LIABILITIES	100.00	100.00	100.00	100.00	100.00	100.00
PROFIT OR LOSS ITEMS						
Gas Sales	100.00	100.00	100.00	100.00	100.00	100.00
Add: Tariff adjustment	12.76	14.21	20.38	17.55	20.15	34.91
	112.76	114.21	120.38	117.55	120.15	134.91
Cost of gas sold	106.72	108.98	111.59	109.35	112.20	123.12
Gross profit	6.04	5.23	8.78	8.20	7.94	11.79
Other operating income	3.17	2.70	3.10	3.03	1.99	3.36
	9.21	7.93	11.88	11.23	9.93	15.14
Less: Operating expenses						
Selling cost	1.18	0.81	1.02	1.11	0.76	0.88
Administrative expenses	1.56	1.07	1.17	1.27	0.79	0.92
	2.74	1.87	2.19	2.38	1.55	1.80
	6.47	6.06	9.69	8.85	8.39	13.34
Other operating expenses	0.59	0.66	0.41	0.18	0.35	0.74
Take or pay adjustment relating to prior years	-	-	-	-	1.28	-
Operating profit / (loss)	5.88	5.39	9.28	8.67	6.76	12.60
Finance cost	2.42	3.77	7.92	6.21	5.32	11.14
Profit before taxation	3.46	1.63	1.36	2.46	1.44	1.46
Taxation	0.97	0.59	0.39	0.75	0.48	0.48
Profit after taxation	2.49	1.03	0.97	1.70	0.96	0.98

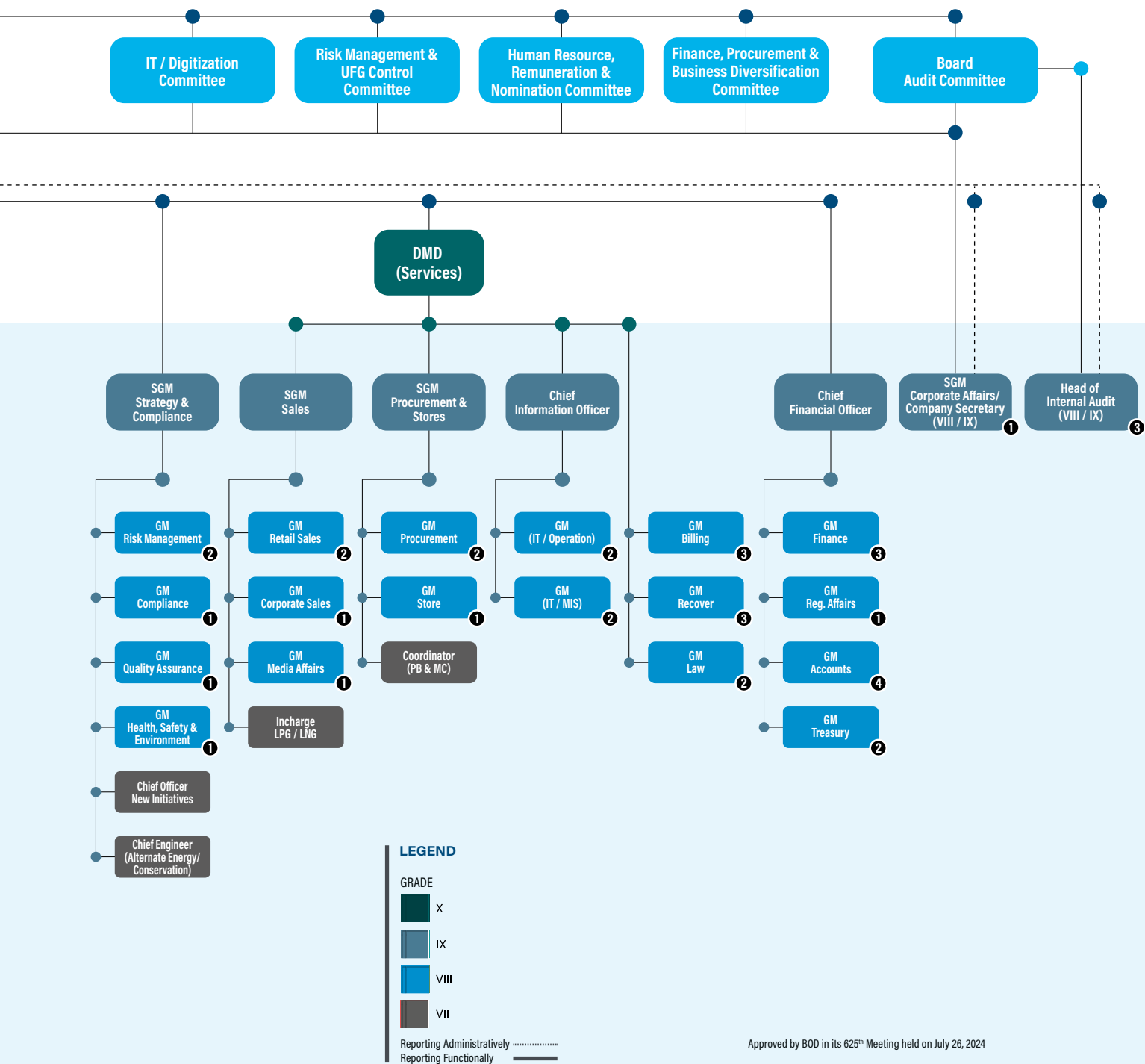
Ten Years at a Glance

(Rupees in thousand)	2023	2022	2021
STATEMENT OF FINANCIAL POSITION - SUMMARY			
Paid up share capital	6,342,167	6,342,167	6,342,167
Revenue reserves	39,243,428	33,305,891	27,877,899
Non-Current liabilities			
Deferred grant	58,037,101	57,656,379	54,873,962
Contract liabilities	24,090,013	19,747,043	15,262,507
Long term loans outstanding			
- Local	97,568	124,214	179,775
- Banking companies	19,463,172	25,450,493	27,455,663
Lease liabilities	26,145,317	28,297,506	30,171,701
Long term security deposits	58,227,213	56,479,161	55,205,548
Deferred liabilities - taxation	-	-	1,266,808
Employee benefit	14,613,239	11,942,076	11,387,322
Current Liabilities	1,438,456,362	1,028,762,141	688,037,096
	1,684,715,580	1,268,107,071	918,060,448
Non-Current Assets	284,503,422	261,607,683	252,730,046
Current Assets	1,400,212,158	1,006,499,388	665,330,402
	1,684,715,580	1,268,107,071	918,060,448
STATEMENT OF PROFIT OR LOSS - SUMMARY			
Sales	1,081,530,239	1,076,740,109	644,504,419
Add Tariff adjustment	377,513,730	216,937,355	113,122,636
Net Sales	1,459,043,969	1,293,677,464	757,627,055
Cost of Gas sold	1,331,585,491	1,208,155,759	704,775,318
Gross profit	127,458,478	85,521,705	52,851,737
Other operating income	36,287,769	21,452,025	19,513,400
	163,746,247	106,973,730	72,365,137
Expenditure			
Operating Expenses	19,457,936	16,657,744	15,314,143
Take or pay adjustment relating to prior years	-	13,768,112	-
Expected credit loss on trade receivables	1,973,461	1,208,532	370,386
Finance Cost	120,521,166	57,296,389	40,036,825
Other charges	6,021,539	2,539,340	801,879
	147,974,102	91,470,117	56,523,233
Profit / (loss) before taxation	15,772,145	15,503,613	15,841,904
Provision for taxation	5,208,441	5,137,382	4,855,910
Profit / (loss) after taxation	10,563,704	10,366,231	10,985,994
Earnings / (loss) per share (Basic) / (Rupees)	16.66	16.34	17.32
Dividend (%)	45.00	40.00	70.00
Number of employees - Operation	8,079	8,224	8,463
- Project	199	264	246
	8,278	8,488	8,709
Gas Sales (MMCF)	606,046	677,744	709,985
Consumers (in Numbers)	7,570,254	7,559,609	7,330,880
Customers (In Numbers)			
Industrial	6,279	6,201	6,124
Commercial	67,343	63,147	61,334
Domestic	7,456,923	7,450,552	7,263,422
	7,530,545	7,519,900	7,330,880
TRANSMISSION AND DISTRIBUTION SYSTEM (in Kilometers)			
Transmission mains	9,239	9,052	9,175
Distribution mains and services	149,242	146,327	142,998
	158,481	155,379	152,173

2020	2019	2018	2017	2016	2015	2014
6,342,167	6,342,167	6,342,167	6,342,167	6,342,167	6,342,167	6,342,167
18,794,692	14,700,046	12,334,514	4,253,626	(2,644,836)	(2,768,849)	(274,130)
49,568,007	51,390,541	57,854,554	47,168,154	37,405,489	32,142,949	31,168,532
12,444,360	11,066,804	-	-	-	-	-
263,485	303,229	415,232	504,067	569,903	718,778	932,097
30,700,519	39,330,000	50,420,000	49,359,799	34,425,000	13,500,000	5,500,000
33,626,581	-	-	-	-	-	-
52,335,405	48,578,096	43,782,459	38,566,630	34,343,735	32,452,229	29,782,655
1,678,685	4,503,422	1,676,766	-	-	-	107,968
10,168,764	7,640,091	7,617,333	14,681,746	12,332,455	9,748,887	6,469,389
585,073,938	445,527,126	280,714,218	163,310,619	128,939,602	112,953,347	87,110,028
800,996,603	629,381,522	461,157,243	324,186,808	251,713,515	205,089,508	167,138,706
248,044,834	204,750,902	194,063,019	167,081,379	139,487,798	116,754,857	106,832,239
552,951,769	424,630,620	267,094,224	157,105,429	112,225,717	88,334,651	60,306,467
800,996,603	629,381,522	461,157,243	324,186,808	251,713,515	205,089,508	167,138,706
618,527,964	684,625,881	446,765,837	319,696,374	239,636,172	190,819,014	206,237,565
126,027,449	97,274,083	57,016,553	26,611,910	11,010,416	21,701,559	14,523,313
744,555,413	781,899,964	503,782,390	346,308,284	250,646,588	212,520,573	220,760,878
690,218,497	746,103,955	476,785,651	326,609,632	246,424,169	210,374,232	220,127,339
54,336,916	35,796,009	26,996,739	19,698,652	4,222,419	2,146,341	633,539
19,163,723	18,512,175	14,159,487	10,992,947	11,896,988	10,525,247	9,752,046
73,500,639	54,308,184	41,156,226	30,691,599	16,119,407	12,671,588	10,385,585
13,547,111	12,833,101	12,248,552	12,072,161	11,635,404	11,630,537	10,774,289
-	-	-	-	-	-	-
1,853,633	1,505,879	-	-	-	-	-
48,975,690	25,776,847	10,806,155	5,350,520	4,402,741	3,982,728	5,005,457
707,274	3,043,140	2,626,118	729,719	220,870	421,332	94,563
65,083,708	43,158,967	25,680,825	18,152,400	16,259,015	16,034,597	15,874,309
8,416,931	11,149,217	15,475,401	12,539,199	(139,608)	(3,363,009)	(5,488,724)
2,419,222	4,073,383	4,353,926	3,924,699	(263,621)	(868,509)	(1,524,149)
5,997,709	7,075,834	11,121,475	8,614,500	124,013	(2,494,500)	(3,964,575)
9.46	11.16	17.54	13.58	0.20	(3.93)	(6.25)
40.00	35.00	70.50	60	-	-	-
8,569	8,567	8,654	8,764	8,819	8,772	8,696
303	314	407	420	384	290	288
8,872	8,881	9,061	9,184	9,203	9,062	8,984
649,946	755,098	670,644	615,003	534,922	463,393	506,355
6,998,301	6,727,073	6,296,662	5,691,743	5,271,039	5,021,956	4,766,715
6,052	5,991	5,871	5,755	5,754	6,453	6,453
59,931	58,822	56,299	53,553	53,271	54,047	53,957
6,892,906	6,622,551	6,194,783	5,592,726	5,172,305	4,921,747	4,666,596
6,958,889	6,687,364	6,256,953	5,652,034	5,231,330	4,982,247	4,727,006
9,138	8,948	8,867	8,637	7,941	7,818	7,738
135,000	130,106	122,325	111,015	103,849	97,300	95,855
144,138	139,054	131,192	119,652	111,790	105,118	103,593

Organizational Structure





SNGPL Head Office & Regional Offices

Head Office

📍 21, Kashmir Road, Lahore
☎ 042-99082000, 042-99082006
📠 042-99201369, 042-99201302
🌐 www.sngpl.com.pk

Regional Offices

Abbottabad

Jub Pul, P.O. Jhangi,
Main Mansehra Road.
Tel: 0992-9310071 -72
0992-9310077-78
Fax: 0992-9310070

Bahawalpur

6-1-D, Model Town-A.
Tel: 062-9255022-24
Fax: 062-9255033
062-9255026

Faisalabad

Sargodha Road.
Tel: 041-9210033-35
Fax: 041-9210037

Gujranwala

M. A. Jinnah Road.
Tel: 055-9200480-84
Fax: 055-9257770
055-9200486

Islamabad

Plot No. 28-30,
I-9 Industrial Area.
Tel: 051-9257711-19
Fax: 051-9257770

Lahore (East & West)

21-Industrial Area,
Gulberg III.
Tel: 042-992633161
042-992633180
Fax: 042-99263389

Multan

Piran Ghaib Road.
Tel: 061-9220081
061-9220084-86
Fax: 061-9220090

Peshawar

Plot No. 33, Sector B-2,
Hayatabad.
Tel: 091-9217748-50
Fax: 091-9217642

Sahiwal

79-A, 79-C, Canal Colony.
Tel: 040-9200093
Fax: 040-9200094

Sheikhupura

Sheikhupura Bypass Road
near Sultan Grand.
Tel: 056-3791644-45
Fax: 056-3791646

Rawalpindi

Al-Mansha Plaza,
near DHA Phase-II,
Main G.T. Road.
Tel: 051-4917277-78
Fax: 051-4917265

Sargodha

House No. 15,
Muslim Town.
Tel: 048-3224401
Fax: 048-3224401

Gujrat

State Life Building,
120 and 121, G.T. Road.
Tel: 053-9260322, 053-9260325
Fax: 053-9260321

Sialkot

Al-Hamid Plaza, Malkay Kalan,
Off Murala Link Road,
Sublime Chowk.
Tel: 052-3251350, 052-3557172
Fax: 052-3251350

Mardan

Riffat Mehal, Near Mardan
Industrial Estate, Main
Nowshera Road.
Tel: 0937-880018
Fax: 0937-880061

Wah Cantt

Gudwal Link Road.
Tel: 051-4511153





Audited Financial Statements

for the year ended June 30, 2023

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF SUI NORTHERN GAS PIPELINES LIMITED
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE WITH THE
LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019
AND PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES, 2013**

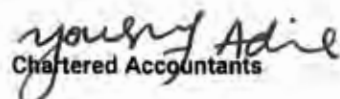
We have reviewed the enclosed Statement of Compliance with the best practices contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019 and Public Sector Companies (Code of Corporate Governance) Rules, 2013 (both herein referred to as 'Codes') prepared by the Board of Directors of **Sui Northern Gas Pipelines Limited** (the Company) for the year ended June 30, 2023 to comply with the requirements of Pakistan Stock Exchange where Company is listed.

The responsibility for compliance with the code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Codes and report if it does not and to highlight any non-compliance with the requirements of the Codes. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Codes.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on Internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The codes require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval of its related party transactions distinguishing between transactions carried on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Codes as applicable to the Company for the year ended June 30, 2023.


Chartered Accountants

Engagement Partner:
Rana M. Usman Khan

Lahore
Date: July 31, 2024
UDIN: CR202310088oy9g0j5AS



INDEPENDENT AUDITOR'S REPORT

To the members of Sui Northern Gas Pipelines Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of **Sui Northern Gas Pipelines Limited** (the Company) which comprise the statement of financial position as at June 30, 2023, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2023 and of the profit, other comprehensive income, cash flows and changes in equity for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the Note 27.3 to the financial statements which explains that the settlement of circular debt, including tariff adjustment (refer note 31 and note 35) is dependent upon the resolution of intercorporate balances by the Government of Pakistan, and increase in gas prices or subsidy by the Government of Pakistan to the Company.

Our opinion is not modified in respect of above matter.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:



Key Audit Matters	How the matter was addressed in our audit
<p>1. Revenue</p> <p>The Company's total revenue amounts to Rs. 1,081,530 million, which is generated from sales of indigenous gas and RLNG, representing a significant element of the financial statements as disclosed in note 34 to the financial statements.</p> <p>Revenue includes sales of indigenous gas and RLNG to the wide range of customers under agreement(s) based on single performance obligation satisfied over time, whereas progress of the performance obligation is measured using the output method, by an amount representing volume of natural gas delivered as metered monthly in arrears, that may include estimates for provisional billing, at the various rates prescribed by OGRA and Tariff adjustments which are calculated as per OGRA Ordinance, 2002 and Final Revenue Requirement(s) issued by OGRA.</p> <p>We identified revenue recognition as key audit matter as it is one of the key performance indicator of the Company and because of the potential risk that revenue transactions may not have been recognized based on the satisfaction of the performance obligation under the contract(s) with the customers in line with the accounting policy adopted as disclosed in note 4.17 to the financial statements.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of and assessed the design and implementation of key internal controls over recognition of revenue; • Assessed the appropriateness of the Company's accounting policies for revenue recognition and compliance of those policies with IFRS 15 applicable accounting standards; • Performed test of details on revenue recognized during the year, on a sample basis, inspected meter reading documents, sales agreement(s), gas bills and rate from OGRA notification(s); • Obtained and examined the Final Revenue Requirement issued by the OGRA and checked that Tariff adjustments are as per the revenue requirement; and • Assessed the adequacy of related disclosures in the financial statements.
<p>2. Contingent taxation liabilities</p> <p>As discussed in Note 18.1.1 to the accompanying financial statements, the Company has significant contingent liabilities in respect of various income and sales tax matters, which are pending adjudication at various levels with appellate authorities.</p> <p>Such disputes and uncertain tax positions require management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact, if any, on the Company for disclosure, recognition and measurement of any provision that may be required against such contingencies.</p> <p>Due to significance of the amounts involved, inherent uncertainties with respect to outcome of the matters and the use of significant management judgments and estimates to assess the same including related financial impacts, we have considered contingent liabilities relating to income and sales tax, a Key Audit Matter.</p>	<p>Our audit procedures amongst others included the following:</p> <ul style="list-style-type: none"> • Obtained and reviewed details of the pending tax matters and discussed the same with the Company's management; • Circularized confirmations to the Company's external legal and tax counsels for their views on open tax assessments and the matters under adjudication; • Reviewed correspondence of the Company with the relevant tax authorities including significant judgments or orders passed by the relevant tax authorities in relation to the issues involved; • Involved in-house tax specialists to review the reasonableness of management's conclusion on contingent tax matters and to evaluate the consistency of such conclusions with the views of the management and external



	<p>legal and tax counsels engaged by the Company; and</p> <ul style="list-style-type: none"> Reviewed appropriateness of the disclosures made in the financial statements in respect of such contingent liabilities.
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Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance opinion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017)
- b) the statement of financial position, the statement of profit or loss, statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Rana M. Usman Khan.

Yousuf Adil
Chartered Accountants

Lahore

Date: July 31, 2024

UDIN: AR2023100886zhG9IfMU

Statement of Financial Position

As at June 30, 2023

	Note	2023 (Rupees in thousand)	2022
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	5	6,342,167	6,342,167
Revenue reserves	6	39,243,428	33,305,891
		45,585,595	39,648,058
Non-current liabilities			
Long term financing:			
-Secured	7	19,463,172	25,450,493
-Unsecured	8	97,568	124,214
Lease liabilities	9	26,145,317	28,297,506
Security deposits	10	58,227,213	56,479,161
Deferred grant	11	58,037,101	57,656,379
Contract liabilities	12	24,090,013	19,747,043
Employee benefits	13	14,613,239	11,942,076
		200,673,623	199,696,872
Current liabilities			
Trade and other payables	14	1,038,817,871	828,842,370
Current portion of contract liabilities	12	8,344,499	9,319,765
Income tax		-	416,754
Unclaimed dividend		176,736	171,940
Unpaid dividend		53,791	10,935
Interest / mark-up accrued on loans and other payables	15	261,112,742	159,280,590
Short term borrowing - secured	16	118,179,300	19,019,488
Current portion of lease liabilities	9	4,954,838	5,380,885
Current portion of long term financing	17	6,816,585	6,319,414
		1,438,456,362	1,028,762,141
Contingencies and commitments			
	18	-	-
		1,684,715,580	1,268,107,071

The annexed notes 1 to 54 form an integral part of these financial statements.



Kamran Akram
Chief Financial Officer



Amer Tufail
Managing Director / CEO

Statement of Profit or Loss


for the year ended June 30, 2023

	Note	2023 (Rupees in thousand)	2022
Revenue from contracts with customers - gas sales	34	1,081,530,239	1,076,740,109
Add: Tariff adjustment	35	377,513,730	216,937,355
		1,459,043,969	1,293,677,464
Less: Cost of gas sales	36	1,331,585,491	1,208,155,759
Gross profit		127,458,478	85,521,705
Add: Other operating income	37	36,287,769	21,452,025
		163,746,247	106,973,730
Less: Operating expenses			
Selling cost	38	9,526,779	8,180,096
Administrative expenses	39	9,931,157	8,477,648
Take or pay adjustment relevant to prior periods		-	13,768,112
Other operating expenses	40	6,021,539	2,539,340
Expected credit loss on trade receivables		1,973,461	1,208,532
		27,452,936	34,173,728
Operating profit		136,293,311	72,800,002
Less: Finance cost	41	120,521,166	57,296,389
Profit before taxation		15,772,145	15,503,613
Less: Taxation	42	5,208,441	5,137,382
Profit for the year		10,563,704	10,366,231
Earnings per share - basic and diluted - (Rs.)	43	16.66	16.34

The annexed notes 1 to 54 form an integral part of these financial statements.



Kamran Akram
Chief Financial Officer



Amer Tufail
Managing Director / CEO



Muhammad Ismail Qureshi
Chairman

Statement of Comprehensive Income

for the year ended June 30, 2023

	2023	2022
	(Rupees in thousand)	
Profit for the year	10,563,704	10,366,231
Other comprehensive income for the year		
Items that will not be reclassified to profit or loss in subsequent periods:		
Remeasurement of defined benefit plans - net	194,713	(1,690,953)
Tax effect	(64,255)	558,014
	130,458	(1,132,939)
Items to be reclassified to profit or loss in subsequent periods	-	-
Total comprehensive income for the year	10,694,162	9,233,292

The annexed notes 1 to 54 form an integral part of these financial statements.



Kamran Akram
Chief Financial Officer



Amer Tufail
Managing Director / CEO



Muhammad Ismail Qureshi
Chairman

Statement of Changes in Equity

for the year ended June 30, 2023

	Share capital	Revenue reserves				Total share holders' equity
		General reserve	Dividend equalization reserve	Unappropriated profit	Total	
Balance as at July 01, 2021	6,342,167	4,127,682	480,000	23,270,217	27,877,899	34,220,066
Transactions with owners, recognised directly in equity:						
Final dividend for the year ended June 30, 2020						
@ Rupees 4 per share	-	-	-	(2,536,867)	(2,536,867)	(2,536,867)
Interim dividend for the year ended June 30, 2021						
@ Rupees 2 per share	-	-	-	(1,268,433)	(1,268,433)	(1,268,433)
Profit for the year	-	-	-	10,366,231	10,366,231	10,366,231
Other comprehensive income for the year	-	-	-	(1,132,939)	(1,132,939)	(1,132,939)
Total comprehensive income for the year	-	-	-	9,233,292	9,233,292	9,233,292
Balance as at June 30, 2022	6,342,167	4,127,682	480,000	28,698,209	33,305,891	39,648,058
Transactions with owners, recognised directly in equity:						
Final dividend for the year ended June 30, 2021						
@ Rupees 5 per share	-	-	-	(3,171,083)	(3,171,083)	(3,171,083)
Interim dividend for the year ended June 30, 2022						
@ Rupees 2.5 per share	-	-	-	(1,585,542)	(1,585,542)	(1,585,542)
Profit for the year	-	-	-	10,563,704	10,563,704	10,563,704
Other comprehensive income for the year	-	-	-	130,458	130,458	130,458
Total other comprehensive income for the year	-	-	-	10,694,162	10,694,162	10,694,162
Balance as at June 30, 2023	6,342,167	4,127,682	480,000	34,635,746	39,243,428	45,585,595

The annexed notes 1 to 54 form an integral part of these financial statements.



Kamran Akram
Chief Financial Officer



Amer Tufail
Managing Director / CEO



Muhammad Ismail Qureshi
Chairman

Statement of Cash Flows

for the year ended June 30, 2023

	Note	2023 (Rupees in thousand)	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash (used in) / generated from operations	44	(28,095,042)	56,080,083
Finance cost paid		(15,078,033)	(5,512,884)
Taxes paid		(9,219,674)	(7,432,710)
Employee benefits / contributions paid		(2,882,148)	(2,798,223)
Increase in security deposits		1,748,053	1,273,613
Receipts against government grants and consumer contributions		7,207,317	9,407,263
Increase in long term loans		139,202	(545,835)
(Increase) / decrease in long term deposits and prepayments		(503,102)	(10,006)
Net cash (used in) / generated from operating activities		(46,683,427)	50,461,301
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(36,025,499)	(25,697,404)
Expenditure on intangible assets		(139,909)	(203,772)
Proceeds from sale of property, plant and equipment		35,282	57,567
Return on bank deposits		1,315,459	549,279
Net cash used in investing activities		(34,814,667)	(25,294,330)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing - secured		675,000	25,964,000
Repayment of long term financing - secured		(6,182,806)	(31,054,947)
Repayment of long term financing - unsecured		(18,628)	(76,763)
Repayment of lease liability against right of use assets		(6,986,123)	(175,716)
Dividend paid		(4,708,973)	(3,778,695)
Net cash used in financing activities		(17,221,530)	(9,122,121)
Net (decrease) / increase in cash and cash equivalents		(98,719,624)	16,044,850
Cash and cash equivalents at the beginning of the year		(3,225,920)	(19,270,770)
Cash and cash equivalents at the end of the year	44.2	(101,945,544)	(3,225,920)

The annexed notes 1 to 54 form an integral part of these financial statements.



Kamran Akram
Chief Financial Officer



Amer Tufail
Managing Director / CEO



Muhammad Ismail Qureshi
Chairman

Notes to the Financial Statements

for the year ended June 30, 2023

1. THE COMPANY AND ITS OPERATIONS

Sui Northern Gas Pipelines Limited (the Company) is a public limited company incorporated in Pakistan on June 17, 1963 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, Marala Link Road, Sublime Chowk, Sialkot.
Gujrat	State Life Building, 120 and 121, G.T. Road, Gujrat.
Islamabad	Plot No. 28-30, I-9 Industrial Area, Islamabad.
Rawalpindi	Al-Mansha Plaza, near DHA Phase-II, Main G.T. Road, Rawalpindi.
Lahore (east and west)	21-Industrial Area, Gulberg-III, Lahore.
Multan	Piran Ghaib Road, Multan.
Peshawar	Plot No. 33, Sector B-2, Hayatabad, Peshawar.
Mardan	Riffat Mehal, Near Mardan Industrial Estate, Main Nowshera Road, Mardan.
Sahiwal	79-A and 79-C, Canal Colony, Sahiwal.
Sargodha	House No. 15, Muslim Town, Sargodha.
Sheikhupura	Sheikhupura Bypass Road near Sultan Grand, Sheikhupura.
Wah	Gudwal Link Road, Wah Cantt.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

- i) International Financial Reporting Standards ('IFRS Standards') issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- ii) Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 Standards, interpretations and amendments to published approved accounting standards

The following amendments to existing standards have been published that are applicable to the Company's financial statements.

2.2.1 Standards, amendments to published standards and interpretations that are effective in current year and are relevant to the Company's operations

Following amendments to published approved accounting standards are mandatory for the Company's accounting periods beginning on or after 01 July 2022:

- Amendments to IAS 16 'Property, Plant and Equipment' - Proceeds before Intended Use'

- Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' - Onerous Contracts – Cost of Fulfilling a Contract amends IAS 1 'Presentation of Financial Statements'
- Annual improvements to IFRS standards 2018-2020 which amended IFRS 9 'Financial Instruments' and IFRS 16 'Leases'

The above-mentioned amendments to approved accounting standards did not have any impact on the amounts recognised in prior period and are not expected to significantly affect the current or future periods.

2.2.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan, would be effective from the dates mentioned below and have not been adopted early by the Company:

- Amendments to IAS 1 'Presentation of Financial Statements' (effective for annual periods beginning on or after January 01, 2023). These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'.
- Disclosure of Accounting Policies (Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 'Making Materiality Judgement') effective for annual periods beginning on or after 01 January 2023. These amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Earlier, IAS 1 states that an entity shall disclose its 'significant accounting policies' in their financial statements. These amendments shall assist the entities to disclose their 'material accounting policies' in their financial statements.

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 1 January 2024.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 'Income taxes') effective for annual periods beginning on or after 01 January 2023. These amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations.
- Change in definition of Accounting Estimate (Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors') effective for annual periods beginning on or after 1 January 2023. This change replaced the definition of Accounting Estimate with a new definition, intended to help entities to distinguish between accounting policies and accounting estimates
- The IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 1 January 2024.
- The IASB issued 'Suppliers Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangement. The amendments are effective for reporting period beginning on or after 1 January 2024.

Notes to the Financial Statements

for the year ended June 30, 2023

The above amendments are effective from annual period beginning on or after January 01, 2023 and are not likely to have any significant impact on the Company's financial statements.

Other than the aforesaid standards, interpretations and amendments, the IASB has also issued the following standards which have not been notified locally by the Securities and Exchange Commission of Pakistan (SECP) as at June 30, 2023:

IFRS 1 – First Time Adoption of International Financial Reporting Standards; and

IFRS 17 – Insurance Contracts.

2.2.3 Exemptions from applicability of certain standards and interpretations to standards

- IFRS 2 (amendment) - 'Share-based payment-Group Cash-settled Share-base Payment Transactions' effective for annual period beginning on or after January 01, 2010.

The IASB amended IFRS 2 whereby an entity receiving goods or services is to apply this IFRS in accounting for group cash settled share based payment transactions in its financial statements when that entity has no obligation to settle the share-based payment transaction.

On August 14, 2009, the Government of Pakistan (GOP) launched "Benazir Employee Stock Option Scheme" (the Scheme) for employees of certain State Owned Enterprises (SOEs) and non-State Owned Enterprises where GOP holds significant investments (non-SOEs). The scheme is applicable to permanent and contractual employees who were in employment of these entities on the date of launch of the scheme, subject to completion of five years vesting period by all contractual employees and by permanent employees in certain instances.

The scheme provides for cash payments to employees on retirement or termination based on the price of shares of respective entities. To administer this scheme, GOP shall transfer 12% of its investments in such SOEs and non-SOEs to a Trust Fund to be created for the purpose by each of such entities. The eligible employees would be allotted units by each Trust Fund in proportion to their respective length of service and on retirement or termination such employees would be entitled to receive such amounts from Trust Funds in exchange for the surrendered units as would be determined based on market price for listed entities or breakup value for non-listed entities. The shares relating to the surrendered units would be transferred back to GOP.

The scheme also provides that 50% of dividend related to shares transferred to the respective Trust Fund would be distributed amongst the unit-holder employees. The balance 50% dividend would be transferred by the respective Trust Fund to the Central Revolving Fund managed by the Privatization Commission of Pakistan for payment to employees against surrendered units. The deficit, if any, in Trust Funds to meet the re-purchase commitment would be met by GOP. The Scheme developed in compliance with the stated GOP policy of empowerment of employees of State Owned Enterprises need to be accounted for by the covered entities, including the Company, under the provisions of amended IFRS 2. However, keeping in view the difficulties that may be faced by the entities covered under the Scheme, the Securities & Exchange Commission of Pakistan (SECP) on receiving representations from some of the entities covered under the Scheme and after having consulted the Institute of Chartered Accountants of Pakistan has granted exemption to such entities from the application of IFRS 2 to the Scheme vide S.R.O 587(I)/2011 dated June 07, 2011.

Had the exemption not been granted, the staff costs of the Company for the year would have been higher by Rs. 122,395 thousand (2022: lower by Rs. 340,855 thousand) and reserves would have been higher by Rs. 933,853 thousand (2022: Rs. 811,458 thousand). However, there will be no impact on profit after taxation, EPS and retained earning as the Company's management believes that this impact is a pass through item which will be eventually adjusted against gas development surcharge or tariff adjustment as explained in note 4.20 to these financial statements.

The detailed judgment of the Honourable Supreme Court of Pakistan (SCP) has been issued in relation to the Benazir Employees' Stock Option Scheme (BESOS). The Honourable SCP has held that the BESOS was established without any policy input of the Council of Common Interests. Therefore, it fell beyond the ambit

of authority of the Federal Cabinet and contravened Article 154 of the Constitution of the Islamic Republic of Pakistan, 1973. Accordingly, the Honourable SCP upheld the judgment dated January 03, 2018 passed by the Honourable Sindh High Court.

- IFRS 9 - Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after July 01, 2018. The application of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL).

The Securities and Exchange Commission of Pakistan (SECP) vide its Circular No. 985 (I)/2019 dated September 02, 2019 and its clarification vide its letter No. EMD/233/414/2002 dated September 13, 2019 to the Company and vide S.R.O. 1177 (I)/2021 dated September 13, 2021 and subsequent vide S.R.O 67(I)/2023 dated January 20, 2023 has exempted the application of IFRS 9 with respect to recognition requirements of Expected Credit Losses on financial assets due from Government of Pakistan or ultimately due from the Government of Pakistan (including receivables in context of circular debt) till December 31, 2024, provided that such companies shall follow relevant requirements of IAS 39, in respect of such financial assets.

Consequently, the Company has also been exempted from the application of IFRS 9 with respect to ECL method on financial assets due from Government of Pakistan, while preparing its financial statements. Accordingly, there is no ECL recorded on the financial assets due from the GOP in these financial statements."

- 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. Had the Company applied IFRS 14, the effects on the financial statements would have been as follows:

	2023	2022
	(Rupees in thousand)	
Effect on statement of profit or loss		
(Decrease) / Increase in		
Tariff adjustment	(377,513,730)	(216,937,355)
Net movement in regulatory deferral account balances	377,513,730	216,937,355
Loss for the year before net movement in regulatory deferral account would have been	(366,950,026)	(206,571,124)
Effect on the earnings / (Loss) per share - (Rs.)		
basic and diluted	(578.59)	(325.71)
basic and diluted including net movement in regulatory deferral account	16.66	16.34
Effect on statement of financial position		
(Decrease) / increase in:		
Other receivable	(952,780,003)	(602,379,270)
Regulatory deferral account	952,780,003	602,379,270

Notes to the Financial Statements

for the year ended June 30, 2023

3. BASIS OF MEASUREMENT

3.1 Presentation and functional currency

The financial statements are presented in Pak Rupees, which is also the Company's functional and presentation currency.

3.2 Significant accounting estimates

These financial statements have been prepared under the historical cost convention except for revaluation of certain financial instruments at fair value and recognition of certain employee retirement benefits at present value. The Company's significant accounting policies are stated in note 4. Not all of these significant policies require the management to make difficult, subjective or complex judgments or estimates. The following is intended to provide an understanding of the policies, management considers critical because of their complexity, judgment or estimation involved in their application and their impact on these financial statements. Estimates and judgments are continually evaluated and are based on historical experience, including expectation of future events that are believed to be reasonable under the circumstances. These judgments involve assumptions or estimates in respect of future events and the actual results may differ from these estimates. The areas involving higher degree of judgments or complexity or areas where assumptions and estimates are significant to the financial statements are as follows:

- i) Employee benefits - note 4.5, 13.8
- ii) Provision for taxation - note 4.4 and 42
- iii) Useful life and residual values of property, plant and equipment - note 4.8 and 19.1
- iv) Right-of-use assets and corresponding lease liability - note 4.10, 9 and 21
- v) Impairment of financial assets - note 4.19, 27 and 32
- vi) Impairment of non-financial assets - note 4.8, 4.9, 19 and 20
- vii) Tariff adjustment - recognition of disallowances determined by the OGRA - note 4.20, 31 and 35.

i) Employee benefits

The Company operates various defined benefit plans for its executive and non executive employees and recognizes deferred liabilities in respect of pension, gratuity, medical, free gas facility and accumulated compensated absences. These calculations require assumptions to be made of future outcomes, the principal ones being in respect of increases in remuneration and pension benefit levels, medical benefit rate and the discount rate used to convert future cash flows to current values. The assumptions used vary for the different plans as they are determined by independent actuaries annually. Calculations are sensitive to changes in the underlying assumptions. The valuation is based on assumptions as mentioned in note 4.5, 13.8.

ii) Provision for taxation

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

Deferred tax is calculated at the rates that are expected to apply to the period when the difference reverse, based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences, unused tax losses and tax credits to the extent that future taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilized. The recoverability of deferred tax assets are analyzed at each reporting period end

and adjusted if considered necessary with a corresponding effect on deferred tax charge / income for the period.

iii) Useful life and residual values of property, plant and equipment

The Company reviews the useful lives and residual values of property, plant and equipment on a regular basis. Any change in estimates in future years might affect the carrying amounts of respective items of property, plant and equipment with a corresponding effect on depreciation charge and impairment.

iv) Right-of-use assets and corresponding lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Company's incremental borrowing rate ('IBR'). The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value of the right-of-use asset in a similar economic environment.

The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The lease term is determined at the date of inception of lease. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. The Company reviews the useful life of the right-of-use assets on a regular basis. Any change in estimates in future years might affect the carrying amounts of right-of-use assets and lease liabilities with a corresponding effect on the depreciation charge and interest expense.

v) Impairment of financial assets

The Company recognizes an allowance for Expected Credit Losses (ECL) for all debt instruments not held at fair value through profit or loss, excluding financial assets due from Government of Pakistan due to exemption granted by SECP as more fully explained in note 2.2.3 above. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company measures the ECL of a financial instrument in a way that reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

ECL are measured for the maximum contractual period over which the entity is exposed to credit risk. The significant estimates relating to the measurement of ECL relate to the fair value of the collaterals in place, the expected timing of the collection and forward looking economic factors.

Notes to the Financial Statements

for the year ended June 30, 2023

For trade receivables and contract assets, the Company has applied simplified approach in calculating ECL adjusted for forward-looking factors specific to the debtors and the economic environment.

Elements of the ECL model that are considered accounting judgments and estimates include:

- Development of ECL model, including the various formulas and choice of inputs;
- Determining the criteria if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;
- The segmentation of financial assets when their ECL is assessed on a collective basis;
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL model; and
- Determination of associations between macroeconomic scenarios and, economic inputs, and their effect on Probability of Default (PDs), Exposure At Default (EADs) and Loss Given Default (LGDs).

The Company considers a financial asset in default when contractual payments are significantly past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

The Company also reviews the recoverability of its trade debts, advances and other receivables that are due from GOP to assess amount of bad debts and provision required there against on annual basis. As referred in note 2.2.3 to these financial statements, the SECP has exempted application of the requirements of ECL on financial assets due directly / ultimately from GOP, provided that the Company is following the requirements of IAS 39 "Financial Instruments: Recognition and Measurement, in respect of these financial assets.

vi) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. Impairment losses of continuing operations are recognized in the statement of profit or loss and other comprehensive income in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset neither exceeds its recoverable amount, nor exceeds the carrying amount

that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

4. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Borrowings

Borrowings are recognized initially at fair value (proceeds received), net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of profit or loss over the period of the borrowings using the effective interest method.

Finance costs are accounted for on an accrual basis and are shown as accrued finance cost to the extent of the amount unpaid.

4.2 Deferred credit

Deferred credit represents the amount received from the government as grant towards the cost of supplying and laying transmission, service and main lines. Amortization of deferred credit commences upon capitalization of the related asset and is amortized over its estimated useful life.

4.3 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration from the customer. Contract liabilities include the amount received from the customers as contribution towards the cost of supplying and laying transmission, service and main lines. Revenue recognition against such contract liabilities commences upon capitalization of the related asset and is amortized over its useful life.

4.4 Taxation

Taxation for the year comprises of current and deferred tax. Taxation is recognized in profit or loss except to the extent that it relates to items recognized outside profit or loss (whether in other comprehensive income or directly in equity), if any, in which case the tax amounts are recognized outside profit or loss.

Current

Provision for current tax is based on taxable income for the year determined in accordance with the prevailing law for income taxation. The charge for current tax is calculated using prevailing current tax rates or tax rates expected to apply to the profit for the year, if enacted. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from difference between the carrying amount of the assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are recognized for all taxable temporary differences whereas deferred tax assets are recognized for deductible temporary differences, unused tax losses and tax credits to the extent that it is probable that taxable profit will be available against which these can be utilized.

Notes to the Financial Statements

for the year ended June 30, 2023

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse, based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss and statement of comprehensive income except where deferred tax arises on the items credited or charged to equity in which case it is included in equity.

4.5 Employee retirement benefits

Salaries, wages and benefits are accrued in the period in which the associated services are rendered by employees of the Company. The main features of the schemes operated by the Company for its employees are as follows:

4.5.1 Defined benefit plans

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit actuarial valuation method. The most recent valuations were carried out as on June 30, 2023 using the projected unit credit method. Significant assumptions used for valuation of these schemes are mentioned in note 13.8. The future contribution rates of these funds include allowance for deficit and surplus.

4.5.1.1 Pension and gratuity funds

The Company operates an approved funded pension scheme and an approved funded gratuity scheme for executives and non-executives. In case of gratuity scheme, qualifying service period for executives and non-executives is five years and six years, respectively. Contributions to the schemes are payable on the recommendations of the actuary. The future contribution rates of these schemes include allowance for deficit and surplus.

An executive who qualifies for pension at the time of retirement from the Company and does not surrender his pension, shall be entitled to gratuity at the rate of 20 days basic salary for each completed year of service. An executive who qualifies for pension at the time of retirement from the Company and surrenders his pension, shall be entitled to gratuity at the rate of 50 days basic salary for each completed year of service. Significant assumptions used for valuation of these schemes are mentioned in note 13.8.

4.5.1.2 Medical and free gas facility schemes

The Company provides free gas facility to non-executives and medical facility to all employees and their dependents after their retirement. However, all executives retired up to December 31, 2000 are also entitled to avail free gas facility. Significant assumptions used for valuation of these schemes are mentioned in note 13.8.

4.5.1.3 Accumulating compensated absences

The Company provides annually for the expected cost of accumulating compensated absences and leave fare assistances on the basis of actuarial valuations. However, executives of the Company were not entitled to avail leave fare assistance after December 31, 2000.

Executives and non-executives of the Company are entitled to accumulate the unutilized privilege leaves up to 60 and 90 days, respectively. Such accumulation is encashable only at the time of retirement or leaving the service of the Company.

4.5.2 Defined contribution plan

The Company operates an approved defined contribution provident fund for all permanent employees. Equal monthly contributions are made by the employees and the Company to the fund. The rate of the contribution is 7.5% (2022: 7.5%) for the executives and 10% (2022: 10%) for the non-executive employees.

4.6 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities as the payment is due within one year or less (or in the normal operating cycle of the business, if longer).

Trade payables and other costs payable are initially recognized at cost which is the fair value of the consideration to be paid in future for goods and / or services, whether or not billed to the Company and subsequently measured at amortized cost using the effective interest method.

4.7 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past events, if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.8 Property, plant and equipment

Cost

Property, plant and equipment except for freehold, leasehold land and capital work in progress are stated at cost less accumulated depreciation and impairment loss, if any. Freehold and leasehold land are stated at cost less impairment loss, if any. Capital work-in-progress is stated at cost less impairment loss, if any. Cost in relation to certain assets signifies historical cost and borrowing cost referred to in note 4.11.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged as expense during the period in which they are incurred.

Depreciation

Depreciation is charged to the statement of profit or loss on straight line method so as to write off the cost of an asset over its estimated useful life at the rates given in note 19.1 to these financial statements. Depreciation on additions is charged from the month in which an asset is available for use while no depreciation is charged for the month in which an asset is disposed off.

The assets' residual value and estimated useful lives are reviewed at each financial year and adjusted if impact on depreciation is significant. The Company's estimate of the residual value and useful lives of its operating assets as at June 30, 2023 has not required any adjustment as its impact is considered insignificant by the management.

Derecognition

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognized.

Pipelines uplifted during the year are derecognized from operating fixed assets. 60% to 65% of the written down value of the uplifted pipelines representing cost of pipelines and fittings is transferred to capital work-in-progress after considering their reuse capability. The balance of the written down value representing construction overheads is charged to the statement of profit or loss.

4.9 Intangible assets

Intangible assets, which are non-monetary assets without physical substance, are recognized at cost, which comprises purchase price, non-refundable purchase taxes and other directly attributable expenditures relating to their implementation and customization. After initial recognition an intangible asset is carried at cost less accumulated amortization at the rates given in note 20 and impairment loss, if any. Intangible assets are amortized from the month, when these assets are available for use, using the straight line method, whereby the cost of the intangible asset is amortized over its estimated useful life over which economic benefits are expected to flow to the Company. The useful life and amortization method is reviewed and adjusted, if appropriate, at each reporting date.

Notes to the Financial Statements

for the year ended June 30, 2023

4.10 Right-of-use assets and corresponding lease liability

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The lease liability is initially measured at the present value of the expected lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

The lease liability is subsequently measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in fixed lease payments or an index or rate, change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss if the carrying amount of right-of-use asset has been reduced to zero.

The Right-of-use assets is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The Right of use assets is adjusted for certain remeasurements of the lease liability.

4.11 Borrowing cost

Mark-up, interest, profit and other charges on long term financing are capitalized for the period up to the date of commissioning of the respective assets acquired out of the proceeds of such borrowings considering the requirements of IAS 23. All other mark-up, interest, profit and other charges are charged to the statement of profit or loss during the year.

4.12 Stores and spare parts

These are valued at monthly moving average cost, while items considered obsolete are carried at nil value. Items in transit are valued at cost comprising invoice value plus other charges paid thereon till the reporting date. The Company reviews stores and spare parts for possible impairment on an annual basis and provision is made for obsolescence, based on management's best estimate.

4.13 Stock-in-trade

Stock of gas is valued at the lower of cost determined on annual average cost and net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make the sale.

4.14 Trade and other receivables

Trade debts and other receivables are carried at original invoice amount. Trade debts are amount receivable from customer for goods transferred or services performed in the ordinary course of business. Other receivables generally arise from the transactions outside the usual operating activities of the Company. The Company recognizes impairment against these receivable balances using Expected Credit Loss model as explained in note 3.2 (v). Debts considered irrecoverable are written off.

4.15 Contract assets

Contract asset is the right to consideration in exchange for goods or services that the Company has transferred to a customer, when that right is conditioned on something other than the passage of time, e.g. the entity's future performance. The Company recognizes impairment against these contract assets using Expected Credit Loss model as explained in note 3.2 (v). Amounts considered irrecoverable are written off.

4.16 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the statement of cash flows, cash equivalents comprise of cash in hand, cash at banks in current, saving and deposit accounts, other short term highly liquid instruments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in values and short term finances under mark-up arrangements. Finances under mark-up arrangements are included in current liabilities on the statement of financial position.

4.17 Revenue recognition

The Company recognizes revenue from contracts with customers based on a five step model as set out in IFRS 15:

- Step 1. Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the performance obligations for every contract that must be met.
- Step 2. Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
- Step 5. Recognize revenue when (or as) the Company satisfies a performance obligation.

Revenue comprises the fair value of the consideration received or receivable from contracts with customer in the ordinary course of the Company's activities. The Company recognizes revenue when the amount of revenue can be reliably measured and it is highly probable that a significant reversal in the amount of income recognized will not occur and specific criteria has been met for each of the Company's activities as described below:

- i) Revenue from gas sales is recognized on the basis of gas supplied to consumers at the rates notified by the Oil and Gas Regulatory Authority (OGRA). Accruals are made to account for the estimated gas supplied between the date of last meter reading and the year end. The revenue for the Company is recognized on point in time basis as the management has determined that there is a single performance obligation i.e. supply of gas.
- ii) Meter rentals are recognized on a monthly basis, at specified rates by the OGRA for various categories of consumers. All the revenue for the Company in this category, is recognized on over the time basis as the Company has determined that there is a single performance obligation i.e. availability of meters to the customers.
- iii) Late payment surcharge on gas sales arrears is calculated from the date the billed amount is overdue and recognized when it is probable that economic benefits will flow to the entity. All the revenue for the Company in this category, is recognized on over the time basis.

Notes to the Financial Statements

for the year ended June 30, 2023

- iv) Take or Pay income is recognized when the consumers are unable to consume the committed volume of gas by the agreed date as per the terms of Gas Supply Agreement (GSA) with the consumer. All the revenue for the Company in this category, is recognized on point in time basis.
- v) Income on the construction contracts is recognized over time by reference to the progress towards satisfaction of the relevant performance obligation. The Company uses cost based input method to determine the inflow of economic benefits. Revenue for the Company in this category, is recognized on over the time basis.
- vi) Income on the urgent fee is recognized when the connection has been installed. Revenue for the Company in this category, is recognized on point in time basis.
- vii) Income on gas transportation in respect of firm transportation agreement is recognized when the committed contracted capacity is made available for the shipper. Income on the gas transportation in respect of interruptible transportation agreements is recognized when the gas is transported from the network at the rates notified by the Oil and Gas Regulatory Authority (OGRA). Revenue for the Company in this category, is recognized on point over time basis.

4.18 Foreign currency transactions

Transactions in foreign currency during the year are initially recorded in the functional currency at the rate prevailing at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated to functional currency using rate of exchange prevailing at the reporting date. All differences are taken to the statement of profit or loss. All non-monetary items are translated into rupees at exchange rates prevailing at the date of transaction or on the date when fair values are determined.

4.19 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

i) Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through statement of profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through

OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized in trade date, i.e. the date that the Company commits to purchase or sell the asset.

ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); and
- Financial assets at fair value through profit or loss.

Financial assets at amortized cost (debt instruments)

Financial assets at amortized cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in profit or loss and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Company can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognized as other income in profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The company does not have any financial assets designated at fair value through OCI (equity instruments).

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognized in profit or loss.

This category includes derivative instruments, instruments that are not measured at amortised cost and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognized as other income in profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not

Notes to the Financial Statements

for the year ended June 30, 2023

closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

iii) **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

iv) **Impairment**

The Company recognizes an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss as explained in note 3.2 (v) to these financial statements, excluding financial assets due from Government of Pakistan due to exemption granted by the SECP as more fully explained in note 2.2.3 to these financial statements.

v) **Return on bank deposits**

Return on bank deposits is accrued on a time proportion basis by reference to the principal outstanding and applicable rate of return. All the revenue for the Company in this category, is recognized on over the time basis.

Financial liabilities

i) **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, Financial liabilities at amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of financial liabilities at amortized cost, net of directly attributable transaction costs.

ii) Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Company does not have any financial liability at fair value through profit or loss.

Financial liabilities at amortized cost (loans and borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in profit or loss.

iii) Derecognition

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

4.20 Gas development surcharge / Tariff adjustment

Under the provisions of license for transmission and distribution of natural gas granted to the Company by the OGRA, the Company is required to earn an annual return of not less than the rate of return calculated using Weighted Average Cost of Capital (WACC) on the value of its average fixed assets in operation (net of deferred credit), before corporate income taxes, interest and other charges on debt and after excluding interest, dividends and other non operating income and before incorporating the effect of efficiency benchmarks prescribed by the OGRA. Any surplus or deficit on account of this is recoverable from Government of Pakistan directly or indirectly inter alia including increase in future gas prices and / or subsidy or payable to the Government of Pakistan (GOP) as tariff adjustment or gas development surcharge.

Notes to the Financial Statements

for the year ended June 30, 2023

4.21 RLNG tariff adjustment and gas swapping deferral account

As per the policy guideline issued by the Economic Coordination Committee of the Cabinet (ECC) on pricing of RLNG, the Company is allowed to earn an annual return as a percentage of the value of its average fixed assets in RLNG operation, to be determined by the OGRA. Any deficit or surplus on account of this is recoverable from or payable to the RLNG consumers through adjustment in future RLNG prices. The surplus or the shortfall, if any, are included in "trade and other payables" or "other receivables" respectively with the corresponding charge or credit respectively, recognized in the statement of profit or loss.

Moreover, a gas swapping mechanism was allowed by the ECC and endorsed by the OGRA vide Final Revenue Requirement (FRR) decision of the Company for financial year 2017-18, for swapping of natural gas and RLNG for the purpose of gas load management. However, subsequent to the year end, Federal Cabinet has approved the adjustment mechanism in respect of cost of diversion through future RLNG price adjustments. The difference of average cost of RLNG and the average sale price of system gas of the diverted volumes is recognized in the statement of profit or loss as an adjustment to the tariff adjustment with the corresponding credit or debit balance being included in "trade and other payables" or "other receivables" as the case may be.

4.22 Dividend and other appropriations

Dividend to the shareholders is recognized in the period in which it is declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

4.23 Earnings per share

Earnings per share is calculated by dividing the profit or loss after tax for the year by the weighted average number of shares outstanding during the year.

4.24 Share capital

Ordinary shares are classified as equity and recognized at their face value. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

5. SHARE CAPITAL

5.1 Authorized share capital

2023	2022		2023	2022
(Number of shares)			(Rupees in thousand)	
1,500,000,000	1,500,000,000	Ordinary shares of Rs. 10 each	15,000,000	15,000,000

5.2 Issued, subscribed and paid up capital

2023	2022		2023	2022
(Number of shares)			(Rupees in thousand)	
		Ordinary shares of Rs. 10 each		
121,146,000	121,146,000	issued as fully paid for cash	1,211,460	1,211,460
		Ordinary shares of Rs. 10 each		
		issued as fully paid for		
3,329,000	3,329,000	consideration other than cash	33,290	33,290
		Ordinary shares of Rs. 10 each		
509,741,665	509,741,665	issued as fully paid bonus shares	5,097,417	5,097,417
634,216,665	634,216,665		6,342,167	6,342,167

5.3 Ordinary shares of the Company held by associated undertaking by virtue of common directorship are as follows.

	2023	2022
	(Number of shares)	
National Investment Trust Limited	29,983,579	29,594,873
	29,983,579	29,594,873

5.4 During the years 1964 and 1965, Company purchased transmission system and allied assets from West Pakistan Industrial Development Corporation and issued shares for consideration other than cash.

5.5 These fully paid ordinary shares carry one vote per share and right to dividend.

	Note	2023	2022
		(Rupees in thousand)	
6. REVENUE RESERVES			
General reserve	6.1	4,127,682	4,127,682
Dividend equalization reserve	6.1	480,000	480,000
Unappropriated profit	6.2	34,635,746	28,698,209
		39,243,428	33,305,891

6.1 This represents the unrestricted funds available for general use and distribution among the shareholders.

6.2 This represents appropriation of profits in past years to meet future contingencies.

	Note	2023	2022
		(Rupees in thousand)	
7. LONG TERM FINANCING - SECURED			
Conventional financing			
Syndicate term finance	7.1.1	6,815,625	6,595,000
Term finance	7.1.2	461,000	768,333
Syndicate term finance	7.1.3	12,396,223	15,938,000
		19,672,848	23,301,333
Islamic mode of financing:			
Islamic finance under musharaka arrangement	7.2.1	-	95,173
Islamic finance under musharaka arrangement	7.2.2	1,015,625	1,250,000
Islamic finance under lease arrangement	7.2.3	5,444,444	7,000,000
		6,460,069	8,345,173
Less: Transaction cost		43,828	49,611
Less: Current portion shown under current liabilities	17	6,625,917	6,146,402
		19,463,172	25,450,493

Notes to the Financial Statements

for the year ended June 30, 2023

7.1 Conventional financing

Lender	Note	Mark-up rate	No. of installments	Repayment commencement date	Maturity date
Syndicate of banks	7.1.1	Six months KIBOR+ 0.65% per annum	16 half yearly installments	May 04, 2023	November 04, 2030
Allied Bank Limited	7.1.2	Six months KIBOR+ 0.45% per annum	6 half yearly installments	February 06, 2022	August 06, 2024
Syndicate of banks	7.1.3	Six months KIBOR - 0.25% per annum	9 half yearly installments	July 07, 2022	July 07, 2026

7.1.1 This loan facility of Rs 6,595,000 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 (Currently registered as ranking charge) excluding the assets of Regassified Liquefied Natural Gas (RLNG) project to the extent of Rs 11,273,333 thousand (2022: 11,273,333 thousand). The effective mark-up charged during the year ranges from 15.48% to 22.73% per annum (2022: 8.30% to 15.46% per annum).

7.1.2 This loan of Rs 922,000 thousand has been obtained from Allied Bank Limited out of total loan facility of 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 (Currently registered as ranking charge) excluding the assets of Regassified Liquefied Natural Gas (RLNG) project to the extent of Rs 1,435,041 thousand (2022: 1,435,041 thousand). The effective mark-up charged during the year ranges from 11.18% to 18.45% per annum (2022: 8.02% to 11.18% per annum).

7.1.3 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 year ranges from 11.26% to 16.85% per annum (2022: 11.26% per annum).

7.2 Arrangements under islamic financing

Lender	Note	Mark-up rate	No. of installments	Repayment commencement date	Maturity date
Allied Bank Limited	7.2.1	Six months KIBOR+ 0.08% per annum	6 half yearly installments	September 29, 2020	September 29, 2022
Habib Metropolitan Bank Limited	7.2.2	Three months KIBOR + 0.55% per annum	16 Quarterly installments	October 24, 2022	July 24, 2026
Syndicate of banks	7.2.3	Six months KIBOR - 0.25% per annum	9 half yearly installments	July 07, 2022	July 07, 2026

7.2.1 This musharaka facility of Rs. 380,692 thousand has been obtained from Allied Bank Limited and 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 Assets of RLNG Project) to the extent of Rs. 3,094,667 thousand (2022: Rs. 3,094,667 thousand). The effective mark-up charged during the year is 12.59% per annum (2022: 7.97% to 12.59% per annum). This facility has been repaid during the year.

7.2.2 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 year ranges from 13.07% to 21.53% per annum (2022: 9.86% to 13.07% per annum).

7.2.3 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 year ranges from 11.26% to 16.85% per annum (2022: 11.26% per annum).

	Note	2023 (Rupees in thousand)	2022
8. LONG TERM FINANCING - UNSECURED			
Local currency loans	8.1	288,236	297,226
Current portion shown under current liabilities	17	(190,668)	(173,012)
		97,568	124,214
8.1 Local currency loans			
From government - development loans	8.1.1	199,787	197,919
From industrial consumers	8.1.2	88,449	99,307
		288,236	297,226

8.1.1 These have been obtained from the Provincial Governments of Punjab and Khyber Pakhtunkhwa (KPK) for supply of gas to new towns. Loans aggregating to Rs. 191,781 thousand (2022: Rs 186,294 thousand) carry mark-up at the rate of 5% (2022: 5%) per annum and Rs. 8,007 thousand (2022: Rs. 11,625 thousand) carry mark-up at the rate of six month State Bank of Pakistan's (SBP) treasury bills plus 1.2% (2022: six month SBP treasury bills plus 1.2%) on the outstanding balance or part thereof and are repayable over a period of 10 years with a grace period of 2 years. The amortized cost of loans from Provincial Governments has been computed by discounting future cash flows using Pakistan Investment Bonds (PIBs) rate prevailing at the time of initial recognition of respective loans.

8.1.2 These have been obtained from certain industrial consumers for laying of gas pipelines and carry mark-up at the rate of 1.5% (2022: 1.5%) per annum on the outstanding balance or part thereof and are repayable over a period of 10 years with a grace period of 2 years. Loans from industrial consumers are computed as present value of all future cash flows discounted using 1.1% (2022: 1.1%) above State Bank of Pakistan's cut off yield rates prevailing at the time of initial recognition of these loans.

	2023	2022
		(%)
8.1.3 The effective interest rates are as follows:		
From government - development loans	9.80 to 14.25	9.80 to 14.25
From industrial consumers	6.55	6.55

Notes to the Financial Statements

for the year ended June 30, 2023

	Note	2023 (Rupees in thousand)	2022
9. LEASE LIABILITIES			
As at beginning of the year		33,678,391	35,965,533
Recognized during the year		242,886	249,337
Interest expense for the year	41	4,165,000	4,525,998
Payments / adjustments made during the year		(6,986,122)	(7,062,477)
As at end of the year	9.1	31,100,155	33,678,391
Less: current maturity		(4,954,838)	(5,380,885)
		26,145,317	28,297,506

9.1 The Company has adjusted the balance of Rs. Nil (2022: 6,887 million) against debtor balance of Sui Southern Gas Company Limited.

9.2 The expected maturity analysis of undiscounted lease payment is as follows:

	Note	2023 (Rupees in thousand)	2022
-within one year		7,988,351	8,001,624
-between 2 to 5 year		24,349,295	25,231,724
-after 5 years		16,307,023	22,085,419
		48,644,669	55,318,767

10. SECURITY DEPOSITS			
Consumers	10.1 & 10.2	58,048,747	56,294,083
Contractors - Houseline	10.3	178,466	185,078
	10.4	58,227,213	56,479,161

10.1 Consumers' deposits represent security received against amount due from consumers on account of gas sales. These are repayable on cancellation of contract for supply of gas or on submission of bank guarantee / standby letter of credit in lieu of security deposits and are adjustable against the unrecovered trade debts from respective consumers. Interest is payable at the rate of KIBOR minus 3% or 5% whichever is less but not below 2% (2022: KIBOR minus 3% or 5% whichever is less but not below 2%) per annum on deposits from all consumers, other than domestic, which aggregate to Rs. 28,645,451 thousand (2022: Rs 28,533,054 thousand). However, for one consumer with a deposit of Rs. 3,084,714 thousand (2022: Rs. 1,734,714 thousand) interest rate is 1% above 3 months SBP treasury bills cut off rate subject to a floor of 7% (2022: 3 months SBP treasury bills cut off rate subject to a floor of 7%) per annum.

		2023	2022
		(Rupees in thousand)	
10.2	These include security deposits from following related parties:		
	Northern Power Generation Company Limited	339,700	339,700
	Fauji Fertilizer Company Limited	12,366	12,366
	State Life Insurance Corporation of Pakistan	3,624	1,147
	Nishat Mills Limited	2,578	2,546
	Lucky Cement Limited	230	230
	Soneri Bank Limited	15	15
	State Bank of Pakistan	1,460	1,460
	Mari Petroleum Company Limited	788	-
	Lahore University Of Management Sciences	25,216	-
		385,977	357,464
10.3	No interest is payable on the deposits from houseline contractors. These are refundable on cancellation of contract or dealership agreement.		
10.4	These security deposits are being utilized for the purpose of business in accordance with the terms of contract with consumers and contractors and accordingly, have not been kept in a separate bank account.		
	Note	2023	2022
		(Rupees in thousand)	
11.	DEFERRED GRANT		
	Government grants against:		
	- Completed jobs	44,903,960	41,335,611
	- Jobs-in-progress	31,234,866	32,862,986
		76,138,826	74,198,597
	Less: Accumulated amortization:		
	Opening balance	16,542,218	15,071,083
	Loan from Provincial Government	3,572	4,734
	Amortization for the year	1,555,935	1,466,401
		18,101,725	16,542,218
		58,037,101	57,656,379
11.1	Movement of deferred grant		
	Opening balance	57,656,379	55,323,962
	Addition during the year	1,940,229	4,253,552
	Amortization for the year	(1,559,507)	(1,921,135)
		58,037,101	57,656,379
12.	CONTRACT LIABILITIES		
	Consumer contribution	24,090,013	19,747,043
	Due to customers against construction contract	7,891,490	8,856,912
	Advances from customers against gas bill and new connection	453,009	462,853
		32,434,512	29,066,808
	Less: current portion shown under current liabilities	(8,344,499)	(9,319,765)
		24,090,013	19,747,043

Notes to the Financial Statements

for the year ended June 30, 2023

	Note	2023 (Rupees in thousand)	2022
12.1 Consumer contribution against:			
- Completed jobs		37,414,913	35,136,433
- Jobs-in-progress		13,189,506	10,200,898
		50,604,419	45,337,331
Less: Accumulated amortization:			
Opening balance		25,590,288	24,921,113
Amortization for the year	37	924,118	669,175
		26,514,406	25,590,288
	12.1.1	24,090,013	19,747,043

12.1.1 Movement of consumer contribution			
Opening balance		19,747,043	15,262,507
Addition during the year		5,267,088	5,153,711
Amortization for the year		(924,118)	(669,175)
	12.1.2	24,090,013	19,747,043

12.1.2 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	2023 (Rupees in thousand)	2022
13. EMPLOYEE BENEFITS			
Liabilities			
Pension fund - Non Executive staff		4,561,114	4,626,067
Medical fund - Executive staff		376,752	331,400
Medical fund - Non Executive staff		557,871	-
Gratuity fund - Executive staff		6,966,244	5,615,107
Gratuity fund - Non Executive staff		1,244,810	1,258,891
Free gas facility fund - Non Executive staff		878,882	41,791
Accumulating compensated absences - Non Executive staff		27,566	68,820
	13.1	14,613,239	11,942,076
Assets			
Pension fund - Executive staff		3,706,147	2,004,015
Accumulating compensated absences - Executive staff		168,934	166,119
Free gas facility fund - Executives		160,267	160,477
Medical fund - Non Executive staff		-	60,279
	13.1	4,035,348	2,390,890

13.1

Reconciliation of payable to employee benefit plans

Note	Pension Fund		Medical Fund		Medical Fund		Gratuity Fund		
	- Non Executive Staff	2022	- Executive Staff	2023	- Non Executive Staff	2022	- Executive Staff	2023	
	(Rupees in thousand)								
Present value of defined benefit obligations	13.5	33,423,773	30,985,326	8,074,848	7,041,928	16,115,748	-	7,294,357	6,026,381
Fair value of plan assets	13.6	(28,862,659)	(26,359,259)	(7,698,096)	(6,710,528)	(15,557,877)	-	(328,113)	(411,274)
Net liabilities / (Net assets)		4,561,114	4,626,067	376,752	331,400	557,871	-	6,966,244	5,615,107
Note	Gratuity Fund		Free Gas Facility Fund		Accumulating		Sub total		
	- Non Executive Staff	2022	- Non Executive Staff	2023	- Non Executive Staff	2022	- Executive Staff	2023	
	(Rupees in thousand)								
Present value of defined benefit obligations	13.5	10,599,198	9,207,765	9,018,776	7,128,835	2,230,518	1,991,685	86,757,218	62,381,920
Fair value of plan assets	13.6	(9,354,388)	(7,948,874)	(8,139,894)	(7,087,044)	(2,202,952)	(1,922,865)	(72,143,979)	(50,439,844)
Net liabilities / (Net assets)		1,244,810	1,258,891	878,882	41,791	27,566	68,820	14,613,239	11,942,076
Note	Pension Fund		Accumulating		Free Gas Facility Fund		Medical Fund		
	- Executive Staff	2022	- Executive Staff	2023	- Executive Staff	2022	- Non Executive Staff	2023	
	(Rupees in thousand)								
Present value of defined benefit obligations	13.5	2,164,590	2,647,632	1,039,641	899,175	163,026	151,143	-	13,472,062
Fair value of plan assets	13.6	(5,870,737)	(4,651,647)	(1,208,575)	(1,065,294)	(323,293)	(311,620)	-	(13,532,341)
Net liabilities / (Net assets)		(3,706,147)	(2,004,015)	(168,934)	(166,119)	(160,267)	(160,477)	-	(60,279)
Sub total		Total							
2023		2022		2023		2022			
Note		(Rupees in thousand)							
Present value of defined benefit obligations	13.5	3,367,257	17,170,012	90,124,475	79,551,932				
Fair value of plan assets	13.6	(7,402,605)	(19,560,902)	(79,546,584)	(70,000,746)				
Net liabilities / (Net assets)		(4,035,348)	(2,390,890)	10,577,891	9,551,186				

Notes to the Financial Statements

for the year ended June 30, 2023

Movement in net liability

13.2

Note	Pension Fund		Medical Fund		Medical Fund		Gratuity Fund	
	- Non Executive Staff		- Executive Staff		- Non Executive Staff		- Executive Staff	
	2023	2022	2023	2022	2023	2022	2023	2022
(Rupees in thousand)								
Opening liability / (assets)	4,626,067	4,842,961	331,400	-	-	-	5,615,107	5,374,084
Transferred to / from assets	-	-	-	(532,170)	(60,279)	-	-	-
Charge / (credit) for the year	1,511,345	1,347,826	259,440	201,705	545,677	-	1,095,132	884,679
Remeasurements charged In OCI	(593,777)	(559,165)	(53,514)	797,015	285,553	-	516,604	53,283
Transfer from other funds	-	-	-	-	-	-	-	(450,000)
Contribution paid	(982,521)	(1,005,555)	(160,574)	(135,150)	(213,080)	-	(260,599)	(246,939)
	4,561,114	4,626,067	376,752	331,400	557,871	-	6,966,244	5,615,107
Note	Gratuity Fund		Free Gas Facility Fund		Accumulating		Sub total	
	- Non Executive Staff		- Non Executive Staff		Compensated Absences		- Non Executive Staff	
	2023	2022	2023	2022	2023	2022	2023	2022
(Rupees in thousand)								
Opening liability / (assets)	1,258,891	265,405	41,791	904,872	68,820	-	11,942,076	11,387,322
Transferred to / from assets	-	-	-	-	-	(41,896)	(60,279)	(574,066)
Charge / (credit) for the year	575,247	370,980	255,194	352,918	68,143	224,726	4,310,178	3,382,834
Remeasurements charged In OCI	(176,815)	1,044,697	745,082	(1,101,060)	-	-	723,133	234,770
Transfer from other funds	-	-	-	-	-	-	-	(450,000)
Contribution paid	(412,513)	(422,191)	(163,185)	(114,939)	(109,397)	(114,010)	(2,301,869)	(2,038,784)
	1,244,810	1,258,891	878,882	41,791	27,566	68,820	14,613,239	11,942,076
Note	Pension Fund		Accumulating		Free Gas Facility Fund		Medical Fund	
	- Executive Staff		Compensated Absences		- Executive Staff		- Non Executive Staff	
	2023	2022	2023	2022	2023	2022	2023	2022
(Rupees in thousand)								
Opening liability / (assets)	(2,004,015)	(1,794,864)	(166,119)	(58,604)	(160,477)	(95,472)	(60,279)	(1,705,897)
Transferred to / from assets	-	-	-	-	-	-	60,279	-
Charge / (credit) for the year	(217,854)	(113,306)	33,354	(39,987)	(22,112)	(10,137)	-	280,633
Remeasurements charged In OCI	(946,811)	(36,552)	-	-	28,965	(48,020)	-	1,540,755
Transfer from other funds	-	450,000	-	-	-	-	-	-
Contribution paid	(537,467)	(509,293)	(36,169)	(67,528)	(6,643)	(6,848)	-	(175,770)
	(3,706,147)	(2,004,015)	(168,934)	(166,119)	(160,267)	(160,477)	-	(60,279)
Sub total		Total						
2023	2022	2023	2022	2023	2022	2023	2022	2023
(Rupees in thousand)								
Note	Opening liability / (assets)	(2,390,890)	(3,654,837)	9,551,186	7,732,485			
	Transferred to / from assets	60,279	-	-	(574,066)			
	Charge / (credit) for the year	(206,612)	117,203	4,103,566	3,500,037			
13.3	Remeasurements charged In OCI	(917,846)	1,456,183	(194,713)	1,690,953			
	Transfer from other funds	-	450,000	-	-			
	Contribution paid	(580,279)	(759,439)	(2,882,148)	(2,798,223)			
		(4,035,348)	(2,390,890)	10,577,891	9,551,186			

13.3

Amounts recognized in profit and loss account

Note	Pension Fund		Medical Fund		Medical Fund		Gratuity Fund	
	- Non Executive Staff		- Executive Staff		- Non Executive Staff		- Executive Staff	
	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in thousand)							
Current service cost	953,146	902,957	225,539	263,179	568,196	-	354,684	346,492
Interest on obligation	4,078,230	2,946,115	939,822	574,414	1,804,347	-	793,552	546,711
Expected return on plan assets	(3,520,031)	(2,501,246)	(905,921)	(635,888)	(1,826,866)	-	(53,104)	(8,524)
Net actuarial losses recognized in the year	-	-	-	-	-	-	-	-
Total included in employee benefit expense	13.14	1,511,345	1,347,826	201,705	545,677	-	1,095,132	884,679
Actual return on plan assets		3,073,317	2,042,904	987,568	506,745	-	(47,335)	23,865
Note	Gratuity Fund		Free Gas Facility Fund		Accumulating Compensated Absences		Sub total	
	- Non Executive Staff		- Non Executive Staff		- Non Executive Staff			
	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in thousand)							
Current service cost	433,141	365,413	260,567	266,059	22,809	19,512	2,818,082	2,163,612
Interest on obligation	1,197,397	772,936	951,378	757,101	261,492	171,541	10,026,218	5,768,818
Expected return on plan assets	(1,055,291)	(767,369)	(956,751)	(670,242)	(259,587)	(181,678)	(8,577,551)	(4,764,947)
Net actuarial losses recognized in the year	-	-	-	-	43,429	215,351	43,429	215,351
Total included in employee benefit expense	13.14	575,247	370,980	352,918	68,143	224,726	4,310,178	3,382,834
Actual return on plan assets		1,669,323	525,908	1,052,850	548,100	259,587	9,020,846	3,829,200
Note	Pension Fund		Accumulating Compensated Absences		Free Gas Facility Fund		Medical Fund	
	- Executive Staff		- Executive Staff		- Executives		- Non Executive Staff	
	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in thousand)							
Current service cost	88,968	96,770	12,487	9,379	-	-	-	464,494
Interest on obligation	348,758	264,258	118,948	91,164	19,957	17,222	-	1,107,248
Expected return on plan assets	(655,580)	(474,334)	(143,815)	(100,631)	(42,069)	(27,359)	-	(1,291,109)
Net actuarial losses recognized in the year	-	-	45,734	(39,899)	-	-	-	-
Total included in employee benefit expense	13.14	(217,854)	(113,306)	(39,987)	(22,112)	(10,137)	-	280,633
Actual return on plan assets		810,086	323,521	143,281	83,529	44,705	-	936,155
Note	Sub total		Total					
	2023	2022	2023	2022				
	(Rupees in thousand)							
Current service cost	101,455	570,643	2,919,537	2,734,255				
Interest on obligation	487,663	1,479,892	10,513,881	7,248,710				
Expected return on plan assets	(841,464)	(1,893,433)	(9,419,015)	(6,658,380)				
Net actuarial losses recognized in the year	45,734	(39,899)	89,163	175,452				
Total included in employee benefit expense	13.14	(206,612)	117,203	3,500,037				
Actual return on plan assets		965,040	1,387,910	9,985,886	5,217,110			

for the year ended June 30, 2023

13.4

124 | Sui Northern Gas Pipelines Limited

Changes in the present value of defined benefit obligation

	Pension Fund		Medical Fund		Medical Fund		Gratuity Fund	
	- Non Executive Staff		- Executive Staff		- Non Executive Staff		- Executive Staff	
	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in thousand)							
Opening defined benefit obligation	30,985,326	29,331,399	7,041,928	-	-	-	6,026,381	5,602,989
Transferred to/from Assets	-	-	-	5,671,613	13,472,062	-	-	-
Current service cost	953,146	902,957	225,539	263,179	568,196	-	354,684	346,492
Interest cost	4,078,230	2,946,115	939,822	574,414	1,804,347	-	793,552	546,711
Remeasurements charged to OCI	(1,040,491)	(1,017,507)	28,133	667,872	484,223	-	416,165	68,624
Remeasurements charged to P&L	-	-	-	-	-	-	-	-
Benefits paid	(1,552,438)	(1,177,638)	(160,574)	(135,150)	(213,080)	-	(296,425)	(538,435)
Closing defined benefit obligation	33,423,773	30,985,326	8,074,848	7,041,928	16,115,748	-	7,294,357	6,026,381
	Gratuity Fund		Free Gas Facility Fund		Accumulating		Sub total	
	- Non Executive Staff		- Non Executive Staff		Compensated Absences			
	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in thousand)							
Opening defined benefit obligation	9,207,765	7,815,492	7,128,835	7,443,816	1,991,685	-	62,381,920	50,193,696
Transferred to/from Assets	-	-	-	-	-	1,730,573	13,472,062	7,402,186
Current service cost	433,141	365,413	260,567	266,059	22,809	19,512	2,818,082	2,163,612
Interest cost	1,197,397	772,936	951,378	757,101	261,492	171,541	10,026,218	5,768,818
Remeasurements charged to OCI	437,217	803,236	841,181	(1,223,202)	-	-	1,166,428	(700,977)
Remeasurements charged to P&L	-	-	-	-	63,927	184,069	63,927	184,069
Benefits paid	(676,322)	(549,312)	(163,185)	(114,939)	(109,395)	(114,010)	(3,171,419)	(2,629,484)
Closing defined benefit obligation	10,599,198	9,207,765	9,018,776	7,128,835	2,230,518	1,991,685	86,757,218	62,381,920
	Pension Fund		Accumulating		Free Gas Facility Fund		Medical Fund	
	- Executive Staff		Compensated Absences		- Executives		- Non Executive Staff	
	2023	2022	2023	2022	2023	2022	2023	2022
	(Rupees in thousand)							
Opening defined benefit obligation	2,647,632	2,682,296	899,175	923,161	151,143	171,443	13,472,062	10,890,289
Transferred to/from Assets	-	-	-	-	-	-	(13,472,062)	-
Current service cost	88,968	96,770	12,487	9,379	-	-	-	464,494
Interest cost	348,758	264,258	118,948	91,164	19,957	17,222	-	1,107,248
Remeasurements charged to OCI	(792,305)	(187,365)	-	-	(1,431)	(30,674)	-	1,185,801
Remeasurements charged to P&L	-	-	45,200	(57,001)	-	-	-	-
Benefits paid	(128,463)	(208,327)	(36,169)	(67,528)	(6,643)	(6,848)	-	(175,770)
Closing defined benefit obligation	2,164,590	2,647,632	1,039,641	899,175	163,026	151,143	-	13,472,062
	Sub total		Total					
	2023	2022	2023	2022	(Rupees in thousand)			
Opening defined benefit obligation	17,170,012	14,667,189	79,551,932	64,860,885				
Transferred to/from Assets	(13,472,062)	-	-	7,402,186				
Current service cost	101,455	570,643	2,919,537	2,734,255				
Interest cost	487,663	1,479,892	10,513,881	7,248,710				
Remeasurements charged In OCI	(793,736)	967,762	372,692	266,785				
Remeasurements charged to P&L	45,200	(57,001)	109,127	127,068				
Benefits paid	(171,275)	(458,473)	(3,342,694)	(3,087,957)				
Closing defined benefit obligation	3,367,257	17,170,012	90,124,475	79,551,932				

Notes to the Financial Statements

for the year ended June 30, 2023

13.6 Changes in the fair value of plan assets

Note	Pension Fund		Medical Fund		Medical Fund		Gratuity Fund	
	- Non Executive Staff		- Executive Staff		- Non Executive Staff		- Executive Staff	
	2023	2022	2023	2022	2023	2022	2023	2022
(Rupees in thousand)								
Opening fair value of plan assets	26,359,259	24,488,438	6,710,528	-	-	-	411,274	228,905
Transferred to / from assets	-	-	-	6,203,783	13,532,341	-	-	-
Expected return	3,520,031	2,501,246	905,921	635,888	1,826,866	-	53,104	8,524
Remeasurements charged to OCI	(446,714)	(458,342)	81,647	(129,143)	198,670	-	(100,439)	15,341
Remeasurements charged to P&L	-	-	-	-	-	-	-	-
Contributions by employer	982,521	1,005,555	160,574	135,150	213,080	-	260,599	246,939
Benefits paid	(1,552,438)	(1,177,638)	(160,574)	(135,150)	(213,080)	-	(296,425)	(538,435)
Transfer of funds	-	-	-	-	-	-	-	450,000
13.7	28,862,659	26,359,259	7,698,096	6,710,528	15,557,877	-	328,113	411,274

Note	Gratuity Fund		Free Gas Facility Fund		Accumulating Compensated Absences		Sub total	
	- Non Executive Staff		- Non Executive Staff		- Non Executive Staff		2023	
	2023	2022	2023	2022	2023	2022	2023	2022
(Rupees in thousand)								
Opening fair value of plan assets	7948,874	7,550,087	7,087,044	6,538,944	1,922,865	-	50,439,844	38,806,374
Transferred to / from assets	-	-	-	-	-	1,772,469	13,532,341	7,976,252
Expected return	1,055,291	767,369	956,751	670,242	259,587	181,678	8,577,551	4,764,947
Remeasurements charged to OCI	614,032	(241,461)	96,099	(122,142)	-	-	443,295	(935,747)
Remeasurements charged to P&L	-	-	-	-	20,498	(31,282)	20,498	(31,282)
Contributions by employer	412,513	422,191	163,185	114,939	109,397	114,010	2,301,869	2,038,784
Benefits paid	(676,322)	(549,312)	(163,185)	(114,939)	(109,395)	(114,010)	(3,171,419)	(2,629,484)
Transfer of funds	-	-	-	-	-	-	-	450,000
13.7	9,354,388	7,948,874	8,139,894	7,087,044	2,202,952	1,922,865	72,143,979	50,439,844

Note	Pension Fund		Accumulating Compensated Absences		Free Gas Facility Fund		Medical Fund	
	- Executive Staff		- Executive Staff		- Executives		- Non Executive Staff	
	2023	2022	2023	2022	2023	2022	2023	2022
(Rupees in thousand)								
Opening fair value of plan assets	4,651,647	4,477,160	1,065,294	981,765	311,620	266,915	13,532,341	12,596,186
Transferred to / from assets	-	-	-	-	-	-	(13,532,341)	-
Expected return	655,580	474,334	143,815	100,631	42,069	27,359	-	1,291,109
Remeasurements charged to OCI	154,506	(150,813)	-	-	(30,396)	17,346	-	(354,954)
Remeasurements charged to P&L	-	-	(534)	(17,102)	-	-	-	-
Contributions by employer	537,467	509,293	36,169	67,528	6,643	6,868	-	175,770
Benefits paid	(128,463)	(208,327)	(36,169)	(67,528)	(6,643)	(6,868)	-	(175,770)
Transfer of funds	-	(450,000)	-	-	-	-	-	-
13.7	5,870,737	4,651,647	1,208,575	1,065,294	323,293	311,620	-	13,532,341

Note	Sub total		Total	
	2023	2022	2023	2022
	(Rupees in thousand)			
Opening fair value of plan assets	19,560,902	18,322,026	70,000,746	57,128,400
Transferred to / from assets	(13,532,341)	-	-	7,976,252
Expected return	841,464	1,893,433	9,419,015	6,658,380
Remeasurements charged to OCI	124,110	(488,421)	567,405	(1,424,168)
Remeasurements charged to P&L	(534)	(17,102)	19,964	(48,384)
Contributions by employer	580,279	759,459	2,882,148	2,798,243
Benefits paid	(171,275)	(458,493)	(3,342,694)	(3,087,977)
Transfer of funds	-	(450,000)	-	-
13.7	7,402,605	19,560,902	79,546,584	70,000,746

13.7 Plan assets comprise:

Pension Fund - Non Executive Staff				
	2023		2022	
	Fair value		Fair value	
	(Rupees in thousand)	(%)	(Rupees in thousand)	(%)
Certificates of deposits	22,578,603	78.23	20,105,244	76.27
NIT units	504,002	1.75	595,763	2.26
Pakistan Investment Bonds	2,474,807	8.57	4,999,955	18.97
T-Bills	2,879,040	9.97	374,504	1.42
Cash at bank	426,207	1.48	283,793	1.08
	28,862,659	100.00	26,359,259	100.00

Medical Fund - Executive Staff				
	2023		2022	
	Fair value		Fair value	
	(Rupees in thousand)	(%)	(Rupees in thousand)	(%)
Certificates of deposit	3,627,430	47.12	4,935,999	73.55
NIT Units	23,286	0.30	28,777	0.43
Pakistan Investment Bonds	1,148,487	14.92	1,563,913	23.31
T-Bills	2,501,500	32.50	113,485	1.69
Cash at Bank	397,393	5.16	68,354	1.02
	7,698,096	100.00	6,710,528	100.00

Medical Fund - Non Executive Staff				
	2023		2022	
	Fair value		Fair value	
	(Rupees in thousand)	(%)	(Rupees in thousand)	(%)
Certificates of deposit	8,843,019	56.84	9,858,545	72.84
NIT Units	173,859	1.12	214,859	1.59
Pakistan Investment Bonds	1,327,604	8.53	3,167,361	23.41
T-Bills	5,038,808	32.39	156,493	1.16
Cash at Bank	174,587	1.12	135,083	1.00
	15,557,877	100.00	13,532,341	100.00

Gratuity Fund - Executive staff				
	2023		2022	
	Fair value		Fair value	
	(Rupees in thousand)	(%)	(Rupees in thousand)	(%)
Certificates of deposits	145,889	44.46	221,171	53.78
Pakistan Investment Bonds	100,890	30.75	120,020	29.18
Cash at bank	81,334	24.79	78,979	19.20
Payable to Fund	-	-	(8,896)	(2.16)
	328,113	100.00	411,274	100.00

Notes to the Financial Statements

for the year ended June 30, 2023

Gratuity Fund - Non Executive Staff				
	2023		2022	
	Fair value		Fair value	
	(Rupees in thousand)	(%)	(Rupees in thousand)	(%)
Certificates of deposits	4,687,872	50.11	5,560,736	69.96
NIT Units	434,215	4.64	514,847	6.48
Pakistan Investment Bonds	406,714	4.35	1,614,276	20.31
Cash at bank	26,715	0.29	141,016	1.77
T-Bills	3,781,040	40.42	101,050	1.27
Others	17,832	0.19	16,949	0.21
	9,354,388	100.00	7,948,874	100.00

Free Gas Facility Fund - Non Executive Staff				
	2023		2022	
	Fair value		Fair value	
	(Rupees in thousand)	(%)	(Rupees in thousand)	(%)
Certificates of deposits	5,177,768	63.61	6,007,033	84.76
Pakistan Investment Bonds	695,555	8.55	821,309	11.59
NIT Units	60,460	0.74	74,718	1.05
T-Bills	2,147,691	26.38	77,799	1.10
Cash at bank	58,420	0.72	106,185	1.50
	8,139,894	100.00	7,087,044	100.00

Accumulating Compensated Absences - Non Executive Staff				
	2023		2022	
	Fair value		Fair value	
	(Rupees in thousand)	(%)	(Rupees in thousand)	(%)
Certificates of deposits	1,096,717	49.78	1,284,090	66.78
Pakistan Investment Bonds	373,651	16.96	592,756	30.83
T-Bills	705,338	32.02	27,716	1.44
Cash at bank	27,246	1.24	18,303	0.95
	2,202,952	100.00	1,922,865	100.00

Pension Fund - Executive Staff				
	2023		2022	
	Fair value		Fair value	
	(Rupees in thousand)	(%)	(Rupees in thousand)	(%)
Certificates of deposit	2,903,335	49.46	3,676,659	79.05
Pakistan Investment Bonds	457,599	7.79	576,961	12.40
NIT Units	160,903	2.74	190,781	4.10
T-Bills	2,208,102	37.61	81,376	1.75
Cash at Bank	140,798	2.40	116,975	2.51
Receivable from Fund	-	-	8,895	0.19
	5,870,737	100.00	4,651,647	100.00

Accumulating Compensated Absences - Executive Staff				
	2023		2022	
	Fair value		Fair value	
	(Rupees in thousand)	(%)	(Rupees in thousand)	(%)
Certificates of deposit	414,824	34.33	639,564	60.04
Pakistan Investment Bonds	393,068	32.52	407,761	38.28
T-Bills	323,324	26.75	11,878	1.11
Cash at bank	77,359	6.40	6,091	0.57
	1,208,575	100.00	1,065,294	100.00

Free Gas Facility Fund - Executives				
	2023		2022	
	Fair value		Fair value	
	(Rupees in thousand)	(%)	(Rupees in thousand)	(%)
Certificates of deposit	148,261	45.85	163,626	52.51
Pakistan Investment Bonds	134,604	41.64	132,146	42.41
T-Bills	36,621	11.33	12,724	4.08
Cash at Bank	3,807	1.18	3,124	1.00
	323,293	100.00	311,620	100.00

13.8 Principal actuarial assumptions used (expressed as weighted average)

Pension Fund				
	2023		2022	
	Executive	Non-Executive	Executive	Non-Executive
Expected increase in salaries	15.75%	15.75%	13.50%	13.50%
Discount rate	15.75%	15.75%	13.50%	13.50%
Expected rate of return per annum				
on plan assets	15.75%	15.75%	13.50%	13.50%
Rate of growth in pensions				
Employees with:				
- retirement up to November 11, 2017	10.50%	10.50%	8.25%	8.25%
- retirement after November 11, 2017	5.00%	5.00%	5.00%	5.00%

During the financial year 2017-18, Company revised its policy of linking pension increase with the pension enhancements announced by the government to fixed rate of 5% for employee retiring after November 11, 2017. Resultantly, pension increase assumption of 10.50% per annum was used for pensioners who retired before November 11, 2017 and 5% for pensioners who become pensioners after November 11, 2017.

Notes to the Financial Statements

for the year ended June 30, 2023

Medical Fund				
	2023		2022	
	Executive	Non-Executive	Executive	Non-Executive
Expected increase in salaries	15.75%	15.75%	13.50%	13.50%
Discount rate	15.75%	15.75%	13.50%	13.50%
Expected rate of return per annum on plan assets	15.75%	15.75%	13.50%	13.50%

Gratuity Fund				
	2023		2022	
	Executive	Non-Executive	Executive	Non-Executive
Expected increase in salaries	15.75%	15.75%	13.50%	13.50%
Discount rate	15.75%	15.75%	13.50%	13.50%
Expected rate of return per annum on plan assets	15.75%	15.75%	13.50%	13.50%

Free Gas Facility Fund				
	2023		2022	
	Executive	Non-Executive	Executive	Non-Executive
Discount rate	15.75%	15.75%	13.50%	13.50%
Expected rate of growth per annum in average cost of facility	15.75%	15.75%	13.50%	13.50%
Expected rate of return per annum on plan assets	15.75%	15.75%	13.50%	13.50%

Accumulating Compensated Absences				
	2023		2022	
	Executive	Non-Executive	Executive	Non-Executive
Expected increase in salaries	15.75%	15.75%	13.50%	13.50%
Discount rate	15.75%	15.75%	13.50%	13.50%
Expected rate of return per annum on plan assets	15.75%	15.75%	13.50%	13.50%

- 13.9** Calculations are based on mathematical model which takes into account the yield at maturity of the existing investment present at the beginning of the financial year. The model also considers the expected return on the reinvestment of the maturity proceeds in similar instruments (based on their yield as at the valuation date) up till the life of the related obligation.

13.10 The effect of 1% movement in interest rates on defined benefits obligations would have the following effects:

	2023		2022	
	1% increase	1% (decrease)	1% increase	1% (decrease)
	(Rupees in thousand)			
Pension fund - Non Executive staff	(2,717,439)	3,144,117	(2,821,217)	3,316,633
Medical Fund - Executive	(1,257,936)	1,630,516	(1,092,624)	1,418,022
Medical Fund - Non Executive staff	(2,697,645)	3,521,972	(2,300,067)	3,021,377
Gratuity fund - Executive staff	(506,391)	574,669	(420,692)	477,880
Gratuity fund - Non Executive staff	(643,856)	713,320	(603,850)	672,525
Free gas facility fund - Non Executive staff	(1,457,404)	1,893,239	(1,108,679)	1,431,661
Accumulating compensated absences				
- Non Executive	(154,246)	173,972	(145,615)	164,906
Pension fund - Executive staff	(186,029)	218,654	(255,272)	305,290
Free gas facility fund - Executives	(16,873)	20,117	(15,148)	18,017
Accumulating compensated absences				
- Executive staff	(82,228)	94,704	(24,357)	144,193

13.11 The effect of 1% movement in assumed medical cost trend rates would have the following effects:

	2023		2022	
	1% increase	1% (decrease)	1% increase	1% (decrease)
	(Rupees in thousand)			
Effect on the aggregate of the service cost and interest cost	167,991	(137,092)	136,263	(110,541)
Effect on defined benefit obligation	3,666,024	(3,037,110)	3,163,439	(2,612,626)

13.12 The average duration of the defined benefit obligation is:

	2023	2022
Pension fund - Non Executive staff	9 years	10 years
Medical Fund - Executive	18 years	18 years
Medical Fund - Non Executive staff	19 years	20 years
Gratuity fund - Executive staff	7 years	7 years
Gratuity fund - Non Executive staff	6 years	7 years
Free gas facility fund - Non Executive staff	19 years	18 years
Accumulating compensated absences - Non Executive	7 Years	8 Years
Pension fund - Executive staff	9.3 years	11 years
Free gas facility fund - Executives	11 years	11 years
Accumulating compensated absences - Executive staff	9 years	9 years

Notes to the Financial Statements

for the year ended June 30, 2023

	2023	2022
	(Rupees in thousand)	
13.13 Estimated future contributions		
Pension fund - Non Executive staff	1,638,407	1,509,790
Medical fund - Executive staff	376,752	331,400
Medical Fund - Non Executive staff	557,871	-
Gratuity fund-Executive staff	1,535,708	1,096,054
Gratuity fund-Non Executive staff	657,779	574,594
Free gas facility fund - Non Executive staff	878,882	41,791
Accumulating compensated absences-Non Executive staff	27,566	68,820
	5,672,965	3,622,449

	2023	2022
	(Rupees in thousand)	
13.14 The charge for the year has been allocated as follows:		
Distribution cost	1,878,781	1,574,043
Selling costs	1,059,022	826,428
Administrative expenses	1,055,045	881,875
Project work in progress	110,718	217,691
	4,103,566	3,500,037

13.15 Risk associated with schemes

Final salary risk (linked to inflation risk)

The risk is that the final salary at the time of cessation of service is greater than assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

Demographic risks

Mortality risk

The risk is that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

Withdrawal risk

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiaries.

Investment risk

The risk of the investment is linked to underperforming and being not sufficient to meet the liabilities.

		2023	2022
	Note	(Rupees in thousand)	
14. TRADE AND OTHER PAYABLES			
Creditors for:			
- gas	14.1 & 14.2	1,020,029,229	813,114,263
- supplies	14.3	3,660,248	1,453,744
Accrued liabilities		12,719,795	11,002,485
Gas Infrastructure Development Cess (GIDC)	14.5	98,865	1,250,605
Interest free deposits repayable on demand	14.6	1,232,331	1,048,202
Earnest money received from contractors		130,525	156,306
Workers' Profit Participation Fund (WPPF)	14.7	946,878	816,765
		1,038,817,871	828,842,370
14.1 These include amounts payable to the following related parties:			
Sui Southern Gas Company Limited		421,358	334,136
Pakistan State Oil Company Limited		331,638,619	272,662,221
Pakistan LNG Limited		96,217,419	125,027,679
Government Holdings (Pvt). Ltd		53,567,890	39,513,923
Pakistan Petroleum Limited		244,938,276	183,855,455
Oil and Gas Development Limited		236,847,328	171,906,249
Mari Petroleum Company Limited		32,419,976	2,986,703
		996,050,866	796,286,366
14.2	Included in trade payables is an amount of Rs. 331,638,619 thousand (2022: Rs. 272,662,221 thousand) and Rs. 96,217,419 thousand (2022: Rs. 125,027,679 thousand) due to Pakistan State Oil (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.		
		2023	2022
		(Rupees in thousand)	
14.3 These include amounts payable to the following related parties:			
Gandhara Tyre & Rubber Company Limited		-	84
Pakistan Telecommunication Company Limited		5	23
Pakistan State Oil Company Limited		22,869	28,120
Sui Southern Gas Company Limited		8,447	-
		31,321	28,227
14.4	Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017.		

Notes to the Financial Statements

for the year ended June 30, 2023

	2023	2022
	(Rupees in thousand)	
14.5 Gas Infrastructure Development Cess (GIDC)		
Opening balance	1,250,605	922,153
Add: GIDC collection/adjustment during the year	2,899,360	5,305,011
Less: Payment made to Government Treasury	(4,051,100)	(4,976,559)
Closing balance	98,865	1,250,605

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. During the year, 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. 136,135,289 thousand (2022: Rs. 139,192,657 thousand) is recoverable from consumers and payable to Government of Pakistan. These financial statements do not reflect the said amounts since the provisions of the GIDC Act require the Company to pay GIDC as and when the same is collected from consumers. Furthermore, some consumers have obtained stay orders against recovery of the same and consequently in view of the legal advisors of the Company, the Company is not liable to pay such amounts until the same are recovered. Both the principal amount and sales tax on GIDC will be shown as payable as and when these balances are collected from consumers.

- 14.6** These security deposits are being utilized for the purpose of business in accordance with the terms of contract with contractors and accordingly, have not been kept in a separate bank account.

	Note	2023 (Rupees in thousand)	2022
14.7 Workers' Profit Participation Fund			
Balance at the beginning of the year		816,765	1,276,781
Allocation for the year	40	830,113	815,980
Payments to WPPF Fund		(700,000)	(1,275,996)
		946,878	816,765

- 14.7.1** After promulgation of 18th amendment, the Workers' Profit Participation Act, 1968 was repealed which resulted into devolution of power to provinces to make all enactments relating to labour laws. However, the said act is not applicable on the trans-provincial entities and the matter of allocation of WPPF among the employees and the Federal Government is yet to be decided. The Company has formed a Worker Profit Participation Fund for this purpose.

15. INTEREST / MARK-UP ACCRUED ON LOANS AND OTHER PAYABLES

	Note	2023 (Rupees in thousand)	2022
Accrued mark-up / interest on:			
Long term financing - secured		2,065,731	1,475,100
Long term financing - unsecured		210,934	203,625
Short term borrowing - secured		6,417,450	547,916
Deposits from customers		4,684,369	2,753,332
Late payment of gas creditors and gas development surcharge		247,734,258	154,300,617
	15.1	261,112,742	159,280,590
15.1 These include amounts payable to the following related parties:			
Sui Southern Gas Company Limited		9,152,121	9,152,121
Government Holdings (Private) Limited		21,833,754	12,803,846
Pakistan Petroleum Limited		112,048,508	69,169,715
Oil and Gas Development Company Limited		95,853,486	57,160,085
Mari Petroleum Company Limited		2,060,772	458,750
Pakistan LNG Limited		148,460	-
		241,097,101	148,744,517

Notes to the Financial Statements

for the year ended June 30, 2023

	Note	2023 (Rupees in thousand)	2022
16. SHORT TERM BORROWING - SECURED			
Short term borrowings from financial institutions - secured	16.1	118,179,300	19,019,488

- 16.1** The Company has utilized short term running finance facilities from various banking companies aggregating to Rs. 118,179,300 thousand (2022: Rs. 19,019,448 thousand) which includes financing facilities utilized under Islamic mode amounting to Rs. 16,998,365 thousand (2022: Rs. 3,149,153 thousand). These above mentioned facilities also includes financing utilized under money market amounting to Rs. NIL (2022: Rs. 10,000,000 thousand). The markup rates applicable during the year ranges from one to three months KIBOR plus 05 bps to minus 30 bps (2022: one to three months KIBOR plus 04 bps to 12 bps) per annum on the balance outstanding. These are secured by way of first pari passu/ranking charge over current assets of the Company to the extent of Rs. 119,501,666 thousand (2022: Rs. 71,167,336 thousand). Mark-up is payable on quarterly basis. The effective interest rate charged during the period ranges from 14.20% to 21.99% (2022: 7.50% to 15.62%) per annum.

	Note	2023 (Rupees in thousand)	2022
17. CURRENT PORTION OF LONG TERM FINANCING			
Long term financing - secured	7	6,625,917	6,146,402
Long term financing - unsecured	8	190,668	173,012
		6,816,585	6,319,414

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

18.1.1 Taxation

- a) A demand of Rs. 67,998 thousand (2022: Rs. 67,998 thousand) relating to excess compensation for delayed refunds for assessment years 1988-89, 1990-91, 1991-92 and 1996-97 was raised by the Additional Commissioner of Income Tax on November 10, 2008 by rectifying the orders previously issued under section 171 of the repealed Ordinance. In this regard, while disposing off the appeal filed before Appellate Tribunal Inland Revenue (ATIR) on May 04, 2009 against the order of Commissioner Income Tax (Appeals) (CIT(A)), the ATIR has remanded back the matter of curtailment of compensation on delayed payment/adjustment of refund pertaining to assessment year 1988-89, 1991-92 and 1996-97 for verification of underlying facts afresh. However, no provision has been made in these financial statements as the Company is confident of a favourable outcome based on the opinion of legal counsel of the Company.

- b) During the year ended June 30, 2012, Income Tax Authorities raised demands of Rs 8,207,290 thousand, Rs. 7,366,587 thousand and Rs. 2,715,174 thousand for Tax Year 2011, 2010 and 2006, respectively, on account of disallowance of Cost Equalization Adjustment, Gas Development Surcharge (GDS) while adding back consumers' contribution and Government grants on February 13, 2012 for Tax Year 2011, 2010 and on March 16, 2007 for Tax Year 2006. The Company's appeal against the amendment orders was disposed off by Commissioner Inland Revenue (Appeals) [CIR(A)] substantially in the Company's favour and except for the issue of admissibility of GDS and tax credit as referred above, all other material disallowances were removed. Both the Tax Authorities and the Company preferred appeals against order of CIR(A) before ATIR. During the financial year ended June 30, 2015, while disposing off the Company's appeal, ATIR upheld the Company's contention in respect of admissibility of GDS, whereas the tax credit under section 65B of Income Tax Ordinance, 2001 amounting to Rs. 574,355 thousand was not allowed. Furthermore, appeal filed by the Income Tax Department with respect to other issues was decided in the Company's favour. However, Tax Authorities have filed an appeal on January 01, 2016 against the decision of ATIR with regards to GDS before Honorable Lahore High Court (LHC) which has been decided in Company's favor. The Tax authorities aggrieved by the decision of the Honorable Lahore High Court have filed appeal with Supreme Court of Pakistan which has been decided in Company's favor by Supreme Court of Pakistan on July 11, 2023. Except for the disallowance related to tax credit under section 65B, no provision regarding the above explained issues has been made in these financial statements as management considers, based on the opinion of legal counsel of the Company, that the Company's stance is based on meritorious grounds and will be upheld by the Supreme Court of Pakistan.
- c) During the year ended June 30, 2013, Income Tax Authorities raised demands of Rs. 17,207,333 thousand and Rs. 6,880,501 thousand for Tax Year 2012 and 2007, respectively, on similar grounds to those raised in Tax Years 2011, 2010 and 2006 as mentioned above on April 18, 2013 for Tax Year 2012 and on December 11, 2008 for Tax Year 2007. During the year ended June 30, 2016, the Company's appeal against the amendment orders were disposed by CIR(A) substantially in the Company's favour and except for the issue of admissibility of GDS and tax credit referred above, all other material disallowances were removed. Consequently, the demand for Tax year 2012 and Tax year 2007 were reduced to Rs. 5,105,423 thousand and Rs. 3,330,110 thousand, respectively. Both, the Tax Authorities and the Company preferred appeals against order of CIR(A) before the ATIR. While disposing off the Company's appeal, ATIR upheld Company's contention in respect of admissibility of GDS, whereas the tax credit under section 65B of Income Tax Ordinance 2001 amounting to Rs. 340,120 thousand was not allowed. Furthermore, appeal filed by the Department with respect to other issues has been decided in the Company's favour. However, Tax Authorities and the Company have filed appeals against the decision of ATIR with regards to GDS and tax credit under section 65B of Income Tax Ordinance, 2001 respectively, before Honorable Lahore High Court on March 24, 2014. The appeal filed by the department with Honorable High Court has been decided in favor of the Company while the Company's appeal on the issue of tax credit U/S 65B is still pending adjudication. Tax authorities aggrieved by the decision of the Honorable Lahore High Court have filed appeal with Supreme Court of Pakistan which has been decided in Company's favor by Supreme Court of Pakistan on July 11, 2023. Except for the disallowance related to tax credit under section 65B, no provision regarding the above has been made in these financial statements as the management considers, based on the opinion of legal counsel of the Company, that the Company's stance is based on meritorious grounds and will be upheld by the Supreme Court of Pakistan.
- d) Income Tax Authorities raised demands of Rs. 23,401,212 thousand, Rs. 17,930,455 thousand, Rs. 12,640,691 thousand and Rs. 9,852,122 thousand for Tax Year 2014, 2015, 2016, 2017, respectively, on similar grounds as mentioned in (b) above with the addition of inadmissibility of UFG and recoverability of shortfall (as determined by the OGRA) from consumers. The Company filed an appeal against the demand raised by the Tax Authorities with CIR(A). The Company's appeal against the amendment orders was disposed of by CIR(A) substantially in the Company's favour and except for the issues of inadmissibility of UFG and recoverability of shortfall (as determined by the OGRA) from consumers, exchange loss and tax

Notes to the Financial Statements

for the year ended June 30, 2023

credit under section 65B of Income Tax Ordinance, 2001, as referred above, all other material disallowances were removed. The matter of exchange loss was disposed of by CIR(A) for Tax Year 2014 in favour of the Company. The Company preferred an appeal against order of CIR(A) before ATIR with respect to the issues decided against the Company for Tax Year 2014, 2015, 2016 and 2017. The ATIR decided the matter of UFG and recoverability of shortfall from consumers in favour of the Company for Tax Year 2014 and 2015. The Tax authorities aggrieved by the decision of the ATIR have filed appeal with Honorable Lahore High Court which is pending adjudication. Except for the disallowance related to tax credit under section 65B, no provision has been made in these financial statements as the management is confident of a favourable outcome based on the opinion of legal counsel of the Company.

- e) During the year ended June 30, 2019, Income Tax Authorities raised a demand of Rs. 4,626,000 thousand for Tax Year 2008 on account of cost equalization adjustment originally on January 17, 2009. The Company's contention was accepted by the CIR(A) and ATIR. The department being aggrieved with the decision of ATIR, filled a reference with Honorable Lahore High Court in March 2020 which is pending adjudication. No provision has been made in these financial statements as the Company is confident of favourable outcome of the appeal based on the opinion of legal counsel of the Company.
- f) During the year ended June 30, 2022, Sales Tax Authorities raised a demand of Rs. 921,492 thousand as a result of order passed on November 10, 2022 on the pretext of concelement of Sales during the period July 2016 to June 2017. An appeal has been filed by the Company with CIR(Appeals) which was decided against the Company, aggrieved with the decision of CIR(A) an appeal was filed by the Company before ATIR, the ATIR has remanded the matter back to adjudicating officer for verifying the fact afresh. No provision has been made in these financial statements as the Company is confident of a favourable outcome against the appeal based on the opinion of legal counsel of the Company.
- g) During the year ended June 30, 2014, Sales Tax authorities raised a demand of Rs. 555,938 thousand for the tax year 2010 on account of inadmissibility of input sales tax in respect of gas lost over and above UFG benchmark fixed by the OGRA originally on April 28, 2014. In this regard, appeal was filed by the Company with CIR(A) which was decided against the Company. The Company filed appeal against the orders of CIR(A) with ATIR on September 17, 2014. Single bench of ATIR has decided the matter against the Company. Aggrieved by the decision of Single bench of ATIR the Company has filed appeal against decision with Honorable Lahore High Court and has also filed application for rectification of order with ATIR (since full bench of ATIR has already decided the similar issue pertaining to Tax year 2013 in Company's favor) which are pending adjudication. No provision has been made in these financial statements as Company is confident of favourable outcome of the appeal based on the opinion of legal counsel of the Company.
- h) During the year ended June 30, 2016 the authorities raised a demand of Rs. 2,185,953 thousand for the tax year 2013 on account of inadmissibility of input sales tax in respect of gas lost over and above UFG benchmark fixed by the OGRA originally on April 29, 2016. In this regard, an appeal was filed by Company with CIR(A) which was decided against the Company. The Company filed an appeal against the order of CIR(A) with ATIR which was decided in favour of the Company. However, subsequent to the year end, the department has filed an appeal against the decision of ATIR with Honorable Lahore High Court which is pending adjudication. No provision has been made in these financial statements as the Company is confident of a favourable outcome against the appeal based on the opinion of legal counsel of the Company.
- i) During the year ended June 30, 2015, Income Tax Authorities raised a demand of Rs. 128,322 thousand as a result of order passed u/s 161/205 of Income Tax Ordinance, 2001 on January 02, 2015. This demand was raised on pretext of non-withholding of tax under section 152(2A) of Income Tax Ordinance, 2001 by the Company. An appeal filed by the Company with CIR(A) was decided against the Company, following which the Company filed an appeal on April 09, 2015 with ATIR against the said decision of CIR(A), which is pending adjudication. No provision has been made in these financial statements as the Company

is confident of a favourable outcome against the appeal based on the opinion of legal counsel of the Company.

- j) As a consequence of withholding tax audit for tax year 2016, the tax department had raised a demand of Rs. 2,688,912 thousand on August 09, 2017. The Company filed an appeal on March 28, 2018 with CIR(A) against this demand and CIR(A) has decided all points in favor of Company except advance tax deduction from CNG companies and non-withholding of income tax on hajj expense. Resultantly the demand has reduced to Rs. 176,328 thousand the Company has filed appeal with ATIR in respect of the issues decided against the Company which is pending adjudication. No provision has been made in these financial statements as the Company is confident of a favourable outcome against the appeal based on the opinion of legal counsel of the Company.
- k) The Tax Authorities raised a demand of Rs. 10,104,080 thousand for tax year 2009 by adding back provision for cost equalization, provision for post retirement employee benefit, receipt from consumer contribution, interest income on loan to staff and exchange loss on November 29, 2013. CIR(A) and ATIR decided the issues in Company's favour. Aggrieved by the decisions of these forums the tax authorities have filed appeal with Honorable Lahore High Court which is pending adjudication. No provision regarding the above explained issues has been made in these financial statements as management considers, based on the opinion of legal counsel of the Company, that the Company's stance is based on meritorious grounds and will be upheld by the Honorable Lahore High Court.
- l) During the year ended June 30, 2022, Income Tax Authorities raised a demand of Rs. 11,550,224 thousand for Tax year 2021 as a result of order passed u/s 122(5A) of Income Tax Ordinance, 2001 on May 30, 2023 by disallowing UFG over and above OGRA benchmark, addition on account of lease rentals and addition on account of loan to staff. An appeal was filed by the Company with CIR(Appeals) no substantial relief was extended by CIR(A) to the Company. Aggrieved by decision of CIR(A) an appeal was filed by the Company against the decision with ATIR, which is pending adjudication. No provision has been made in these financial statements as the Company is confident of a favourable outcome against the appeal based on the opinion of legal counsel of the Company.
- m) During the year ended June 30, 2019, Sales Tax Authorities raised a demand of Rs. 1,572,027 thousand by disallowing input tax claimed against exempt supplies, short payment of extra tax, output tax charged to CNG stations and discrepancy in collection of further tax for the tax period July 2012 to June 2017 originally on February 15, 2019. The Company has filed an appeal on March 15, 2019 against the demand raised by the Tax Authorities with ATIR. ATIR has remanded back the matter to DCIR which is pending adjudication. However, no provision has been made in these financial statements as the Company is confident of a favourable outcome based on the opinion of legal counsel of the Company.
- n) During the year ended June 30, 2019, Sales Tax Authorities raised demands of Rs. 3,343,294 thousand and Rs. 4,032,793 thousand for the tax period July 2015 to June 2016 and tax period July 2016 to March 2017 by invoking provision of section 8(1) of Sales Tax Act 1990 on November 19, 2018. The Company has filed an appeal on December 18, 2018 against the demands raised by the Tax Authorities with ATIR which is pending adjudication. However, no provision has been made in these financial statements as the Company is confident of a favourable outcome based on the opinion of legal counsel of the Company.
- o) During the year ended June 30, 2014, Sales Tax Authorities raised a demand of Rs. 1,722,795 thousand for the tax year 2010 on account of non payment of sales tax on repair works, Inadmissible adjustment on gas blown due to ruptures, non payment of sales tax on receipts against deferred credit / contract liabilities, non-deposit of 9% sales tax on account of gas supplied to CNG stations, inadmissible input tax u/s 8(i) (a), inadmissible input tax u/s 8(i)(b) and short payment of sale tax on sale of scrap on April 24, 2014. In this regard, an appeal was filed by Company with CIR(A) which was decided in favour of the Company. The Sales Tax Department filed appeal against the orders of CIR(A) with ATIR on October 02, 2014 which

Notes to the Financial Statements

for the year ended June 30, 2023

was decided in favor of the Company, the department has filed an appeal against the decision of ATIR with LHC which is pending adjudication. No provision has been made in these financial statements as the Company's management is confident of favourable outcome based on the opinion of legal counsel of the Company.

- p) During the year ended 2007, Sales Tax Authorities raised a demand of Rs. 9,455 thousand for the Tax Year 2006 on account of inadmissibility of input sales tax in respect of certain purchases and non payment of GST on repair work on July 12, 2007. In this regard, an appeal filed by the Company with CIR(A) was decided in favour of the Company. The Sales Tax Department filed an appeal against the orders of CIR(A) with ATIR, the ATIR has remanded the matter back to adjudicating officer for verifying the fact afresh. No provision has been made in these financial statements as the Company is confident of favourable outcome based on the opinion of legal counsel of the Company.
- q) During the year ended June 30, 2018, Punjab Revenue Authority raised a demand of Rs. 1,819,000 thousand on account of withholding tax audit for the Tax Year 2015 on September 06, 2019, the Company has filled an appeal with Commissioner (Appeals), which is pending adjudication. No provision has been made in these financial statements as Company is confident of favourable outcome based on the opinion of legal counsel of the Company.
- r) During the Tax Year 2020, Income Tax Authorities raised a demand of Rs. 3,389,112 thousand for tax year 2019 by disallowing tax credit under section 65B, tax deposited under section 147 and tax deducted under section 148 of Income Tax Ordinance, 2001. The Company has filed an appeal with CIR (Appeals), which has been partially decided in Company's favor both the Company and Tax authorities have preferred appeal before ATIR with respect to issues decided against them by CIR(A) which are pending adjudication, except for disallowance of tax credit under section 65B of Rs. 2,187,287 thousand. No provision has been made in these financial statements as Company's management is confident of favourable outcome of the appeals.
- s) During the year ended June 30, 2022, the Sales Tax Authorities raised a demand of Rs. 3,038,973 thousand on account of Inadmissible input tax claimed U/s 8 of Sales tax Act,1990 and on account of inadmissibility of input sales tax in respect of gas lost over and above UFG benchmark fixed by the OGRA for the period July 2018 to June 2019 on June 06, 2023. An appeal has been filed by the Company with CIR(A) which was partially decided against the Company, the Company filed appeal against the decision of CIR(A) with ATIR, the ATIR decided all the issues in favor of the Company except amount of Rs 233,000 thousand on account of inadmissibility of input sales tax, the Company has filed an application with the tax authorities for creating ADRC in order to contest the matter decided against the Company by ATIR before ADRC as it is now mandatory for an SOE under Tax Laws(Amendment) Act, 2024 to plead tax related issues before ADRC, the matter is currently pending adjudication. No provision has been made in these financial statements as the Company is confident of a favourable outcome against the appeal based on the opinion of legal counsel of the Company.
- t) During the Tax Year 2021, Income Tax Authorities raised a demand of Rs. 6,747,533 thousand for tax year 2018 by disallowing cost equalization adjustment, brought forward business losses, Worker's Profit Participation Fund on various grounds. Moreover, Income tax authorities disallowed Minimum tax pertaining to tax year 2014, 2015, tax deducted under section 148 of Income Tax Ordinance, 2001 and tax paid by/deducted from the Company under various provisions of Income Tax Ordinance, 2001 on September 29, 2020. The Company has filed an appeal with CIR (A), which has been decided in Company's favour except for tax deducted under section 148. The Company and the department have filed an appeal with ATIR, which is pending adjudication, no provision has been made in these financial statements as Company's management is confident of favourable outcome of the appeals.

- u) During the tax year 2022 Income Tax Authorities raised a demand of Rs. 3,078,163 thousand for tax year 2020 on account of minimum Tax, disallowance of WPPF, Amortization of deferred credit, lease rental paid, loss on remeasurement of employee benefits (OCI) on May 30, 2022. The Company has filed an appeal with CIR (A), all issue except minimum tax has been decided in Company's favor, the issue of minimum tax was remanded back by CIR(A), the demand was again raised by the tax authorities, the Company has filed appeal against the demand with CIR(A) which was decided against the Company, an appeal was filed by the Company against the decision of CIR(A) before ATIR, the Company's contentions were not considered by ATIR hence the appeal was decided against the Company, aggrieved by the decision of ATIR, the Company has preferred an appeal before LHC which is pending adjudication. No provision has been made in these financial statements as Company's management is confident of favorable outcome of the appeals.
- v) Subsequent to the year end, Income Tax Authorities raised a demand of Rs. 528,374 thousand for tax year 2020 by disallowing tax deducted under section 148 of income tax ordinance 2001 on September 30, 2021. The Company has filed an appeal with CIR (A) which was decided in Company's favor, Appeal against the decision of CIR(A) was filed by the tax with ATIR which was decided in Company's Favor. Tax authorities have now filed appeal with Honorable Lahore High court against the decision of ATIR which is pending adjudication. No provision has been made in these financial statements as Company's management is confident of favourable outcome of the appeals.
- w) During the year ended June 30, 2023, the Sales Tax Authorities raised a demand of Rs. 60,196,097 thousand along with the penalty of Rs. 3,009,805 thousand on account of Gas Swapping with SSGC, Inadmissible input tax adjustment against UFG, Inadmissible input tax claimed U/s 8 of Sales tax Act, 1990 and Exempt Supply of gas to SWAT Area on March 09, 2023. An appeal was filed by the Company with CIR(A) which was decided against the Company. The Company has filed an application with the tax authorities for creating ADRC in order to contest the matter decided against the Company by CIR(A) before ADRC as it is now mandatory for an SOE under Tax Laws (Amendment) Act, 2024 to plead tax related issues before ADRC, the matter is currently pending adjudication.
- x) Subsequent to the year end, the Sales Tax Authorities raised a demand of Rs. 2,262,060 thousand on account of Inadmissible input tax claimed U/s 8 of Sales tax Act, 1990 on November 15, 2022. An appeal has been filed by the Company with CIR(A) which was decided against the Company. The Company has filed appeal with ATIR against the decision of CIR(A) which is pending adjudication. No provision has been made in these financial statements as the Company is confident of a favourable outcome against the appeal based on the opinion of legal counsel of the Company.
- Y) Subsequent to the year end, Income Tax Authorities raised a demand of Rs. 316,507 thousand as a result of order passed u/s 161/205 of Income Tax Ordinance, 2001 on January 30, 2023. This demand was raised on pretext of non-withholding of tax under section 234 A of Income Tax Ordinance, 2001 by the Company. An appeal filed by the Company with CIR(A) was decided against the Company, following which the Company is in the process of filing appeal with ATIR against the said decision of CIR(A), which is pending adjudication. No provision has been made in these financial statements as the Company is confident of a favourable outcome against the appeal based on the opinion of legal counsel of the Company.
- z) The Company filed appeals before the Customs, Excise and Sales Tax Appellate Tribunal against the orders of Collector of Sales Tax (Appeals) on May 21, 2010 regarding various issues including but not limited to apportionment of input tax, admissibility of input tax on natural gas lost in ruptures, etc. amounting to Rs 39,754 thousand. Subsequently, Company's appeal against the orders of collector of Sales Tax (Appeals) was disposed off by ATIR in Company's favor. However, the department has filed an appeal against the decision of ATIR in Honorable Lahore High Court which has been decided in Company's favor. Aggrieved by the decision of Honorable Lahore High Court the department has filed an appeal with

Notes to the Financial Statements

for the year ended June 30, 2023

Supreme Court of Pakistan. Pending the outcome of the appeal, no provision against the demand has been recognized in the financial statements based on the opinion of the legal counsel of the Company.

- aa) Subsequent to the year ended, the Sales Tax Authorities raised a demand of Rs. 95,402,117 thousand along with the penalty of Rs. 4,963,119 thousand on account of Gas Swapping with SSGC for the July 2014 to June 2021 on December 12, 2023. An appeal was filed by the Company with CIR(A) which was decided against the Company. The Company has filed an application with the tax authorities for creating ADRC in order to contest the matter decided against the Company by CIR(A) before ADRC as it is now mandatory for an SOE under Tax Laws(Amendment) Act, 2024 to plead tax related issues before ADRC, the matter is currently pending adjudication.
- ab) Subsequent to the year end, Sales Tax Authorities raised a demand of Rs. 5,628,662 thousand for tax period July 2019 to December 2022 on account of non chargability of sales tax on supplies of Natural Gas made to SWAT / FATA / PATA. The Company has filed an appeal with CIR (A), which has been decided against the Company. The Company has filed an appeal with ATIR which was decided in the favour of Company. Sales Tax Authorities has filed an appeal with Honorable Lahore High Court, which is pending adjudication, no provision has been made in these financial statements as Company's management is confident of favourable outcome of the appeals.

18.1.2 Others

Claims against the Company not acknowledged as debts amount to Rs 2,267,762 thousand (2022: Rs 2,075,956 thousand).

- a) Included in claims against the Company not acknowledged as debt are claims by the contractors, suppliers and consumers aggregating Rs. 84,313 thousand (2022: Rs. 84,313 thousand). This also includes a penalty of Rs. 1 Million (2022: Rs. 1,000 thousand) imposed by SECP vide Order dated 10.05.2013 for delay in dissemination of price sensitive information to KSE. The Company filed an appeal with the Lahore High Court against the said decision which was decided against the Company. The Company has filed appeal against the decision of Lahore High Court, Lahore before the Hon'ble Supreme Court of Pakistan. Pending the outcome of these matters / claims, which are being adjudicated, no provision has been made in these financial statements as the matter is still subjudice.
- b) Included in claims against the Company not acknowledged as debt is the claim of employees union for bonus amounting to Rs. 255,200 thousand (2022: Rs. 255,200 thousand), which has been decided by National Industrial Relations Commission (NIRC) against the Company. The Lahore High Court while admitting Company's writ petition for regular hearing has suspended the order of the NIRC, subject to Company's furnishing an undertaking in respect of the bonus amount. The Company has filed an appeal with the Honorable Supreme Court of Pakistan on September 19, 2001 on the grounds that order of NIRC is without jurisdiction and is therefore void. The appeal filed by the Company has been decided against the Company by the Honorable Supreme Court of Pakistan. The Company has filed a review petition with Honorable Supreme Court of Pakistan, which has not been so far fixed for hearing. No provision has been made in these financial statements for the amount of bonus as the Company's legal advisor is of the view that there is a reasonably fair chance that the case will be decided in favour of the Company. However, in case if the decision is not in favour of the Company and the Company has exhausted all legal remedies available under the law, the matter will be taken up with the OGRA for determining the cost of the same to the Company in its revenue requirement decision. Pending the same, the financial impact cannot be determined till the OGRA makes a final determination on the matter.
- c) The Company furnished bank guarantees to the Collector of Customs to avail the benefit under SRO 678(1)/2004 for payment of custom duty at the rate of 5% on certain imported items amounting to Rs. 329,537 thousand (2022: 329,537 thousand) for clearance of consignments, as per the decision of Honorable Lahore high court. Since, the matter is pending adjudication with Honorable Lahore High

Court, in the meantime have filed a petition with Sindh High court which has been decided against the Company based on this decision the custom authorities have encashed guarantees amounting to Rs 309,394 thousand, aggrieved with the decision the Company has filed appeal against the decision of Sindh high court with the Supreme court of Pakistan which is pending adjudication, no provision has been made in these financial statements as Company's management is confident of favourable outcome of the appeals. However, Liabilities in respect of bank guarantees, if any, will be treated as part of the cost of such items.

- d) The Company entered into Gas Supply Agreements ("GSAs") with M/s Saif Power Limited, Sapphire Electric Company Limited and Orient Power Company (Private) Limited (hereinafter referred to as the "Claimants") for the supply of a daily contracted quantity of gas during a firm delivery period in a given year i.e. from March 1st to November 30th each year. During certain periods of the year 2011, the Company could not supply the contracted quantity of gas to the Claimants due to force majeure events such as ruptures in the pipelines and other sabotage/terrorism activities in certain gas wells. Such force majeure events were rejected by the Claimants contesting that they did not fall under the definition "force majeure" as per the GSAs. The total claim of all Claimants including ancillary costs is Rs. 1,060,186 thousand (2022: Rs. 957,864 thousand). The case was referred to London Court of International Arbitration vide separate arbitration proceedings for each of the Claimants'. The sole arbitrator decided these cases in favour of Claimants vide his awards dated March 9, 2016 (the "FM Awards"). The Company initiated proceedings in the Civil Court, Lahore to enable it to file objections to have the FM Awards set aside. The Claimants through an unlawful set off adjusted the awarded amounts from undisputed invoices of the Company for March 2016. The Claimants also subsequently initiated proceedings before the Civil Court to get the FM Awards filed in court to make the FM Awards rule of court. The FM Awards have been made Rule of Court. However, the Civil Court has ordered that interest is to be calculated from the date of the order i.e. 16.10.2023 and not 2014. The Claimants filed an appeal before the High Court to challenge the decision of the Civil Court to the extent the interest was not granted by the Civil Court from 2014 onward till date of the order i.e. 16.10.2023. The High Court has dismissed the appeals of the Claimants. The Claimants have filed appeals before the Supreme Court of Pakistan against the order of the Lahore High Court, Lahore. On the other hand, the unlawful set off made by the Claimants against the March 2016 invoice. On the other hand, the unlawful set off made by the Claimants against the March 2016 invoice resulted in a further dispute between the parties and the issue of unlawful set off and payment of the invoices of March 2016 was eventually decided by the London Court of International Arbitration that resulted in the awards dated April 22, 2022 ("New Awards") in favour of the Company. The arbitrator has held in favour of the Company and awarded an amount of Rs. 257,374 thousand for Sapphire, Rs. 270,659 thousand for Saif and Rs. 229,743 thousand for Orient plus interest at 6% from the date after the Due Date of March 2016 invoices until full and final payment. In addition, the Company has also been awarded costs together with interest at 6% from the date after the date of New Awards until full and final payment. The Company has filled an application before the Honorable Lahore High Court for recognition and enforcement of the New Awards.
- e) SNGPL in collaboration with presson Descon LTD(PDIL) had participated in OGDCL's tender for installation of gas turbines-based Compressors at its Uch Gas field as an EPC contractor. The contract was awarded to joint venture of SNGPL/PDIL on January 05, 2023. The Execution of contract could not materialized to due certain reservation by the Company's Board and ban on issuance of LC by the Government of Pakistan impacting the procurement of material required for the project. Due to aforementioned reason the JV partner PDIL/SNGPL did not deposit total performance bond of approximately Rs 2 billion required under the contract consequently OGDCL forfeited the bid bond amounting to Rs 270 million submitted by PDIL. As a result, SNGPL's counter bid bond amounting to Rs 135 million was called by PDIL. The Company filed a civil suit on August 12, 2023 against PDIL's encashment of SNGPL's Bank Guarantee as wrongful, illegal and unlawful. The matter is still pending in the court, no provision has been made in these financial statements as the Company is confident of favourable outcome.

Notes to the Financial Statements

for the year ended June 30, 2023

18.2 Commitments

18.2.1 Capital commitments

	2023	2022
	(Rupees in thousand)	
Commitments for capital expenditures contracted:		
Property, plant and equipment	477,752	345,050
Intangible assets	69,325	49,162
Stores and spares	16,183,022	4,775,966
	16,730,099	5,170,178
Other commitments	897,188	620,749

18.2.2 Letters of credit and bank guarantees

Facilities of Rs. 100,000 thousand (2022: Rs. 100,000 thousand) for opening letters of credit and guarantees are available with the Company as a sub-limit of facilities referred in note 16.1. This facility has not been availed during the year ended June 30, 2023. The facility for opening of letters of credit is secured by lien over trade documents and the facility for guarantees is secured by way of first pari passu charge over present and future fixed assets i.e. plant and machinery of the Company to the extent of Rs. 666,670 thousand (2022: Rs. 666,670 thousand).

The Company has additional facilities for opening letters of credit amounting to Rs. 18,000,000 thousand (2022: Rs. 14,500,000 thousand) out of which Rs. 7,604,043 thousand (2022: Rs. 11,331,450 thousand) remained unutilized at the end of the year. These are secured by lien over trade documents.

Aggregate facilities for guarantees and letters of credit are additionally secured by charges on assets of the Company.

		2023	2022
	Note	(Rupees in thousand)	
19. PROPERTY, PLANT AND EQUIPMENT			
Operating fixed assets	19.1	213,047,259	199,707,594
Capital work-in-progress	19.2	32,833,099	25,230,276
		245,880,358	224,937,870

Reconciliation of the carrying amounts at the beginning and end of the year is as follows:

Operating Fixed Assets															
	Freehold land	Leasehold land	Buildings and civil construction on freehold land	Buildings on leasehold land	Transmission system	Distribution system	Consumer meter and town border stations	Telecommunication system and facilities	Compressor stations and equipment	Plant and machinery	Furniture and equipment	Transport vehicle	Tools and accessories	Computers and ancillary equipment	Total
(Rupees in thousand)															
Net carrying value basis															
at 30 June 2023															
	3,201,090	392	942,031	4,794	65,210,119	90,680,842	30,082,281	159,056	6,038,461	2,167,774	163,012	401,848	26,298	629,596	199,707,594
	321,228	-	337,638	-	77,26,709	14,031,723	4,426,559	17,339	1,194,606	765,695	74,890	53,001	51,989	179,159	291,80,536
Disposals															
Cost	-	-	-	-	(514,645)	-	(675,210)	(27,312)	-	(95,054)	(21,673)	(62,548)	(9,761)	(15,087)	(1,421,290)
Accumulated depreciation	-	-	-	-	514,645	-	675,210	27,312	-	95,054	21,673	59,314	9,761	15,065	1,418,034
												(3,234)		(22)	(3,256)
Depreciation charge	-	-	(78,972)	(4,794)	(2,117,141)	(6,553,038)	(4,825,505)	(65,907)	(1,148,007)	(538,006)	(68,584)	(166,325)	(27,474)	(243,862)	(15,837,615)
Closing net book value	3,522,318	392	1,200,697	-	70,819,687	98,159,527	29,683,335	110,488	6,085,060	2,395,463	169,318	285,290	50,813	564,871	213,047,259
Gross carrying value basis															
at 30 June 2023															
Cost	3,522,318	392	2,874,430	35,006	137,890,785	173,838,209	74,568,044	2,779,797	18,669,417	14,643,050	1,122,095	3,817,822	464,128	2,686,962	437,112,455
Accumulated depreciation	-	-	(1,673,733)	(35,006)	(67,071,098)	(75,678,682)	(44,884,709)	(2,669,309)	(12,784,357)	(12,247,587)	(952,777)	(3,532,532)	(413,315)	(2,122,091)	(224,065,196)
Net book value	3,522,318	392	1,200,697	-	70,819,687	98,159,527	29,683,335	110,488	6,085,060	2,395,463	169,318	285,290	50,813	564,871	213,047,259
Depreciation rate	-	-	5%	6-33%	2.5-10%	5%	5-10%	15%	6-12.5%	5-33%	20%	20%	33.3%	15-33.33%	
Net Carrying Value basis															
at 30 June 2022															
	2,836,932	392	888,957	10,024	58,220,006	83,474,151	28,867,703	244,212	7,137,319	2,308,865	190,178	503,197	30,241	675,407	185,387,584
Additions	364,158	-	121,445	-	8,925,519	13,198,877	5,927,372	24,376	475,583	428,631	49,697	92,913	17,719	207,554	29,833,844
Disposals															
Cost	-	-	(10)	-	(932)	-	(500,694)	(4,515)	(1,122)	(41,379)	(10,746)	(97,738)	(332)	(103,577)	(761,045)
Accumulated depreciation	-	-	8	-	932	-	500,694	4,515	1,122	41,379	10,746	91,347	332	103,577	754,652
			(2)									(6,391)			(6,393)
Depreciation charge	-	-	(68,369)	(5,230)	(1,935,406)	(5,992,186)	(4,712,794)	(109,532)	(1,574,441)	(569,722)	(76,863)	(187,871)	(21,662)	(253,365)	(15,507,441)
Closing net book value	3,201,090	392	942,031	4,794	65,210,119	90,680,842	30,082,281	159,056	6,038,461	2,167,774	163,012	401,848	26,298	629,596	199,707,594
Gross carrying value basis															
at 30 June 2022															
Cost	3,201,090	392	2,536,792	35,006	130,678,721	159,806,486	70,816,695	2,789,770	17,674,811	13,972,409	1,068,878	3,827,369	421,900	2,522,890	409,353,209
Accumulated depreciation	-	-	(1,594,761)	(30,212)	(65,468,602)	(69,125,644)	(40,734,414)	(2,630,714)	(11,636,350)	(11,804,635)	(905,866)	(3,425,521)	(395,602)	(1,893,294)	(209,645,615)
Net book value	3,201,090	392	942,031	4,794	65,210,119	90,680,842	30,082,281	159,056	6,038,461	2,167,774	163,012	401,848	26,298	629,596	199,707,594
Depreciation rate	-	-	5%	6-33%	2.5-10%	5%	5-10%	15%	6-12.5%	5-33%	20%	20%	33.3%	15-33.33%	

Notes to the Financial Statements

for the year ended June 30, 2023

19.1.1 Freehold land at cost of Rs. 2,977,554 thousand (2022: Rs. 2,814,270 thousand) is subject to restriction under The Land Acquisition Act, 1894 and cannot be sold by the Company without the prior approval from the respective Provincial Governments.

19.1.2 The cost of assets as at June 30, 2023, include fully depreciated assets amounting to Rs. 86,212,460 thousand (2022: Rs. 82,507,062 thousand).

19.1.3 The depreciation charge for the year has been allocated as follows:

	Note	2023 (Rupees in thousand)	2022
Distribution cost	36.3	15,249,810	14,956,689
Selling cost	38	221,104	226,249
Administrative expenses	39	283,215	218,809
	44	15,754,129	15,401,747
Transmission system		38,579	35,288
Construction contracts		1,052	106
Distribution system		43,855	70,300
		83,486	105,694
	19.1	15,837,615	15,507,441

19.1.4 Particulars of Company's significant immovable property including location and area of land are as follows:

Particulars of land and buildings	District	Area of land		
		Acre	Kanal	Marlas
Faisalabad HQ/Ac-8/Base Store/Distribution Office etc	Faisalabad	63	4	3
Multan Distribution Office/Store	Multan	9	5	10
Multan (T)/Compression Station etc	Multan	62	1	8
Multan Terminal A-7 Multan	Multan	3	7	12
Multan AC-6 Compression Station	Multan	2	2	10
Gujranwala Distribution Office	Gujranwala	2	2	-
Islamabad Distribution Office I-9	Islamabad	3	3	10
Wah Transmission Office	Rawalpindi	6	2	14
Wah Store	Rawalpindi	-	12	-
Compression Station Cc-4	Chakwal	7	5	-
Compression Station Gali Jagir Cc-3	Attok	10	-	4
Compression Station Haranpur Cc-1	Jhelum	-	7	7
Compression Station Haranpur C-3	Jhelum	12	1	18
Compression Station Chakwal C-5	Chakwal	8	3	11
Repeater Station FC-1 Dhullian	Attok	2	7	13
Ahmad Nagar C-1 Station	Chinot	13	6	9
Kot Moman C-2 Station	Sargodha	10	5	3
Shorkot A-9 Station	Jhang	6	7	-
Shorkot AC-7	Jhang	6	7	6
Gojran A-10 Station	Toba tek singh	3	5	17
Compression Station AC-4 Uch Shareef	Bhawalpur	2	1	18
Uch Shareef Pre-Coating Plant	Bhawalpur	24	5	19

Particulars of land and buildings	District	Area of land		
		Acre	Kanal	Marlas
Sahiwal Sub Office	Sahiwal	-	2	10
Sahiwal Compression Station	Sahiwal	12	-	-
Lahore Distribution Office	Lahore	1	1	6
Head Office Building	Lahore	-	6	4
Vacant Plot Adjacent Head Office Building	Lahore	-	2	-
Shahkot B-1 Station	Nankana	9	3	1
Bhakki B-2 Station	Sheikhupura	17	2	7
Shahdara B-3 Station	Lahore	1	7	9
Repater Station Kot Addu	Muzafar Garh	2	-	4
Central Base Store Manga	Lahore	26	4	11
Metering Workshop Kot Lakhpat	Lahore	15	4	12
Central Base Store Lahore	Lahore	2	1	-
Office Mess Lahore Cantt	Lahore	800 square yards		
Distribution Office Peshawar	Peshwar	-	6	-
Distribution Office Abbottabad	Abbottabad	1	4	17

	Note	2023 (Rupees in thousand)	2022
19.2 Capital work-in-progress			
Transmission system	19.2.1	4,262,834	4,000,947
Distribution system	19.2.2	17,403,772	13,420,055
Stores and spare parts held for capital expenditure	19.2.3	9,806,993	6,839,596
Advances for land and other capital expenditure		1,359,500	969,678
		32,833,099	25,230,276
19.2.1 Transmission system			
Opening Balance		4,000,947	8,181,468
Addition during the year		9,128,176	5,528,843
Transfer to the operating assets		(8,866,289)	(9,709,364)
Closing Balance		4,262,834	4,000,947
19.2.2 Distribution system			
Opening Balance		13,420,055	12,232,521
Addition during the year		24,437,873	21,515,786
Transfer to the operating assets		(20,454,156)	(20,328,252)
Closing Balance		17,403,772	13,420,055
19.2.3 Stores and spare parts held for capital expenditure			
Stores and spare parts [including in-transit Rs 1,243,595 thousand (2022: Rs. 615,362 thousand)]		10,334,088	6,917,370
Less: Provision for obsolescence		(108,739)	(77,774)
Less: Provision for loss due to theft/embezzlement	40.1	(418,356)	-
		9,806,993	6,839,596

Notes to the Financial Statements

for the year ended June 30, 2023

19.3 Detail of owned assets disposed off during the year is as follows:

2023							
Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Profit/(Loss) on sale	Mode of disposal	Sold to
(Rupees in thousand)							
Transport Vehicles							
Toyota Corolla XLI	2,543	1,464	1,079	1,119	40	Service Rule	Mr. Mueen Aamir, Company employee
Toyota Yaris	2,712	814	1,898	1,942	44	Service Rule	Mr. Iftikhar Ahmed, Company employee
Other assets with book value less than Rs 500,000							
	1,416,035	1,415,755	279	32,221	31,942		
Total	1,421,290	1,418,033	3,256	35,282	32,026		

2022							
Description	Cost	Accumulated depreciation	Book value	Sale proceeds	Profit/(Loss) on sale	Mode of disposal	Sold to
(Rupees in thousand)							
Transport Vehicles							
Honda Civic	2,884	2,283	601	627	26	Service Rule	Mr. Suhail Gulzar, Company employee
Honda Civic	3,897	1,519	2,378	2,433	55	Service Rule	Mr. Asif Akbar Khan, Company employee
Toyota Corolla	2,956	1,293	1,663	1,768	105	Service Rule	Mr. Azhar Hussain Khokhar, Company employee
Other assets with book value less than Rs 500,000							
	751,307	749,557	1,751	52,739	50,988		
Total	761,044	754,652	6,393	57,567	51,174		

		Note	2023 (Rupees in thousand)	2022 (Rupees in thousand)
20. INTANGIBLE ASSETS				
This represents computer softwares and ERP system.				
Balance as at beginning of the year				
Cost			1,630,613	1,426,841
Accumulated amortization			(1,264,323)	(1,042,400)
Net book value			366,290	384,441
Movement during the year				
Additions			139,909	203,772
Amortization charge for the year		39 & 44	(262,836)	(221,923)
Balance as at year end				
Cost			1,770,522	1,630,613
Accumulated amortization			(1,527,159)	(1,264,323)
Net book value			243,363	366,290
Rate of amortization			33.33%	33.33%

- 20.1** The cost of intangible assets as at June 30, 2023, include fully amortized assets amounting to Rs. 1,127,972 thousand (2022: Rs. 944,176 thousand).

21. RIGHT-OF-USE ASSETS

	Transmission system	Building	Total
(Rupees in thousand)			
As at July 01, 2022			
Cost	40,147,280	549,465	40,696,745
Accumulated depreciation	(10,441,951)	(285,786)	(10,727,737)
Net book value	29,705,329	263,679	29,969,008
Movement during the year			
Additions	-	242,886	242,886
Less: Depreciation charge for the year	(3,480,651)	(215,304)	(3,695,955)
Derecognition			
Cost	-	(115,648)	(115,648)
Accumulated depreciation	-	115,648	115,648
	-	-	-
Balance as at June 30, 2023			
Cost	40,147,280	676,703	40,823,983
Accumulated depreciation	(13,922,602)	(385,442)	(14,308,044)
Net book value	26,224,678	291,261	26,515,939
As at July 01, 2021			
Cost	40,147,280	545,201	40,692,481
Accumulated depreciation	(6,961,301)	(373,396)	(7,334,697)
Net book value	33,185,979	171,805	33,357,784
Movement during the year			
Additions	-	249,336	249,336
Less: Depreciation charge for the year	(3,480,650)	(157,462)	(3,638,112)
Derecognition			
Cost	-	(245,073)	(245,073)
Accumulated depreciation	-	245,073	245,073
	-	-	-
Balance as at June 30, 2022			
Cost	40,147,280	549,464	40,696,744
Accumulated depreciation	(10,441,951)	(285,785)	(10,727,736)
Net book value	29,705,329	263,679	29,969,008

- 21.1** The rate of depreciation is based on the term of the respective agreement and ranges from 8% to 33% per annum.

Notes to the Financial Statements

for the year ended June 30, 2023

		2023	2022
	Note	(Rupees in thousand)	
21.2	Depreciation charge for the year has been allocated as follows:		
	Distribution cost	36.3	3,644,261
	Administrative expenses	39	51,694
			3,695,955
			3,638,112

21.3 Building premises represents the right-of-use assets acquired on lease by the Company for its operations.

21.4 Transmission system (pipelines) represents the right of use assets acquired on lease by the Company from Sui Southern Gas Company Limited.

	Note	2023 (Rupees in thousand)	2022
22. DEFERRED TAXATION			
The deferred taxation liability comprises timing differences relating to:			
Taxable temporary differences			
	Accelerated tax depreciation	(28,124,978)	(26,064,518)
Deductible temporary differences			
	Expected credit losses	9,433,764	8,782,522
	Unpaid trading liabilities	12,685,813	12,685,813
	Right of use assets	1,512,791	1,224,096
	Minimum and alternate corporate tax available for carry forward	10,660,728	6,049,022
	Unamortized balance of employee loans at fair value	36,175	54,524
		34,329,271	28,795,977
		6,204,293	2,731,459
The gross movement in net deferred tax liability during the year is as follows:			
	Opening balance	2,731,459	(1,266,808)
	Charge to other comprehensive income	(64,255)	558,014
	Charged to profit or loss	42	3,440,253
	Closing balance	6,204,293	2,731,459
Reconciliation of amount recognized during the year:			
Taxable temporary differences			
	Accelerated tax depreciation	(2,060,460)	(4,922,532)
Deductible temporary differences			
	Expected credit losses	651,242	1,415,023
	Unpaid trading liabilities	-	1,569,828
	Right of use assets	288,695	467,849
	Minimum and alternate corporate tax available for carry forward	4,611,706	5,472,672
	Unamortized balance of employee loans at fair value	(18,349)	(4,573)
		3,472,834	3,998,267

23. LONG TERM LOANS - considered good

	Note	Employee welfare		House building		Motorcycle / Scooter		Total	
		2023	2022	2023	2022	2023	2022	2023	2022
		(Rupees in thousand)							
Due from:									
Executives	23.1	-	-	602	968	-	-	602	968
Other employees		1,275,475	1,391,834	3,652	3,667	66,295	27,081	1,345,422	1,422,582
		1,275,475	1,391,834	4,254	4,635	66,295	27,081	1,346,024	1,423,550
Current portion shown under loans and advances									
Executives	28	-	-	875	875	-	-	875	875
Other employees	28	232,996	235,774	449	668	33,941	17,323	267,386	253,765
		232,996	235,774	1,324	1,543	33,941	17,323	268,261	254,640
		1,042,479	1,156,060	2,930	3,092	32,354	9,758	1,077,763	1,168,910

23.1 Reconciliation of balance due from executives:

Opening balance	-	-	968	1,479	-	-	968	1,479
Disbursements / reclassification	-	-	-	-	-	-	-	-
	-	-	968	1,479	-	-	968	1,479
Repayments / adjustments	-	-	(366)	(511)	-	-	(366)	(511)
Closing balance	-	-	602	968	-	-	602	968

23.2 'House building loans are repayable in 10 years, while motorcycle / scooter loans are repayable in 3 years. Interest at the rate ranging between 1% and 10% (2022: 1% and 10%) per annum is charged on these loans.

23.3 The maximum amount due from the Chief Executive and Executives at any month end during the year was Nil (2022: Nil) and Rs. 936 thousand (2022: Rs. 1,414 thousand), respectively.

23.4 Fair values of long term loans to employees are estimated at the present value of all future cash flows discounted using rate prevailing on Regular Income Certificates for the relevant year.

23.5 Effective interest rates on the above loans range between 6.54% to 12.96% (2022: 6.54% to 12.96%) per annum.

Notes to the Financial Statements

for the year ended June 30, 2023

	Note	2023 (Rupees in thousand)	2022
24. LONG TERM DEPOSITS AND PREPAYMENTS			
Security and other deposits		546,358	43,256
Prepayments		1,232	1,232
		547,590	44,488
Less: Provision against prepayments		(1,232)	(1,232)
		546,358	43,256
25. STORES AND SPARE PARTS			
Stores [including in-transit Rs 638,695 thousand (2022: Rs 597,692 thousand)]		5,113,170	6,715,813
Spares [including in-transit Rs 75,223 thousand (2022: Rs 235,221 thousand)]		2,563,940	1,610,833
		7,677,110	8,326,646
Less: Provision for obsolescence	25.1	54,758	26,238
		7,622,352	8,300,408
25.1 Provision for obsolescence			
Balance as on July 1		26,238	18,034
(Reversal) / Charge for the year		28,520	8,204
Balance as on June 30		54,758	26,238
25.2	These include material (taken) / given on loan from the following related parties:		
	Note	2023 (Rupees in thousand)	2022
Sui Southern Gas Company Limited		1,995	3,368
Pakistan Petroleum Limited		(1,196)	(1,704)
		799	1,664
26. STOCK-IN-TRADE			
- Gas in pipelines		8,260,923	7,684,784
- Gas in floating storage regassification unit	26.1	9,986,120	4,812,201
		18,247,043	12,496,985
26.1	This represents gas purchased by the Company that is yet to be delivered by Engro Elengy Terminal (Private) Limited ('EETL').		
26.2	Stock of gas is valued at the lower of cost determined on annual average cost and net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business less costs necessary to be incurred in order to make the sale. However, during the year there has been no net realizable value adjustment due to the reason more fully explained in note 4.20 to the financial statements.		

		2023	2022
	Note	(Rupees in thousand)	
27. TRADE DEBTS			
Considered good:			
Secured	27.1 & 27.3	111,980,725	104,246,636
Unsecured	14.5, 27.1 & 27.3	211,313,518	230,816,010
Deferred gas sales		(914,548)	(684,299)
		322,379,695	334,378,347
Less: Allowance for expected credit losses	27.2	28,451,467	26,478,006
		293,928,228	307,900,341
27.1	These include amounts due from the following related parties:		
		2023	2022
		(Rupees in thousand)	
Sui Southern Gas Company Limited		37,463,423	54,434,564
State Life Insurance Corporation of Pakistan		1,073	302
Pak Arab Refinery Limited		274,270	103,255
Sheikh CNG		-	720
National Power Parks Management Company (Private) Limited		50,304,669	64,466,790
Quaid-e-Azam Thermal Power (Private) Limited		29,021,913	50,363,338
Fauji Fertilizers Company Limited		2,367	1,815
Lahore University Of Management Sciences		(1,644)	-
Northern Power Generation Company Limited		37,587,788	29,654,402
Mari Petroleum Company Limited		116	-
State bank of pakistan		72	(60)
Nishat Mills Limited		6,307,712	5,436,563
		160,961,759	204,461,689
27.2 Allowance for expected credit loss			
Balance as at July 01		26,478,006	25,269,474
Provision for expected credit losses	44	1,973,461	1,208,532
Balance as on June 30		28,451,467	26,478,006
27.2.1	For amounts due directly or ultimately from the Government of Pakistan, exemption is allowed by the SECP as more fully explained in note 2.2.3 to these financial statements. The Company is following the requirements of IAS 39 for these receivable balances and based on the assessment done by the management there is no incurred loss with respect to these balances.		

Notes to the Financial Statements

for the year ended June 30, 2023

27.3 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. 167,259,944 thousand (2022: Rs. 225,813,194 thousand) along with interest thereon of Rs. 42,637,466 thousand (2022: Rs. 35,606,533 thousand) due to delayed payments. While trade and other payables as referred to in note 15 include an amount of Rs. 963,630,890 thousand (2022: Rs.793,299,663 thousand) due to Pakistan Petroleum Limited, SSGCL, Oil and Gas Development Company Limited, Pakistan State Oil, Pakistan LNG Limited and Government Holding (Private) Limited on account of gas purchases along with interest accrued on delayed payments of Rs. 239,036,329 thousand (2022: Rs. 148,285,767 thousand) referred to in note 16 and interest accrued on delayed payment of Gas Development Surcharge of Rs. 4,101,732 thousand (2022: Rs. 4,101,732 thousand) payable to Government of Pakistan referred to in note 16. 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 (2022:Rs. 124,031,834 thousand) being the interest on delayed payments payable to Government owned entities till the eventual payment / settlement of circular debt by Government of Pakistan. The settlement of principal and interest on delayed payments is dependent upon the resolution of inter-corporate circular debt by the Government of Pakistan. Furthermore, recoverability of amounts of Rs. 649,527,539 thousand (2022: Rs. 437,346,524 thousand) and Rs 303,252,464 thousand (2022: Rs. 165,032,746 thousand) as referred to in note 31 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	2023 (Rupees in thousand)	2022
28. LOANS AND ADVANCES			
Current portion of loans to employees - considered good:			
Executives	23	875	875
Other employees	23	267,386	253,765
		268,261	254,640
Advances - considered good:			
- Employees		3,077,460	2,347,369
- Suppliers and contractors	28.1	215,568	73,081
Advances to suppliers and contractors - considered impaired		3,227	3,227
Less: Allowance for expected credit loss		3,227	3,227
		-	-
		3,561,289	2,675,090
28.1 These include amounts due from the following related parties:			
Gandhara Tyre & Rubber Company Limited		709	482
Sui Southern Gas Company Limited		1,299	1,299
Lucky Cement Limited		-	13,128
		2,008	14,909

28.1.1 These are in the normal course of business and are interest free.

		2023	2022
		(Rupees in thousand)	
28.1.2 Ageing of related party balance			
One to six months		36	12,667
More than six months		1,972	2,242
		2,008	14,909
29. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Trade deposits and short term prepayments		542,106	138,124
Provision for doubtful deposits		(22,290)	(22,290)
		519,816	115,834
30. ACCRUED INTEREST			
This represent interest accrued on the amounts deposit in saving accounts of the company.			
	Note	2023	2022
		(Rupees in thousand)	
31. OTHER RECEIVABLES			
Excise duty recoverable		108,945	108,945
Less: Expected credit losses		(108,945)	(108,945)
		-	-
Tariff adjustment (indigenous)	27.3 & 31.1	649,527,539	437,346,524
Tariff adjustment (RLNG)	27.3 & 31.3	303,252,464	165,032,746
Current account with Sui Southern Gas Company Limited	31.5	29,557	21,633
Others		670,296	33,361
		953,479,856	602,434,264
31.1 Tariff adjustment (indigenous)			
Opening balance		437,346,524	322,049,427
Differential margin determined for the year:			
- Recognized in statement of profit or loss	35	212,181,015	115,297,097
Closing balance	31.2	649,527,539	437,346,524

Notes to the Financial Statements

for the year ended June 30, 2023

- 31.2** This includes an amount as mentioned below, consisting of various expenses which have either been deferred or disallowed by the OGRA on various grounds, however, the Company has recognized tariff adjustment on such deferments / disallowances in these financial statements as the Company believes that the OGRA in its various determinations in the past years has consistently allowed such expenses and or pending such expenses till its resolution by Federal Government. Accordingly, the Company 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	2023 (Rupees in thousand)	2022
Late payment surcharge to gas creditors	31.2.1	217,317,015	124,031,834
Return on assets		-	(43,000)
Others	31.2.2	400,000	
		217,717,015	123,988,834

- 31.2.1** 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.

- 31.2.2** 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.

	Note	2023 (Rupees in thousand)	2022
31.3 Tariff adjustment (RLNG)			
Opening balance		165,032,746	124,084,891
Recognised for the year	35 & 36	165,332,715	101,640,258
Received from GoP		(27,112,997)	(60,692,403)
Closing balance	31.4	303,252,464	165,032,746

- 31.3.1** 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 June 30, 2023. The settlement of this amount is expected to materialize in the shape of adjustment to future sale price of RLNG by OGRA.

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 year, 57,813,314 MMBTUs (2022: 43,252,859 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. During the year Federal Government released subsidy amounting to Rs 27,112,997 thousand (2022: Rs. 60,692,403 thousand).

31.3.2 OGRA vide its decision dated November 20, 2018 which was further clarified by the OGRA dated February 04, 2019, has directed that the stock of RLNG held with SSGCL to be sold to them on historical weighted average cost. Thereafter, SSGCL shall record sales as per relevant applicable OGRA notified rates. The gain / loss owing to the difference between the current and historical rates is required to be passed on to the Company. The tariff adjustment includes impact of such gain /loss to be realized / adjusted in the OGRA's future price adjustments.

31.4 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	2023 (Rupees in thousand)	2022
Capacity based cost of supply		-	2,698,000
Gas internally consumed / transportation	31.4.1	41,000	5,301,000
Take or pay adjustment relating to prior years	31.4.2	13,768,112	-
Finance cost on encashment of security	31.4.3	5,056,909	-
Finance cost on short term borrowing	31.4.4	9,702,480	-
LPS Gas creditors	31.4.5	148,000	-
Operating cost	31.4.6	320,000	-
Other		-	54,000
		29,036,501	8,053,000

31.4.1 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.

31.4.2 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.

31.4.3 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.

31.4.4 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.

31.4.5 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.

31.4.6 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.

Notes to the Financial Statements

for the year ended June 30, 2023

- 31.5** This represents amount receivable from Sui Southern Gas Company Limited on account of certain facilities provided to their employees.

		2023	2022
		(Rupees in thousand)	
32. CONTRACT ASSETS			
Due from customers against construction contracts:			
Balance as at July 01		-	-
Additions during the year		12,029	13,079
Progress billing during the year		-	(13,079)
Balance as at June 30		12,029	-
33. CASH AND BANK BALANCES			
At banks:			
On deposits accounts	33.1	7,825,722	9,241,091
On current accounts		8,406,874	6,550,861
	33.4	16,232,596	15,791,952
In hand		1,160	1,616
		16,233,756	15,793,568

- 33.1** Rate of return on bank deposits ranges between 8% to 20% (2022: 4.50% to 12.25%) per annum.

		2023	2022
		(Rupees in thousand)	
33.2 Balance with related parties			
Askari Bank Limited		15,140	96,985
Soneri Bank Limited		1,224	1,189
		16,364	98,174

- 33.3** 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. 6,270,621 thousand (2022: Rs. 7,820,932 thousand) are not used for the normal treasury operations of the Company. Any profit earned thereon is credited to the funds instead of accounting for as Company's income.

- 33.4** This includes Rs. 230,527 thousand (2022: Rs. 182,875 thousand) restricted for outstanding dividend payments.

34. REVENUE FROM CONTRACTS WITH CUSTOMERS - GAS SALES

	Note	2023 (Rupees in thousand)	2022
Gross sales - Indigenous gas		278,688,714	203,609,983
Gross sales - RLNG	34.1	981,288,811	1,043,256,942
		1,259,977,525	1,246,866,925
Sales tax - Indigenous gas		(42,682,285)	(28,895,927)
Sales tax - RLNG		(135,765,001)	(141,230,889)
		(178,447,286)	(170,126,816)
		1,081,530,239	1,076,740,109

34.1 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 (2022: Rs. 7,102 million). QATPL tried to stop the Company from encashing the security provided under the GSA by initiating proceedings in the Civil Court. This attempt of QATPL failed and resulted in filing of a writ petition by QATPL before the Honorable Lahore High Court ("LHC"). The order of the LHC dated June 22, 2018 provides that the dispute should be dealt with in accordance with the dispute resolution mechanism available in the GSA. In light of section 18.1 of the GSA, various attempts were made to settle this dispute by mutual discussions but the matter remained unresolved. As required under section 18.2 of the GSA, the dispute was thereafter referred to an expert, after mutual agreement of the parties involved, on October 09, 2018. The Expert was a retired Judge of the Supreme Court of Pakistan.

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

The Sole Arbitrator of the London Court of International Arbitration (LCIA) has decided in favour of the Company for all months apart from November and December 2017 and the Company has been awarded Rs. 5,901 million being the sum due after encashment of security plus interest. The Company was also awarded costs. QATPL 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.

Notes to the Financial Statements

for the year ended June 30, 2023

	2023	2022
	(Rupees in thousand)	
34.2 Disaggregated revenue information		
Type of goods:		
- Indigenous gas	236,006,429	174,714,056
- RLNG	845,523,810	902,026,053
	1,081,530,239	1,076,740,109
Timing of revenue recognition:		
- Revenue recognized at point in time	1,081,530,239	1,076,740,109
- Revenue recognized over time	-	-
Region wise revenue:		
- Multan	41,672,295	97,245,007
- Bahawalpur	51,805,187	31,094,106
- Sargodha	30,139,241	30,492,287
- Faisalabad	232,589,452	203,333,241
- Sahiwal	3,293,850	3,611,590
- Sheikhpura	191,029,334	198,371,457
- Lahore	271,395,600	240,377,548
- Sialkot	5,673,810	4,164,187
- Gujranwala	54,021,759	57,335,789
- Gujrat	3,866,603	3,276,457
- Islamabad and Rawalpindi	37,919,337	36,392,920
- Mardan	22,940,590	17,047,901
- Peshawar	33,168,202	24,464,490
- Abbottabad	19,188,345	14,430,432
- Head office	82,826,634	115,102,697
	1,081,530,239	1,076,740,109
Category wise revenue:		
- Domestic	104,325,294	74,413,723
- Commercial	22,087,541	22,615,968
- General industry	97,009,825	109,793,492
- Fertilizers	62,190,288	62,054,749
- Power sector	555,469,670	536,905,367
- CNG	36,102,965	34,692,423
- Cement sector	87,498	82,390
- SSGCL	82,826,635	115,102,697
- Captive power	92,634,782	90,489,506
- Textile	28,795,741	30,589,794
	1,081,530,239	1,076,740,109
Trade debts	293,928,228	307,900,341
Contract assets	12,029	-
Contract liabilities	32,434,512	29,066,808

The main reason for increase in trade debts is due to increased circular debt as more fully explained in note 27 to these financial statements.

The transaction price allocated to the remaining unsatisfied performance obligations as on June 30, 2023 is as follows:

	2023	2022
	(Rupees in thousand)	
Within one year	8,344,499	9,319,765
Over one year	24,090,013	19,747,043

The performance obligation with respect to each category of revenue is disclosed in note 4.17 to these financial statements. The Company does not have any further segments, accordingly, the further disaggregation of Company revenue from contracts with customers has not been presented.

	Note	2023	2022
		(Rupees in thousand)	
35. DIFFERENTIAL MARGIN / TARIFF ADJUSTMENT			
Indigenous gas	35.1 & 31.1	212,181,015	115,297,097
RLNG	31.3	165,332,715	101,640,258
		377,513,730	216,937,355

35.1 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.

OGRA in its decision dated August 17, 2021 has in line with the tariff regime in vogue, reworked the Rate of Return on Average Net Assets (ROA) for the year 2021-22 till 2022-23 at 16.60% as compared to the previous ROA rate of 17.43% determined up to 2020-21.

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.

During the year, the Company could not meet the benchmarks prescribed by the OGRA and as a result the return for the year on the aforesaid basis works out to be 12.09% (2022: 12.88%). Among other disallowances made by the OGRA, 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 3,074,000 thousand (2022: Rs 2,497,769 thousand), which is in excess of the new UFG prescribed benchmark of 0.36% for transmission segment and 7.185% for distribution segment (2022: Consolidated benchmark of 6.98% for both segments).

Notes to the Financial Statements

for the year ended June 30, 2023

	Note	2023 (Rupees in thousand)	2022
36. COST OF GAS SALES			
Opening stock of gas in pipelines / held with third party		12,496,985	4,680,416
Gas purchases:			
Southern system		158,986,136	101,861,318
Northern system		149,292,362	104,141,519
RLNG	36.1	994,265,873	977,825,361
		1,302,544,371	1,183,828,198
		1,315,041,356	1,188,508,614
Less:			
- Gas internally consumed		14,196,776	12,523,690
- Gas in pipelines	26	8,260,923	7,684,784
- Gas in floating storage & regassification Unit	26	9,986,120	4,812,201
		32,443,819	25,020,675
Distribution cost	36.3	48,987,954	44,667,820
		1,331,585,491	1,208,155,759
36.1 Gas purchases - RLNG			
Cost of RLNG		959,288,110	957,142,099
Cost of regasification		26,070,782	18,758,191
Service cost and margin		8,906,981	1,925,071
		994,265,873	977,825,361

36.2 UFG in the parlance of a gas distribution and transmission company means the difference between gas purchased in volume, gas billed in volume and gas used internally by the Company for its operations. UFG results from a number of factors which inter alia comprises of gas leakages both underground and over ground, measurement errors, meter tampering, meter getting slow with time and use, illegal connections and such other connections which bypass the meters installed. As a result of UFG study conducted by the OGRA, the parameters used for the purpose of calculation of UFG have been revised with effect from July 01, 2017. Consequently non-consumer and law affected area's volumes which were earlier allowed by the OGRA, over and above the benchmark, have now become part of UFG. However, this has been partly compensated by an increase in UFG benchmark from 4.5% to 5% and a further 2.6% dependent on achievement of Key Monitoring Indicators (KMIs) as prescribed by the OGRA.

In current year, the OGRA has decided to change the method for UFG disallowance and initially set the UFG benchmark for transmission and distribution system at 0.36% and 6.25% respectively for FY 2022-23 onwards. However, the Company contested with OGRA for the reinstatement of previous practice of consolidated benchmark of transmission and distribution wherein UFG allowance allowed by the OGRA based on its formula including two components, Technical Component and Local Operating Conditions Component. While finalizing the Final Revenue Requirements of the Company, OGRA decided to use the previous practice of KMI regime to the extent of distribution system only i.e 5% fixed and a further 2.6% dependent on the performance of KMIs as the major activities under KMI regime envisage mostly under distribution system while the benchmark for transmission system remained at 0.36%. UFG calculated for different regions is given below in terms of volume and percentage.

Sr. No.	Region / Area	Number of consumers as on June 30, 2023	UFG (Indigenous gas only)		UFG including RLNG (Overall)	
			2023		2023	
			MMCF	%	MMCF	%
1	Multan	612,219	1,683	3.61	1,825	4.27
2	Bahawalpur	304,263	304	0.38	359	0.45
3	Sargodha	299,243	127	1.37	230	1.32
4	Faisalabad	842,840	1,095	7.69	2,895	3.04
5	Sahiwal	273,917	136	2.12	164	1.42
6	Lahore / Sheikhpura	1,600,994	5,083	11.64	8,066	4.22
7	Sialkot	339,815	376	3.50	395	3.59
8	Gujranwala	602,711	826	4.76	1,081	3.41
9	Gujrat	305,249	422	5.37	492	5.64
10	Islamabad/Rawalpindi	1,196,427	4,910	9.39	5,059	9.35
11	Mardan	298,228	2,010	8.01	2,026	8.01
12	Peshawar	499,605	5,528	14.65	5,549	14.62
13	Karak	17,115	3,015	79.08	3,015	79.08
14	Abbottabad	200,316	21	0.13	74	0.43
15	Transmission system	-	768	0.21	1,358	0.21
	Total	7,392,942	26,304	7.34	32,588	5.15

Sr. No.	Region / Area	Number of consumers as on June 30, 2022	UFG (Indigenous gas only)		UFG including RLNG (Overall)	
			2022		2022	
			MMCF	%	MMCF	%
1	Multan	613,266	1,684	4.49	2,477	3.64
2	Bahawalpur	304,761	409	0.58	513	0.71
3	Sargodha	299,636	257	4.62	441	2.51
4	Faisalabad	843,903	1,249	6.04	3,941	3.70
5	Sahiwal	274,114	182	2.64	261	2.04
6	Lahore / Sheikhpura	1,603,602	5,028	9.09	9,099	4.22
7	Sialkot	340,464	294	3.00	330	3.23
8	Gujranwala	603,601	853	4.95	1,421	3.87
9	Gujrat	305,666	571	7.33	690	7.53
10	Islamabad/Rawalpindi	1,198,509	5,148	9.94	5,588	9.82
11	Mardan	298,164	2,281	9.72	2,303	9.71
12	Peshawar	500,407	6,543	18.20	6,589	18.00
13	Karak	12,732	4,441	88.10	4,441	88.10
14	Abbottabad	200,270	151	0.96	201	1.24
15	Transmission system	-	132	0.04	247	0.04
	Total	7,399,095	29,223	8.06	38,542	5.58

OGRA while calculating UFG disallowance in its decision for Final Revenue Requirement for FY 2022-23 has excluded volumes of certain consumers from the calculation on the plea that the gas sold to these consumers does not enter in to Company's Network. The losses have been calculated accordingly at 0.21% and 8.33% for transmission and distribution networks respectively (2022: 0.04% and 9.74%). While the Company has taken up the matter with OGRA, the above figures including comparatives do not include impact of such exclusion.

Notes to the Financial Statements

for the year ended June 30, 2023

	Note	2023 (Rupees in thousand)	2022
36.3 Distribution Cost			
Salaries, wages and benefits	36.3.1	11,871,616	10,643,801
Employee's medical and welfare		914,074	681,173
Stores and spare parts consumed		1,014,431	640,011
Fuel and power		14,178,422	12,589,669
Repairs and maintenance		2,029,967	1,796,928
Rent, rates, electricity and telephone		307,728	309,191
Insurance		218,344	240,501
Travelling and conveyance		90,174	76,546
Stationery and postage		20,354	21,468
Transportation charges		1,171,475	838,623
Professional services		7,824	7,231
Provision for obsolete stores and spares		68,334	12,771
Security expenses		1,581,449	1,227,181
Advertisement		23,706	17,749
Depreciation	19.1.3	15,249,810	14,956,689
Depreciation on right-of-use assets	21.2	3,644,261	3,629,387
Others		1,189,229	346,658
		53,581,198	48,035,577
Allocated to fixed capital expenditure		(4,593,244)	(3,367,757)
		48,987,954	44,667,820

36.3.1 Included in salaries, wages and benefits are Rs. 417,348 thousand (2022: Rs. 337,898 thousand) in respect of the Company's contribution to the employees provident fund.

	Note	2023 (Rupees in thousand)	2022
37. OTHER OPERATING INCOME			
Income from financial assets			
Interest on staff loans and advances		100,609	98,008
Return on bank deposits		1,318,326	609,190
Gain on initial recognition of financial liabilities at fair value		3,572	4,734
		1,422,507	711,932
Interest income on late payment of gas bills			
- Government owned and other power generation companies	27.3	17,905,503	7,519,704
- Fertilizer and cement companies		2,337,700	686,456
- Interest income on late payment of gas bills - other consumers	37.1	6,725,839	4,123,225
		26,969,042	12,329,385
Income from assets other than financial assets			
Net gain on sale of fixed assets		32,026	51,174
Meter rentals and repair charges		4,123,940	4,115,870
Amortization of deferred credit	11, 12	2,480,053	2,135,576
Insurance claim	37.4	858	1,083
		6,636,877	6,303,703

	Note	2023 (Rupees in thousand)	2022
Others			
Sale of tender documents		10,979	11,431
Sale of scrap		25,359	473,051
Liquidated damages recovered		332,369	151,927
Gain on construction contracts		299,042	137,113
Bad debt recovered		6,422	7,299
Gas transportation income		525,735	818,332
Urgent fee for new meter connections		-	496,473
Miscellaneous		59,437	11,379
		1,259,343	2,107,005
		36,287,769	21,452,025

37.1 Interest income on late payment of gas bills - other consumers

Interest on gas sales arrears	37.2	4,593,888	2,305,919
Surcharge on late payments	37.3	2,131,951	1,817,306
		6,725,839	4,123,225

37.2 This represents interest charged on gas sales arrears at the rate of 1.5% (2022: 1.5%) per month up to one year and thereafter 2% (2022: 2%) per month from other than domestic consumers.

37.3 Late payment surcharge is charged to domestic consumers on over due amounts at the rate of 10% (2022: 10%) charged once.

37.4 This represents claims received on account of rupture of gas pipelines.

	Note	2023 (Rupees in thousand)	2022
38. SELLING COST			
Salaries, wages and benefits	38.1	7,195,799	6,272,976
Employees medical and welfare		481,645	331,600
Stores and spare parts consumed		2,586	1,788
Repairs and maintenance		553,826	472,562
Rent, rates, electricity and telephone		51,459	42,546
Travelling and conveyance		33,050	28,253
Stationery and postage		300,245	156,911
Dispatch of gas bills		262,541	162,857
Transportation charges		321,201	177,359
Gathering charges of gas bills collection data		50,000	50,000
Gas bills collection charges		563,272	593,108
Advertisement		194,595	157,011
Depreciation		221,104	226,249
Others		63,613	57,874
		10,294,936	8,731,094
Allocated to fixed capital expenditure		(768,157)	(550,998)
		9,526,779	8,180,096

Notes to the Financial Statements

for the year ended June 30, 2023

- 38.1** Included in salaries, wages and benefits is Rs. 250,517 thousand (2022: Rs. 196,706 thousand) in respect of the Company's contribution to the employees provident fund.

	Note	2023 (Rupees in thousand)	2022
39. ADMINISTRATIVE EXPENSES			
Salaries, wages and benefits	39.1	7,220,716	6,540,232
Employees medical and welfare		443,246	352,389
Stores and spare parts consumed		59,711	43,754
Fuel and power		84,859	78,929
Repairs and maintenance		211,256	180,222
Rent, rates, electricity and telephone		203,910	104,182
Insurance		19,682	20,399
Travelling and conveyance		34,519	31,697
Stationery and postage		35,941	42,356
Transportation charges		203,759	142,812
Professional services	39.3	610,457	321,073
Security expenses		346,703	363,388
OGRA fee and expenses		365,587	227,625
Advertisement		12,789	8,438
Depreciation	19.1.3	283,215	218,809
Depreciation on right of use assets	21.2	51,694	8,725
Amortization of intangible assets	20	262,836	221,923
Others		429,458	250,682
		10,880,338	9,157,635
Allocated to fixed capital expenditure		(949,181)	(679,987)
		9,931,157	8,477,648

- 39.1** Included in salaries, wages and benefits is Rs. 253,364 thousand (2022: Rs. 211,133 thousand) in respect of the Company's contribution to the employees provident fund.

	2023		2022	
	As at 30 June	Average during the year	As at 30 June	Average during the year
39.2 Number of employees				
Operations	8,079	8,191	8,224	8,342
Projects	199	196	264	253
Total	8,278	8,387	8,488	8,595

		2023	2022
	Note	(Rupees in thousand)	
39.3 Professional services			
The charges for professional services include the following in respect of auditors' services for:			
Statutory audit including applicable taxes		5,244	4,767
Half yearly review including applicable taxes		1,760	1,600
		7,004	6,367
Other certifications including applicable taxes		3,808	3,350
Out of pocket expenses		750	750
		11,562	10,467
40. OTHER OPERATING EXPENSES			
Exchange loss - net		4,773,070	1,704,676
Provision for loss due to theft/embezzlement	40.1	418,356	-
Workers' Profit Participation Fund	14.7	830,113	815,980
Loss on initial recognition of financial assets at fair value		-	18,684
		6,021,539	2,539,340
40.1	This represents provision against an event involving misappropriation of certain store items detected at Central Base Store Manga. The company has initiated criminal proceedings and also a forensic audit to probe details of the matter, which is underway.		
		2023	2022
		(Rupees in thousand)	
41. FINANCE COST			
Interest and mark up including commitment charges on			
- Long term finances - secured		5,103,705	3,189,077
- Long term finances - unsecured		18,947	25,273
- Short term borrowing		11,364,628	2,727,657
- Late payment to gas suppliers		93,433,641	45,675,894
- Encashment of security		5,056,909	-
- Lease liabilities		4,165,000	4,525,998
- Security deposits		1,932,455	1,469,155
Bank charges		9,538	23,289
		121,084,823	57,636,343
Allocated to fixed capital expenditure		(563,657)	(339,954)
		120,521,166	57,296,389

Notes to the Financial Statements

for the year ended June 30, 2023

	2023	2022
	(Rupees in thousand)	
42. TAXATION		
Current Tax		
Current year	8,588,702	8,398,473
Prior year	156,828	179,162
	8,745,530	8,577,635
Deferred tax	(3,537,089)	(3,440,253)
	5,208,441	5,137,382

	2023	2022
	Percentage (%)	
42.1 Tax charge reconciliation		
Numerical reconciliation between the average effective tax rate and the applicable tax rate		
Applicable tax rate as per Income Tax Ordinance, 2001	29.00	29.00
Super tax	2.83	1.84
Tax effect of amounts that are:		
- Effect of changes in current tax of prior years	0.99	1.16
- Change in tax rate	(1.12)	3.03
De-recognition of previously recognised minimum and alternate corporate tax available for carry forward	0.00	0.00
- Others	1.32	(1.88)
	1.19	2.31
Average effective tax rate charged to statement of profit or loss	33.02	33.15

	Note	2023	2022
43. EARNINGS PER SHARE - BASIC AND DILUTED			
Profit for the year	Rupees in thousand	10,563,704	10,366,231
Average ordinary shares in issue	Numbers of shares 5	634,216,665	634,216,665
Basic earnings per share	Rupees	16.66	16.34

No figure for diluted earnings per share has been presented as the Company has not issued any instrument carrying options which would have an impact on the basic earnings per share, when exercised.

	Note	2023 (Rupees in thousand)	2022
44. CASH GENERATED FROM OPERATIONS			
Profit before taxation		15,772,145	15,503,613
Adjustment for non-cash charges and other items:			
Depreciation on owned assets	19.1.3	15,754,129	15,401,747
Depreciation on right of use assets	21	3,695,955	3,638,112
Amortization on intangible assets	20	262,836	221,923
Employee benefits	13.14	3,992,848	3,282,346
Amortization of deferred credit	37	(2,480,053)	(2,135,576)
Net gain on sale of fixed assets	37	(32,026)	(51,174)
Finance cost	41	120,521,166	57,296,389
Return on bank deposits	37	(1,318,326)	(609,190)
Allowance for expected credit losses	27.2	1,973,461	1,208,532
Loss on initial recognition of financial assets at fair value	40	-	18,684
Gain on initial recognition of financial liabilities at fair value	37	(3,572)	(4,734)
(Gain) / Loss on initial recognition of financial assets / financial liabilities at fair value		(3,572)	13,950
Net interest expense due to the impact of IFRS-9		(61,675)	(65,425)
Working capital changes	44.1	(186,200,450)	(37,633,368)
Provision for obsolescence		28,520	8,204
		(28,095,042)	56,080,083
	Note	2023 (Rupees in thousand)	2022
44.1 Working capital changes			
(Increase) / decrease in current assets:			
Stores and spare parts		649,536	(1,722,555)
Stock-in-trade		(5,750,058)	(7,816,569)
Trade debts		11,998,652	(143,735,638)
Loans and advances		(872,578)	(495,204)
Trade deposits and short term prepayments		(403,982)	(17,258)
Other receivables		(400,822,248)	(190,629,637)
		(395,200,678)	(344,416,861)
Increase in current liabilities:			
Trade and other payables		209,975,494	300,533,645
Contract liabilities		(975,266)	6,249,848
		(186,200,450)	(37,633,368)
44.2 Cash and cash equivalents			
Cash and bank balances	33	16,233,756	15,793,568
Short term borrowing	16	(118,179,300)	(19,019,488)
		(101,945,544)	(3,225,920)

Notes to the Financial Statements

for the year ended June 30, 2023

45. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amount charged in the financial statements for the year for remuneration including certain benefits, to the Managing Director / Chief Executive and executives of the Company is as follows:

	Managing Director		Executives	
	2023	2022	2023	2022
	(Rupees in thousand)			
Remuneration	23,052	30,000	4,780,900	4,552,593
Contribution to provident, pension and gratuity fund	2,011	7,256	1,677,002	1,609,888
Housing and utilities	12,679	16,500	3,513,214	3,403,131
Medical reimbursement	87	260	338,691	267,692
Conveyance and other allowances	-	-	2,322,959	2,175,885
Leave encashment	-	-	23,186	56,663
Notice Pay	11,625	-	-	-
Club subscription	73	1,457	3,940	7,857
	49,527	55,473	12,659,892	12,073,709
Number of persons	1	1	2,289	2,209

45.1 In addition, the Chief Executive and certain executives are provided with free transport subject to certain specified limits for petrol consumption, residential telephone/mobile facilities for both business and personal use and free medical facilities.

45.2 The aggregate amount charged in the financial statements in respect of directors' fee paid to fourteen (2022: fourteen) non executive directors was Rs. 47,800 thousand (2022: Rs. 36,600 thousand) including the casual vacancies created. Total number of Directors as at year end are Twelve (2022: Twelve).

45.3 The aggregate amount charged in the financial statements in respect of honorarium paid to Chairperson was Rs 1,200 thousand (2022: Rs. 1,200 thousand). Moreover, Chairperson has been provided with free transport subject to certain specified limits for petrol consumption.

45.4 The aggregate amount charged in the financial statements in respect of medical reimbursement to One (2022: One) director was Rs. 16 thousand (2022: Rs. 25 thousand).

	Note	Dividend	Long term financing	
			Secured	Unsecured
			(Rupees in thousand)	

46. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

As at July 1, 2021 (including current portion

shown under current liabilities)		156,270	36,687,842	308,564
Cash inflows		-	25,964,000	-
Cash outflows		(3,778,695)	(31,054,947)	(76,763)
Others	46.1	3,805,300	-	65,425

As at June 30, 2022 (including current portion

shown under current liabilities)		182,875	31,596,895	297,226
Cash inflows		-	675,000	(18,628)
Cash outflows		(4,708,973)	(6,182,806)	-
Others	46.1	4,756,625	-	9,638

As at June 30, 2023 (including current portion

shown under current liabilities)		230,527	26,089,089	288,236
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46.1 Other changes include non-cash movements and interest payments which are presented as operating cash flows in the statement of cash flows.

47. CAPACITY AND ACTUAL PERFORMANCE

The average daily gas transmitted during the year was 1,856 MMCFD (2022: 1,806 MMCFD) against the designed capacity of 2,540 MMCFD (2022: 2,540 MMCFD). The Company has no control over the rate of utilization of its capacity as the use of available capacity is dependent on off-takes by the consumers and availability of gas.

48. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertaking, other related group companies, directors, executives including key management personnel and post employment benefit plans. The Company in the normal course of business carries out transactions with various related parties. Amounts due from and to related parties are shown under receivables and payables, amounts due from directors and key management personnel are shown under receivables and remuneration of directors and executives including key management personnel is disclosed in note 45 to these financial statements. Other significant transactions with related parties are as follows:

	2023	2022
	(Rupees in thousand)	
Gas sales		
Other related parties		
Sui Southern Gas Company Limited	88,788,779	116,324,468
Fauji Fertilizer Company Limited	12,663	13,330
Pak-Arab Refinery Limited (PARCO)	4,832,673	3,878,485
Northern Power Generation Company Limited	10,874,444	7,041,530
Quaid-e-Azam Thermal Power (Private) Limited	104,314,503	103,954,173
National Power Parks Management Company (Private) Limited	296,818,522	246,365,113
State Life Insurance Corporation of Pakistan	5,884	3,323
Sheikh CNG	118	5,846
Nishat Mills Limited	10,571,860	7,516,020
Lahore University of Management Sciences	4,450	-
Premier Formica Industries Limited	-	11,095
Mohsin Enterprises (Pvt) Limited	-	198
Lucky Cement Limited	-	1,886,027
A.J. Spinning Mills (Pvt) Limited	-	6,139
A.J. Textile Mills Limited	-	1,078,092
Mohsin Match Factory (Pvt) Limited	-	4,678
Mari Petroleum Company Limited	1,364	1,035
State Bank of Pakistan	762	2,892
Directors and key management personnel		
Residential gas sales to directors	409	660
Residential gas sales to key management personnel	168	54
	516,226,599	488,093,158

Notes to the Financial Statements

for the year ended June 30, 2023

	2023	2022
	(Rupees in thousand)	
Purchase of gas, regasification and transportation		
Sui Southern Gas Company Limited	34,972,269	28,642,732
Government Holdings (Private) Limited	17,161,910	12,923,893
Pakistan Petroleum Limited	81,770,136	60,505,004
Oil and Gas Development Company Limited	82,941,590	59,440,433
Mari Petroleum Company Limited	39,861,755	17,133,170
Pakistan State Oil Company Limited	968,146,551	592,068,931
Pakistan LNG Limited	30,703,376	387,774,926
	1,255,557,587	1,158,489,089
Purchase of materials		
Gandhara Tyre & Rubber Company Limited	4,167	6,804
Sui Southern Gas Company Limited	8,170	7,409
Pakistan State Oil Company Limited	3,253,517	2,002,446
Lucky Cement Limited	-	4,348
	3,265,854	2,021,007
Purchase of services		
Pakistan Telecommunication Company Limited	29,324	20,362
State Life Insurance Corporation of Pakistan	22,360	3,267
Lahore university of Management sciences	-	265
Petroleum Institute of Pakistan	7	-
	51,691	23,894
Finance cost		
Government Holdings (Private) Limited	9,029,908	4,485,583
Pakistan Petroleum Limited	42,878,793	21,564,938
Oil and Gas Development Company Limited	38,693,401	18,999,462
Mari Petroleum Company Limited	1,602,022	344,152
Pakistan LNG Limited	148,460	-
	92,352,584	45,394,135
Profit received on bank deposits.		
Askari Bank Limited	45,886	21,546
Soneri Bank Limited	4,993	2,738
	50,879	24,284
Dividend paid		
Sui Southern Gas Company Limited	15,390	12,312
National Investment Trust	214,938	177,403
Askari Bank Limited	22,463	17,730
Adamjee Life Assurance Company Limited	-	273
Soneri Bank Limited	17,625	23,394
The President Of Islamic Republic of Pakistan	1,506,984	1,205,587
SNGPL Employees Empowerment Trust	143,848	139,739
Directors	72	62
	1,921,320	1,576,500

	2023	2022
	(Rupees in thousand)	
Insurance expenses		
National Insurance Company Limited	304,997	315,262
State Life Insurance Corporation of Pakistan	210,128	156,658
	515,125	471,920
Insurance claimed received		
National Insurance Company Limited	13,735	13,942
State Life Insurance Corporation of Pakistan	181,163	196,123
	194,898	210,065
Capital commitment		
Sui Southern Gas Company Limited	16,227	3,724
Pakistan Telecommunication Company Limited	82,721	45,367
	98,948	49,091
Contribution to defined contribution plan	714,090	738,769
Contribution to defined benefit plans	4,103,557	3,500,038
Transmission charges - Pakistan Petroleum Limited	6,568	5,096
Payment against Joint Shared Services - Pakistan Petroleum Limited	31,972	51,765
Key Management Personnel	102,141	98,930
Finance cost on Loan - Askari Bank Limited	958,368	350,016
Distribution Margin-SSGC LPG (Private) Limited	43,253	-

Transaction with related parties are carried out on mutually agreed terms and conditions.

48.1 Maximum aggregate outstanding balance from related parties at the end of any month is as below:

	2023	2022
	(Rupees in thousand)	
included in trade debts (refer note 27.1)		
Sui Southern Gas Company Limited	60,025,819	60,025,819
Oil and Gas Development Company Limited	-	33
State Life Insurance Corporation of Pakistan	1,722	628
Pak Arab Refinery Limited	274,270	331,379
Sheikh CNG	789	1,301
National Power Parks Management Company (Private) Limited	91,553,135	96,944,461
Quaid-e-Azam Thermal Power (Private) Limited	43,263,551	50,363,338
Fauji Fertilizers Company Limited	2,367	2,332
Lahore University Of Management Sciences	1,189	-
Northern Power Generation Company Limited	37,587,788	29,654,402
Mari Petroleum Company Limited	216	159
State Bank of Pakistan	97	203
Nishat Mills Limited	6,382,646	5,436,563
included in loans and advances (refer note 28.1)		
Gandhara Tyre & Rubber Company Limited	709	482
Sui Southern Gas Company Limited	1,299	1,299
Lucky Cement Limited	-	13,128

Notes to the Financial Statements

for the year ended June 30, 2023

48.2 Contributions to the defined contribution and benefit plans are in accordance with the terms of the entitlement of employees and / or actuarial advice.

48.3 Following are the related parties with whom the Company has entered into transactions during the year excluding GoP, staff retirement benefit funds / trusts and employees, details of which have already been disclosed in these financial statements.

Name of the related party	Basis of relationship	Percentage of shareholding
State Life Insurance Corporation of Pakistan	GoP holdings	Not applicable
Northern Power Generation Company Limited	GoP holdings	Not applicable
National Insurance Company Limited	GoP holdings	Not applicable
Quaid-e-Azam Thermal Power (Private) Limited	GoP holdings	Not applicable
National Power Parks Management Company (Private) Limited	GoP holdings	Not applicable
Pakistan LNG Limited	GoP holdings	Not applicable
Fauji Fertilizer Company Limited	GoP holdings	Not applicable
Government Holdings (Private) Limited	GoP holdings & common directorship	Not applicable
Pakistan State Oil Company Limited	GoP holdings & common directorship	Not applicable
National Investment (Trust) Limited	GoP holdings & common directorship	Not applicable
Oil and Gas Development Company Limited	GoP holdings & common directorship	Not applicable
Pakistan Petroleum Limited	GoP holdings & common directorship	Not applicable
Sui Southern Gas Company Limited	GoP holdings & common directorship	Not applicable
Pak-Arab Refinery Limited (PARCO)	GoP holdings & common directorship	Not applicable
Pakistan Telecommunication Company Limited	GoP holdings & common directorship	Not applicable
Mari Petroleum Company Limited	GoP holdings & common directorship	Not applicable
SSGC LPG (Private) Limited	GoP holdings & common directorship	Not applicable
State Bank of Pakistan	GoP holdings & common directorship	Not applicable
Sheikh CNG	Common directorship & Relative as Director	Not applicable
Nishat Mills Limited	Relative as Director	Not applicable
Askari Bank Limited	Common directorship	Not applicable
Gandhara Tyre & Rubber Company Limited	Common directorship	Not applicable
Soneri Bank Limited	Common directorship	Not applicable
Lahore university of Management sciences	Common directorship	Not applicable
Petroleum Institute of Pakistan (PIP)	Common Directorship	Not applicable

48.4 A number of entities owned directly / indirectly by the Government of Pakistan (GOP) are the related parties of the Company due to significant influence of the GOP over the Company. Accordingly, the management has applied the exemption available under IAS 24 'Related Party Disclosures' and the transactions with those entities, other than disclosed above, are considered highly insignificant at the financial statements level to be disclosed. Moreover, considering the nature of the Company's business, utility services are being provided to a number of Directors and Executives, other than those disclosed above, which are also considered highly insignificant to be disclosed.

48.5 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.

49. FINANCIAL RISK MANAGEMENT

49.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board). The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Company is exposed to currency risk arising from currency exposure to the United States Dollar (USD). Currently, the Company's foreign exchange risk exposure is restricted to the amounts payable to the gas suppliers. The exchange gain / (loss) on the payment to gas suppliers is passed on to the Government, due to the reason more fully explained in note 4.20 to the financial statements.

	2023	2022
	(Rupees per US Dollar)	
The following significant exchange rates were applied during the year:		
Average rate	274.89	179.19
Reporting date rate	287.10	206.00

ii) Price risk

Other price risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market. The Company is not exposed to commodity and equity price risk.

Notes to the Financial Statements

for the year ended June 30, 2023

iii) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company has long-term interest-bearing assets in addition to the long term financing and short term borrowing. Borrowings obtained at variable rates expose the Company to cash flow interest rate risk. Borrowings obtained at fixed rate expose the Company to fair value interest rate risk.

At the reporting date, the interest rate profile of the Company's interest bearing financial instruments is as follows:

	2023 (Rupees in thousand)	2022
Fixed rate instruments		
Financial assets		
Loans to employees	1,346,024	1,423,550
Financial liabilities		
Long term financing	280,229	285,602
Floating rate instruments		
Financial assets		
Bank balances - deposit accounts	7,825,722	9,241,091
Financial liabilities		
Long term financing	26,140,924	31,658,130
Security deposit	31,730,165	30,267,768
Short term borrowing	118,179,300	19,019,488
Creditors for gas - overdue	520,089,691	367,845,694
Lease Liabilities	31,100,155	33,678,391

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the reporting date would not affect profit or loss of the Company.

Cash flow sensitivity analysis for variable rate instruments

If floating interest rates on financial liabilities at the year end date, fluctuate by 1% higher / lower with all other variables held constant, profit after taxation for the year would have decreased / increased by Rs. 355,322 thousand (2022: Rs. 374,062 thousand), mainly as a result of higher / lower interest expense in the year ended June 30, 2023. This analysis is prepared assuming the amount of floating rate instruments outstanding at the dates of statement of financial position were outstanding for the whole year.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2023	2022
	(Rupees in thousand)	
Loans and advances	4,423,484	3,770,919
Deposits	621,058	101,444
Trade debts	293,928,228	307,900,341
Interest accrued	75,461	72,594
Other receivables	699,853	54,994
Contract assets	12,029	-
Bank balances	16,232,596	15,791,952
	315,992,709	327,692,244

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based historical loss rates for each category of customers. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed above. The Company also holds cash security and letter of guarantees from banks with strong credit ratings as security from consumers. Accordingly, expected credit loss rate for secured debtors is insignificant, hence gross amount equals to net carrying amount. However, for unsecured trade debts, the Company evaluates the concentration of risk with respect to each category of customer for the purpose of determining expected credit loss. The maximum exposure to credit risk for trade debts at the reporting date is as follows:

	2023	2022
	(Rupees in thousand)	
Not yet due	53,902,818	47,273,253
1 to 6 months	114,738,948	133,601,826
More than 6 months	153,737,929	153,503,268
	268,476,877	287,105,094
	322,379,695	334,378,347

Notes to the Financial Statements

for the year ended June 30, 2023

As at June 30, 2023, trade debts of Rs. 160,961,759, thousand (2022: Rs. 204,461,689 thousand) were past due but not considered impaired relating to receivables from a number of related parties from whom there is no recent history of default. The ageing analysis of these trade debts is as follows:

	2023 (Rupees in thousand)	2022
Not yet due	47,114,215	25,696,027
1 to 6 months	102,281,571	160,606,427
More than 6 months	11,565,973	18,159,235
	113,847,544	178,765,662
	160,961,759	204,461,689

	Total trade debts (Rupees in thousand)	Expected credit loss (Rupees in thousand)	Expected credit loss rate (Percentage)
As at June 30, 2023			
Category			
Fertilizer	2,829,319	79,037	3%
General industry	44,401,528	16,283,184	37%
Commercial	7,372,605	4,798,175	65%
Domestic	23,952,983	6,391,586	27%
Bulk domestic	2,636,251	899,485	34%
Receivable from entities under circular debt (refer note 2.2.3)	241,187,009	Not applicable for ECL	
	322,379,695	28,451,467	

As at June 30, 2022

Category			
Fertilizer	9,486,667	256,089	3%
General industry	25,624,851	14,754,573	58%
Commercial	7,137,992	4,637,833	65%
Domestic	13,556,891	5,818,174	43%
Bulk domestic	2,748,754	1,011,337	37%
Receivable from entities under circular debt (refer note 2.2.3)	275,823,192	Not applicable for ECL	
	334,378,347	26,478,006	

As at June 30, 2023, expected credit loss amounts to Rs. 28,451,467 thousand (2022: Rs. 26,478,006 thousand) against trade debts. The ageing analysis of these trade debts is as follows:

	2023	2022
	(Rupees in thousand)	
0 to 6 months	970,080	902,235
More than 6 months	27,481,387	25,575,771
	28,451,467	26,478,006

The Company deals with banks having credit ratings in the top categories therefore, considers these as low risk and does not expect credit loss to arise on the balances. Following are the credit ratings of banks with which balances are held or credit lines available:

Banks	Rating		
	Short Term	Long Term	Agency
MCB Bank Limited	A-1+	AAA	PACRA
National Bank of Pakistan	A-1+	AAA	PACRA
Habib Bank Limited	A-1+	AAA	VIS
United Bank Limited	A-1+	AAA	VIS
Allied Bank Limited	A-1+	AAA	PACRA
Askari Bank Limited	A-1+	AA+	PACRA
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA
Bank Al-Habib Limited	A-1+	AAA	PACRA
Faysal Bank Limited	A-1+	AA	VIS
Bank Alfalah Limited	A-1+	AA+	PACRA
Soneri Bank Limited	A-1+	AA-	PACRA
The Bank of Punjab	A-1+	AA+	PACRA
Citi Bank N.A.	P-1	Aa3	Moody's
First Women Bank Limited	A-2	A-	PACRA
Standard Chartered Bank (Pakistan)	A-1+	AAA	PACRA
Al Baraka Bank (Pakistan) Limited	A-1	A+	PACRA
Summit bank Limited	A-3	BBB-	VIS
JS Bank Limited	A-1+	AA-	PACRA
Bank Islami Pakistan Limited	A-1	AA-	PACRA
Samba Bank Limited	A-1	AA	VIS
The Bank of Khyber	A-1	A+	PACRA
Punjab Provincial Co-operative Bank		Not available	
Sindh Bank Limited	A-1	A+	VIS
Silk Bank Limited	A-2	A-	VIS
Meezan Bank Limited	A-1+	AAA	VIS

Notes to the Financial Statements

for the year ended June 30, 2023

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. In spite of the fact that the Company is in a negative working capital position at the year end, the management believes the liquidity risk to be low.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the date of SOFP to their contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years	Over 5 years
(Rupees in thousand)					
June 30, 2023					
Security deposits	58,227,213	58,227,213	-	58,227,213	-
Unclaimed dividend	176,736	176,736	176,736	-	-
Unpaid dividend	53,791	53,791	53,791	-	-
Interest / mark-up accrued					
on loans and other payables	261,112,742	261,112,742	261,112,742	-	-
Long term financing	26,377,325	37,795,796	11,316,400	23,385,125	3,094,271
Trade and other payables	1,037,409,872	1,037,409,872	1,037,409,872	-	-
Short term borrowings	118,179,300	131,455,071	131,455,071	-	-
Lease Liabilities	31,100,155	48,644,669	7,988,351	24,349,295	16,307,023
	1,532,637,134	1,574,875,890	1,449,512,963	105,961,633	19,401,294
June 30, 2022					
Security deposits	56,479,161	56,479,161	-	56,479,161	-
Unclaimed dividend	171,940	171,940	171,940	-	-
Unpaid dividend	10,935	10,935	10,935	-	-
Interest / mark-up accrued					
on loans and other payables	159,280,590	159,280,590	159,280,590	-	-
Long term financing	31,894,121	46,523,875	10,629,358	32,307,178	3,587,338
Trade and other payables	827,528,490	827,528,490	827,528,490	-	-
Short term borrowings	19,019,488	21,499,106	21,499,106	-	-
Lease Liabilities	33,678,391	55,318,767	8,001,624	25,231,724	22,085,419
	1,128,063,116	1,166,812,864	1,027,122,043	114,018,063	25,672,757

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up rates effective as at June 30, 2023 and 2022. The rates of mark-up have been disclosed in respective notes to the financial statements.

49.2 Fair values of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at measurement date. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Specific valuation techniques used to value financial instruments include:

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

	2023	2022
	(Rupees in thousand)	
49.3 Financial instruments by categories		
As at 30 June		
Debt instruments at amortized cost		
Loans and advances	4,423,484	3,770,919
Trade deposits and short term prepayments	621,058	101,444
Trade debts	293,928,228	307,900,341
Interest accrued	75,461	72,594
Other receivables	699,853	54,994
Cash and bank balances	16,233,756	15,793,568
	315,981,840	327,693,860
Total non current	1,892,382	1,466,806
Financial liabilities at amortized cost		
Long term financing	26,377,325	31,894,121
Security deposit	58,227,213	56,479,161
Accrued mark-up	261,112,742	159,280,590
Short term borrowings	118,179,300	19,019,488
Lease Liabilities	31,100,155	33,678,391
Unpaid dividend	53,791	10,935
Unclaimed dividend	176,736	171,940
Trade and other payables	1,037,409,872	827,528,490
	1,532,637,134	1,128,063,116
Total current	1,428,703,864	1,017,711,742
Total non current	103,933,270	110,351,374

Notes to the Financial Statements

for the year ended June 30, 2023

50. CAPITAL RISK MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain healthier capital ratios in order to support its business and maximize shareholders' value. The Company manages its capital structure and makes adjustments to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payments to the shareholders, return on capital to shareholders or issue new shares.

No changes were made in the objectives, policies or processes from the previous year. The Company monitors capital using gearing ratio, which is debt divided by equity plus net debt. Debt represent long-term financing (including current portion) plus short term borrowing obtained by the Company as referred to in note 7, 8, 9, 16 and 17. Total capital employed includes 'total equity' as shown in the statement of financial position plus debt. The Company's strategy, which was unchanged from last year, was to maintain optimal capital structure in order to minimize cost of capital.

The gearing ratio as at June 30, 2023 and June 30, 2022 were as follows:

	Note	2023 (Rupees in thousand)	2022
Debt	7, 8, 9, 16 & 17	175,656,780	84,592,000
Equity		45,585,595	39,648,058
Total capital employed		221,242,375	124,240,058
Gearing ratio		79.40%	68.09%

a) Loan covenants

Under the terms of the major borrowing facilities, the Company is required to comply with certain financial covenants in respect of the loans referred to in Note 7. The Company has complied with these covenants throughout the reporting period.

51. EVENTS AFTER THE REPORTING PERIOD

- 51.1** The Board of Directors have proposed a final dividend for the year ended June 30, 2023 of Rs 4.50 per share (2022: Rs 1.50 per share), amounting to Rs 2,853.975 million (2022: Rs 951.325 million) at their meeting held on July 26, 2024 for approval of the members at the forthcoming Annual General Meeting (AGM). These financial statements do not include the effect of the above dividend that will be accounted for in the period in which it is approved.

52. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions. However, no significant reclassifications have been made during the year:

53. GENERAL

The figures have been rounded off to the nearest thousand rupees.

54. DATE OF AUTHORIZATION FOR ISSUE

The 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

3.

مُجلی سطح پر نقصانات کی نگرانی کے لئے ہمارا غیر متزلزل عزم، سب سے اہم ہے، کیونکہ ہم نیٹ ورک کی تقسیم اور موثر پیکش کے لئے انتھک کوشش کرتے ہیں۔ ابتدائی مرحلے میں غیر محسوب گیس کا باعث مدد بننے والے بڑے شہروں میں ٹی بی ایس پر میٹرنگ کی سہولیات کامیابی کے ساتھ نصب کی گئی ہیں اور انہیں چھوٹے حصوں میں تقسیم کر کے نقصانات کی باریک بینی سے نگرانی شروع کی گئی ہے۔ ہم تمام ٹی بی ایس کو پیکش کی سہولیات اور انہیں زیر زمین نیٹ ورکس سے لیس کرنے کی اہمیت کو تسلیم کرتے ہیں اور منصوبے کی بروقت تکمیل کو یقینی بناتے ہوئے گیس میٹرز کی مرحلہ وار خریداری اور تنصیب کے ذریعے آگے بڑھ رہے ہیں۔ مزید برآں، ہم اپنی کمپنی کے اندر غیر محسوب گیس کے چیلنج کا مقابلہ کرنے کے لئے مندرجہ ذیل اضافی اقدامات کو فعال طور پر آگے بڑھا رہے ہیں۔

- کمپنی بھر میں آن لائن ڈیش بورڈز کے ذریعے موثر نگرانی کے لئے تکنیکی اوزار / آلات / طریقوں کے استعمال کا تسلسل۔
- پائیدار فراہمی اور غیر محسوب گیس نقصانات میں کمی کے لئے لیک ہونے والے زیر زمین نیٹ ورک کو تبدیل کرنے اور اس کی اصلاح کا کام جاری ہے۔
- لوپڈ سیلز میٹر اسٹیشنز (ایس ایم ایس) کلٹرز کی تقسیم تاکہ بنیادی وجوہات کی نشاندہی کی جاسکے اور فوری اصلاحی اقدامات کیے جاسکیں۔
- گھریلو صارفین سے صنعتی کلٹروں کو الگ تھلگ کرنا۔
- پیکش کی غلطیوں کو کم کرنے کے لئے میٹروں کی مقررہ اوقات میں تبدیلی کو جاری رکھنا۔
- چوری کے مقدمات کا بروقت سراغ لگانے اور چوری شدہ گیس کے حجم کی ہنگ کو یقینی بنانے کے لئے موثر نگرانی۔

4.

آپ کی کمپنی کے نیٹ ورک کا جی آئی ایس میپنگ پروجیکٹ آگے بڑھ رہا ہے، جس میں مرحلہ اول اے ("24" - "4" قطر کی پائپ لائنیں) کامیابی کے ساتھ تکمیل پذیر ہو چکا ہے۔ بقیہ نیٹ ورک کے لیے ہماری انتھک کوششیں جدید تکنیکی بنیادی ڈھانچے اور وسائل میں جدید سرمایہ کاری کے لئے ہمارے غیر متزلزل عزم کو ظاہر کرتی ہیں۔ اگلے مرحلے کی متوقع تکمیل، آپریشنل کارکردگی کو نئی بلندیوں تک لے جانے اور صارفین کو بے مثال اطمینان فراہم کرنے میں معاون ہوگی۔

5.

استحکام حاصل کرنے اور اسٹریٹجک ترقی کو آگے بڑھانے کے لئے، آپ کی کمپنی یکسوئی کے ساتھ تنوع کی حکمت عملی کی تلاش میں ہے۔ ان میں ایل پی جی سلنڈر کے کاروبار میں خاطر خواہ اضافہ اور عمودی انضمام کے لئے جدوجہد کے منصوبے شامل ہیں۔ یہ دور اندیش اقدامات آپ کی کمپنی کو طویل مدتی مالی خوشحالی اور صف اول کی جانب لے جائیں گے۔

آپ کی کمپنی اپنے مقاصد و اہداف کے حصول کے لئے غیر متزلزل طور پر عزم ہے۔ غیر متزلزل عزم کے ساتھ، ہم آنے والے سالوں میں مزید امید افزا نتائج کے لیے پُر امید ہیں۔

اظہار تشکر

بورڈ کارکردگی، گورننس، شفافیت کو بڑھانے اور آپ کی کمپنی کے کامیاب آپریشنز کے لئے اسٹریٹجک سمت فراہم کرنے کے لئے پر عزم ہے۔

آپ کے ڈائریکٹرز اپنے حصہ داران اور ہمارے قابل فخر صارفین سے موصول ہونے والی غیر متزلزل حمایت اور سرپرستی کے لئے تہہ دل سے مشکور ہیں۔ ہم ان تمام ملازمین کی لگن اور عزم کا اعتراف کرتے ہیں جنہوں نے کمپنی کے آپریشنز کو برقرار رکھنے کے لئے قابل قدر خدمات فراہم کی ہیں۔

ہم حکومت پاکستان، وزارت توانائی (پیٹرولیم ڈویژن) اور آئل اینڈ گیس ریگولیٹری اتھارٹی (اوگرا) کی جانب سے فراہم کی جانے والی مسلسل رہنمائی اور معاونت کو خلوص دل سے تسلیم کرتے ہیں اور اس پر مشکور ہیں۔

منجانب بورڈ،



(محمد اسماعیل قریشی)

چیئرمین بورڈ آف ڈائریکٹرز



(عمر طفیل)

میجنگ ڈائریکٹر

لاہور
26 جولائی، 2024

تعیینات کیا گیا تھا۔ بورڈ آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے مالی سال 2023-24 کے لئے میسرز ایف فرگوسن، چارٹرڈ اکاؤنٹنٹس کو بطور کمپنی کا بیرونی پڑتال کنندہ مقرر کرنے کی تجویز پیش کی ہے۔

حصص کی صورت حال (Share Watch)

کمپنی کے حصص کی خرید و فروخت یکم جولائی 2022 کو 34.68 روپے سے شروع اور 30 جون 2023 کو 39.37 روپے پر بند ہوئی۔ زیر جائزہ مدت کے دوران حصص کی بلند ترین قیمت 48.45 روپے اور کم ترین قیمت 30.10 روپے رہی۔ 30 جون 2023 کو حصص کی مجموعی مالیت 24,969 ملین روپے تھی۔

پیش بینی:

افراط زر میں اضافہ اور کاروبار کرنے کی بڑھتی ہوئی لاگت نہ صرف ہمارے صارفین کی استعمال شدہ گیس کی ادائیگی کی صلاحیت کو متاثر کر رہی ہے بلکہ بڑھتی ہوئی عدم اجازت کی وجہ سے کمپنی کے منافع کو بھی متاثر کر رہی ہے۔ آپ کی کمپنی کی انتظامیہ نے کلیدی شعبوں پر توجہ مرکوز کرتے ہوئے ایک تفصیلی کاروباری منصوبہ تیار کیا ہے، اور یقین ہے کہ مربوط کوششوں سے ان چیلنجوں پر قابو پانے میں مدد ملے گی۔ کمپنی کے مقاصد اور اہداف کو حاصل کرنے کے لئے مختلف اقدامات / سرگرمیوں کا تصور کیا جا رہا ہے خاص طور پر غیر محسوب گیس میں کمی اور ڈیجیٹائزیشن۔

1. صارفین کی سہولت، کمپنی کی اخلاقیات اور آپریشنل فیصلوں کا مرکز ہے۔ کمپنی آگاہی بڑھانے اور توانائی کے تحفظ کے مختلف اقدامات کو فروغ دینے کے لئے بہتر ڈیجیٹل اور سوشل میڈیا مہمات میں سرمایہ کاری کرنے کا ارادہ رکھتی ہے۔ آپ کی کمپنی اپنے کسٹمر سروس اہلکاروں اور جدید ٹیکنالوجی نافذ پروگراموں (ٹی آئی پیز) کے ذریعے صارفین کی شکایات کو مستقل ترتیبی پروگراموں کے تحت فعال طور پر حل کرنے کے ذریعے پر عزم ہے۔ کمپنی ڈیجیٹل سلوشنز کو اپنانے کی کوششوں میں مصروف ہے، وزیر اعظم کے پرفارمنس ڈیلیوری یونٹ (پی ایم ڈی یو) اور 7/24 مخصوص کال سینٹر کے تحت پاکستان سٹیزن پورٹل کے ذریعے درج صارفین کی شکایات کی کڑی نگرانی کرتی ہے۔

2. آپ کی کمپنی نے تیل اور گیس پیدا کرنے والے علاقوں میں غیر محسوب گیس نقصانات کو کم کرنے میں نمایاں پیش رفت کی ہے، خاص طور پر کرک میں، نیٹ ورک کی توسیع اور بحالی، جائز کنکشن فراہم کرنے اور سخت غیر محسوب گیس پر قابو پانے کے اقدامات جیسے جاری منصوبوں کے ذریعے ان علاقوں میں غیر محسوب گیس نقصانات کو کم سے کم کرنے کے لئے پر عزم ہیں۔

(روپے ہزاروں میں)	
5,932,088	SN - سینئر اسٹاف پنشن فنڈ
29,032,259	SN - جونیئر اسٹاف پنشن فنڈ
352,501	SN - ایگزیکٹو اسٹاف گریجویٹ فنڈ
9,374,538	SN - نان ایگزیکٹو اسٹاف گریجویٹ فنڈ
20,486,747	SN - سٹیپنڈیٹ پروویڈنٹ فنڈ
164,418	SN - سٹیپنڈیٹ فری گیس ایگزیکٹو فنڈ
9,036,026	SN - سٹیپنڈیٹ فری گیس سب اورڈینیٹ فنڈ
1,043,348	SN - سٹیپنڈیٹ کمپن سیٹل - سینیٹس ایگزیکٹو فنڈ
2,237,353	SN - سٹیپنڈیٹ کمپن سیٹل - سینیٹس سب اورڈینیٹ فنڈ
8,098,203	SN - سٹیپنڈیٹ میڈیکل ایگزیکٹو فنڈ
16,168,347	SN - سٹیپنڈیٹ میڈیکل سب اورڈینیٹ فنڈ
13,113	SN - ایپلائنگ حادثاتی اموات انڈومنٹ فنڈ
6,087,430	SN - ورکرز منافع شمولیت فنڈ
108,026,376	کل:

12. بورڈ آف ڈائریکٹرز اور کمیٹیوں کے اجلاسوں کی تعداد اور حاضری اس رپورٹ کے ادارتی نظم و نسق سے متعلقہ جُز میں بیان کر دی گئی ہے۔
13. اس رپورٹ کے تعمیلی بیان میں بورڈ اور انکی کمیٹیوں میں شامل تمام مرد و خواتین۔ ایگزیکٹو، نان ایگزیکٹو۔ اور خود مختار، ڈائریکٹرز کے اسم گرامی اور تعداد بیان کر دی گئی ہے۔
14. کمپنی ڈائریکٹرز ٹریننگ پروگرام سے متعلق پبلک سیکٹر کمپنیز (کارپوریٹ گورننس) رولز، 2013 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کے تحت ڈائریکٹرز تربیتی پروگرام پر عمل پیرا ہے۔
15. حصہ داران کی درجہ بندی اور پیٹرن برائے سال مختتم 30 جون 2023 کو بطور علیحدہ جُز رپورٹ کا حصہ بنا دیا گیا ہے۔
16. قرضہ جات کی ادائیگی میں کوئی کوتاہی ہوئی نہ ہی اس کا امکان ہے۔
17. ڈائریکٹران، منتظم اعلیٰ کمپنی سیکرٹری انکے شریک حیات، زیر کفالت بچوں (اگر کوئی ہیں) نے کسی بھی حصص سے متعلقہ تجارتی سرگرمی، علاوہ وہ جو کہ قانونی طور پر بیان کر دی گئی ہیں، میں حصہ نہیں لیا۔ اس رپورٹ کے اندر درجہ بندی برائے حصص داران میں ان کے حصص کی تعداد کو، اگر کوئی جوہر رکھتے ہیں، بیان کر دیا گیا ہے۔

آڈیٹرز

میسرز یوسف عادل، چارٹرڈ اکاؤنٹنٹس کو کمپنی کے مالی حسابات برائے سال 2022-23 کی پڑتال کے لیے مورخہ یکم اگست 2023 کے سالانہ اجلاس عام میں بطور بیرونی پڑتال کنندہ

ڈائریکٹرز کو ادا کی جانے والی فیس اور سی ای او کے معاوضے کی تفصیلات مالیاتی گوشواروں کے نوٹ 46 میں ظاہر کی گئی ہیں۔

احوال بعد از میزانیہ

26 جولائی 2024 تک، جو کہ مالیاتی گوشواراجات کی منظوری کی تاریخ ہے، ڈائریکٹران نے کسی بھی قسم کی معلومات وصول نہیں کیں جن کا تعلق منظوری تک آنے والی کسی بھی ایسی بات سے ہو جو پیش کردہ گوشواروں پر اثر انداز ہو سکے، ماسوائے اُن کے جو کہ مالیاتی گوشواراجات میں ظاہر کردی گئی ہیں۔

ادارتی نظم و نسق

بورڈ آف ڈائریکٹرز نے پبلک سیکٹر کمپنیز (کارپوریٹ گورننس) رولز 2013، لسٹڈ کمپنیاں (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 اور SOEs ایکٹ 2023، میں بیان کردہ ادارتی نظم و نسق کے متعلقہ اصولوں کی تعمیل کی ہے۔

حد برائے تعریف "ایگزیکٹو"

پی ایس ایکس ریگولیشنز کی شق 5.6.1 اور 5.6.4 کی تعمیل میں چیف ایگزیکٹو آفیسر، چیف فنانس آفیسر، ہیڈ آف انٹرئل آڈٹ اور کمپنی سیکریٹری کے ساتھ بورڈ آف ڈائریکٹرز نے، اپنے مفاد کی معلومات مہیا کرنے کے لیے "ایگزیکٹوز" کی تعریف گریڈ 7 (یعنی چیف آفیسر) اور اس سے اوپر مقرر کی ہے۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کے بارے میں بیان

بورڈ آف ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے سال کے لئے یہ اعلان کرتے ہیں کہ:

1. کمپنی کے مالیاتی گوشواراجات بشمول اس سے متعلقہ نوٹس کمپنیز ایکٹ 2017، کے چوتھے شیڈول کے مطابق تیار کیے گئے ہیں۔ یہ گوشوارہ جات کمپنی کے معاملات، اس کے آپریشنز کے نتائج، ترسیلات زر (Cash Flow) اور ایکویٹی میں تبدیلیوں کو شفاف انداز میں پیش کرتے ہیں۔

2. کمپنی کے حسابات کو احسن طریقے سے سنبھالا گیا ہے۔

3. درست محسوب حکمت عملی (Accounting Policies) تسلسل کے ساتھ نافذ العمل ہے اور مالیاتی گوشوارہ جات اور اکاؤنٹنگ کے تخمینے کی بنیاد معقول اور دانشمندانہ فیصلے پر مبنی ہیں۔

4. بین الاقوامی مالیاتی معیارات برائے رپورٹنگ کے تحت، جو کہ پاکستان میں نافذ العمل ہیں، مالیاتی بیانات گوشوارہ جات کی تیاری کی گئی ہے اور کسی بھی اخراج کو پوری وضاحت کے ساتھ بیان کر دیا گیا ہے۔

5. اندرونی کنٹرول کا نظام اپنی وضع کے لحاظ سے مستحکم ہے اور مؤثر نفاذ کے ساتھ مسلسل نگرانی میں ہے۔

6. بہترین روایات کے مطابق بورڈ کے چیئرمین اور بورڈ کے دیگر ممبران کی تقرری اور ان کے معاوضہ جات کی ادائیگی کے طریقہ کار میں کمپنی کے بہترین مفاد کو مد نظر رکھا گیا ہے۔

7. بطور "ایک کامیاب ادارہ" کمپنی کے اہلیت کے تسلسل پر کوئی ابہام نہیں ہے۔ بورڈ پر اعتماد ہے کمپنی کے وسائل مستقبل میں آپریشنز جاری رکھنے کے لیے کافی ہیں۔ کمپنی کے مالیاتی گوشوارہ جات بطور "ایک کامیاب ادارہ" کی بنیاد پر تیار کیے گئے ہیں۔

8. گزشتہ سال کے تجارتی نتائج سے اہم متفرقات کو جیسا مناسب سمجھا گیا "جائزہ چیئرمین" اور "ڈائریکٹرز رپورٹ" اور گوشوارہ جات سے متعلقہ نوٹس جو کہ اس سالانہ رپورٹ کے ساتھ منسلک ہیں، میں پیش کر دیا گیا ہے۔

9. گزشتہ چھ سالہ اہم افعالی و مالیاتی اعداد و شمار اختصار کے ساتھ اس سالانہ رپورٹ کا حصہ بنا دیے گئے ہیں۔

10. تمام قانونی ادائیگیاں جو کہ 30 جون 2023ء تک قابل ادا تھیں جن میں محصولات (Taxes)، ڈیویڈنڈ، لگان اور کاروباری مصروفیات میں آنے والے اخراجات شامل ہیں، سال کے آخر تک ادا کیے جا چکے ہیں۔

11. ملازمین کی سبکدوشی فنڈز میں کی جانے والی سرمایہ کاری کی قدر، جو فنڈز کے سال مختتم 30 جون 2023 کے پڑتال شدہ گوشوارہ جات پر مشتمل ہے، درج ذیل ہے۔

مشاہدہ ڈائریکٹرز:

Name of Director	After Tax Remuneration (Rupees)	Board of Directors			Board Audit Committee			Finance & Procurement Committee			Human Resource Remuneration & Nomination Committee		
		Member	Total No. of Meetings	No. of Meetings Attended	Member	Total No. of Meetings	No. of Meetings Attended	Member	Total No. of Meetings	No. of Meetings Attended	Member	Total No. of Meetings	No. of Meetings Attended
Ms. Roohi Raees Khan	4,160,000	✓	20	20	-	-	-	-	-	-	✓	12	12
Mr. Abrar Ahmed Mirza	1,360,000	✓	7	7	✓	1	1	✓	4	4	✓	1	1
Mr. Ahmad Aqeel ¹	1,600,000	✓	20	19	-	-	-	✓	1	1	-	-	-
Syed Akhtar Ali ²	5,760,000	✓	20	20	✓	12	12	✓	8	8	✓	2	2
Mr. Ali Tahir	2,000,000	✓	17	12	-	-	-	✓	8	7	-	-	-
Mr. Hamed Yaqoob Sheikh	240,000	✓	3	2	✓	2	1	-	-	-	-	-	-
Mr. Manzoor Ahmed ³	4,320,000	✓	20	19	✓	12	11	✓	8	8	✓	12	12
Mr. Mohammad Haroon ³	5,200,000	✓	20	20	✓	12	12	✓	8	8	✓	13	13
Mr. Muhammad Anwar-ul-Haq Azad	1,040,000	✓	8	8	-	-	-	✓	3	3	-	-	-
Mr. Muhammad Haroon-ur-Rafique	880,000	✓	5	5	-	-	-	-	-	-	✓	2	2
Mr. Muhammad Sualeh Ahmed Faruqi	2,240,000	✓	20	10	-	-	-	-	-	-	✓	13	11
Mr. Sajid Mehmood Qazi ⁴	2,560,000	✓	12	11	✓	6	6	-	-	-	✓	7	7
Mr. Shahbaz Tahir Nadeem	160,000	✓	2	2	-	-	-	-	-	-	-	-	-
Dr. Sohail Razi Khan ²	6,560,000	✓	20	20	✓	12	12	✓	8	8	✓	12	12
Syed Zakria Ali Shah ⁵	1,120,000	✓	5	5	✓	4	4	✓	1	1	✓	1	1

Name of Director	Risk Management & UFG Control Committee			UFG Control Committee			Risk Management Committee			IT / Digitization Committee		
	Member	Total No. of Meetings	No. of Meetings Attended	Member	Total No. of Meetings	No. of Meetings Attended	Member	Total No. of Meetings	No. of Meetings Attended	Member	Total No. of Meetings	No. of Meetings Attended
Ms. Roohi Raees Khan	✓	4	4	✓	4	4	-	-	-	-	-	-
Mr. Abrar Ahmed Mirza	-	-	-	-	-	-	✓	1	1	✓	3	3
Mr. Ahmad Aqeel ¹	-	-	-	-	-	-	-	-	-	-	-	-
Syed Akhtar Ali ²	✓	4	4	✓	4	4	✓	1	1	✓	6	6
Mr. Ali Tahir	✓	3	2	✓	4	4	-	-	-	-	-	-
Mr. Hamed Yaqoob Sheikh	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Manzoor Ahmed ³	-	-	-	-	-	-	✓	1	1	-	-	-
Mr. Mohammad Haroon ³	✓	4	4	✓	4	4	✓	1	1	-	-	-
Mr. Muhammad Anwar-ul-Haq Azad	✓	1	1	-	-	-	-	-	-	✓	1	1
Mr. Muhammad Haroon-ur-Rafique	✓	2	2	-	-	-	-	-	-	✓	2	2
Mr. Muhammad Sualeh Ahmed Faruqi	✓	4	4	✓	4	3	-	-	-	-	-	-
Mr. Sajid Mehmood Qazi ⁴	✓	2	2	✓	2	2	-	-	-	✓	2	2
Mr. Shahbaz Tahir Nadeem	-	-	-	-	-	-	-	-	-	-	-	-
Dr. Sohail Razi Khan ²	✓	4	4	✓	4	4	✓	1	1	✓	6	6
Syed Zakria Ali Shah ⁵	-	-	-	-	-	-	-	-	-	✓	2	2

نوٹس:

- جناب احمد عقیل کی رکنیت اس عرصہ کے دوران ایف ایئرڈ پی سی سے معطل رہی، تاہم انہوں نے اس مدت کے دوران خصوصی دعوت پر ایف ایئرڈ پی سی کے ایک اجلاس میں شرکت کی۔
- ادائیگی میں مالی سال 2021-22 سے متعلق مالی سال 2022-23 میں ادا کی جانے والی ایک میٹنگ فیس بھی شامل ہے اور اس میں مشترکہ / خصوصی ذیلی کمیٹیوں کے 14 اجلاسوں میں شرکت کی وجہ سے ادا کی جانے والی فیس بھی شامل ہے۔
- ادائیگی میں مالی سال 2021-22 سے متعلق مالی سال 2022-23 میں ادا کی جانے والی ایک میٹنگ فیس بھی شامل ہے اور اس میں مشترکہ ذیلی کمیٹیوں کے 12 اجلاسوں میں شرکت کی وجہ سے ادا کی جانے والی فیس بھی شامل ہے۔
- ادائیگی میں مشترکہ ذیلی کمیٹیوں کے 12 اجلاسوں میں شرکت کی وجہ سے ادا کی جانے والی فیس شامل ہے۔
- ادائیگی میں مالی سال 2021-22 سے متعلق مالی سال 2022-23 میں ادا کی گئی ایک میٹنگ فیس بھی شامل ہے۔
- چیئر پرسن ہونے کے ناطے، محترمہ راجی ریکس خان ایک لاکھ روپے ماہانہ اعزازیہ کی حقدار بھی تھیں (انہیں اعزازیہ کے طور پر علاوہ ٹیکس 960,000 روپے کی رقم ادا کی گئی تھی)، کمپنی نے پیٹرول اور مفت طبی سہولت کے ساتھ گاڑی مہیا کی۔
- ڈائریکٹروں کی فی میٹنگ فیس 100,000 روپے (بشمول ٹیکس) نان ایگزیکٹو ڈائریکٹرز کو ادا کی گئی، اس کے علاوہ اجلاس کے مقام سے پاکستان میں ان کی معمول کی رہائش گاہ تک بزنس کلاس / کلب کلاس کے دو طرفہ ہوائی کرایہ کے ساتھ ساتھ سفر، قیام و طعام کی سہولیات بھی فراہم کی گئیں۔

فیس کے مل طلب معاملات			
خطرے کی قسم	ماخذ	فطرت	خطرے کی سطح
اونچا	اندرونی	وسط مدتی	مالی
کمپنی ایلینٹ فور مرچان معاملات کا دفاع کرنے کے لئے موجود تمام دستیاب قانونی طریقہ کار پر عمل پیرا ہے، آپ کی کمپنی مختلف قوانین میں تبدیلیاں کرنے کے لئے متعلقہ وزارت کے ذریعہ حکومت کے ساتھ فعال طور پر کام کر رہی ہے تاکہ ان ٹیکس مطالبات کو پورا کیا جاسکے جو کمپنی کے آپریٹنگز کی اسکیم کو تسلیم نہ کرنے کے باعث پیدا ہوئے ہیں۔	تحقیق کی حکمت عملی	آپ کی کمپنی کے پاس مختلف آمدنی اور سٹاک ٹیکس کے معاملات ہیں، جو ایلینٹ حکام کے ساتھ مختلف سطحوں پر زیر التوا ہیں۔	خطرے کے بارے میں
ساہر سیکورٹی کا خطرہ			
خطرے کی قسم	ماخذ	فطرت	خطرے کی سطح
اونچا	اندرونی	وسط مدتی	آپریٹنگ
آپ کی کمپنی بہترین طریقوں سے مستقل سیکورٹی پالیسیوں اور طریقہ کار کو نافذ کرنے کی کوشش کرتی ہے۔ کمپنی نے حال ہی میں دو حواصل کے ذریعے تصدیق کے سرور کو لاگو کیا ہے اور ڈیجیٹل اثاثوں کی حفاظت اور ڈیٹا کے نقصان یا سسٹم میں خلل کو روکنے کے لئے ایک سالانہ ٹیسٹ مکمل کیا ہے۔ ہمارا آئی ٹی / ایم آئی ایس ڈیٹا سینٹر بھی آئی ایس او 27001 سرٹیفائیڈ ہے۔ نگرانی آؤٹ آئی ایس او 27001 معیار کی تعمیل کو یقینی بنانے کے لئے مسلسل تفتیش کے عمل کا ایک حصہ ہیں۔	تحقیق کی حکمت عملی	نئی اور ابھرتی ہوئی مینیجمنٹ اور ساہر حملوں کے بے مثال خطرات لاتی ہیں جو ہماری کمپنی کے آپریٹنگز میں خلل ڈال سکتی ہیں اور کمپنی کے اہم ڈیٹا اور آپریٹنگز کو متاثر کر سکتی ہیں۔	خطرے کے بارے میں

بورڈ میں تبدیلیاں

اس وقت بورڈ میں چیئرمین جناب محمد اسماعیل قریشی، مینیجنگ ڈائریکٹر جناب عامر طفیل، جناب احمد چنائے، جناب عارف سعید، محترمہ فاریہ رحمان صلاح الدین، جناب حسن محمود یوسفی، جناب محمد رمضان، جناب عثمان سیف اللہ خان، محترمہ سائرہ نجیب احمد، جناب سعادت علی خان اور جناب طارق اقبال خان شامل ہیں۔

ڈائریکٹرز کے لئے اور نیٹیشن پروگرام

ڈائریکٹرز کو سال کے دوران کمپنی کے کاروبار، آپریٹنگز اور ماحولیات کے بارے میں بریفنگ دی گئی۔

بورڈ، مینیجنگ ڈائریکٹر / سی ای او اور سینئر مینجمنٹ کی کارکردگی کا جائزہ

پبلک سیکٹر کمپنیز (کارپوریٹ گورننس) رولز 2013 اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کے تقاضوں کی تعمیل میں بورڈ اور اس کی کمیٹیوں کی کارکردگی کا جائزہ ایک تھرڈ پارٹی یعنی پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس (PICG) کے ذریعے سیلف ایوولیوشن موڈ کے ذریعے کیا گیا۔ بورڈ ممبران کو ان کی کارکردگی کا جائزہ لینے کے لئے ایک آن لائن سوالنامہ موصول ہوا۔ مزید برآں، کمپنی کے مینیجنگ ڈائریکٹر اور سینئر مینجمنٹ کی سالانہ کارکردگی کی تشخیص کے لئے ایک جامع پرفارمنس تشخیص سسٹم بھی موجود ہے۔

سال کے دوران جناب علی طاہر، جناب ساجد محمود قاضی، جناب محمد انوار الحق آزاد، جناب ابرار احمد مرزا اور جناب شہباز طاہر ندیم کو بائرنٹیب جناب حامد یعقوب شیخ، جناب محمد ہارون الرفیق، سید زکریا علی شاہ، جناب محمد انوار الحق آزاد اور جناب ساجد محمود قاضی کی جگہ ڈائریکٹر مقرر کیا گیا۔ سید علی جاوید ہدانی کی جگہ جناب عامر طفیل کو مینیجنگ ڈائریکٹر مقرر کیا گیا۔ تاہم جناب عفان عزیز کے استعفیے کے نتیجے میں بورڈ میں ایک عارضی نشست خالی ہے۔

بورڈ آف ڈائریکٹرز سبکدوش ہونے والے ممبران کو کمپنی کے ڈائریکٹرز کی حیثیت سے ان کی مدت کار کے دوران ان کی سخت محنت، قابل قدر رہنمائی اور غیر متزلزل حمایت پر تہ دل سے تعریف اور شکریہ ادا کرتے ہیں۔

بورڈ کی تشکیل

اس سال کے دوران چیئرمین محترمہ روحی رئیس خان، جناب سید علی جاوید ہدانی، جناب عامر طفیل، جناب ابرار احمد مرزا، جناب احمد عقیل، جناب سید اختر علی، جناب علی طاہر، جناب حامد یعقوب شیخ، جناب منظور احمد، جناب محمد ہارون، جناب محمد انوار الحق آزاد، جناب محمد ہارون الرفیق، جناب محمد صالح احمد فاروقی، جناب ساجد محمود قاضی، جناب شہباز طاہر ندیم، ڈاکٹر سہیل راضی خان، سید زکریا علی شاہ کمپنی کے بورڈ پر ڈائریکٹر ہے۔

انٹرنل آڈٹ فنکشن کا کردار پبلک سیکٹر کمپنیز (کارپوریٹ گورننس) رولز، 2013، اسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019، SOEs ایکٹ، 2023 اور انسٹی ٹیوٹ آف انٹرنل آڈیٹرز (آئی آئی اے) کے جاری کردہ معیارات سے مطابقت رکھتا ہے۔

آپ کی کمپنی مجموعی ماحول میں اندرونی پڑتال فنکشن کی اہمیت کو تسلیم کرتی ہے اور اسے مسلسل مضبوط بنانے کے لیے کوشاں ہے۔ سلسلہ وار اقدامات کو نافذ کرنے کے لیے متعدد اقدامات کیے جا رہے ہیں جن سے اس کی تاثیر میں اضافہ ہو رہا ہے۔

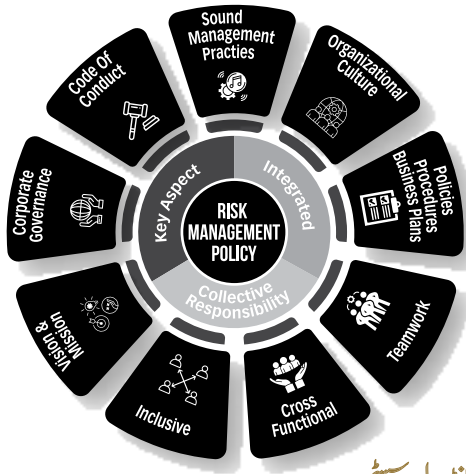
کمپنی کو درپیش اہم خطرات / چیلنجز

آپ کی کمپنی اسٹریٹجک، آپریشنل اور مالی محاذوں پر چیلنجزوں سے پوری طرح آگاہ ہے۔ اور ان خطرات / چیلنجزوں سے نمٹنے کے لئے فعال کوششیں کی جاتی ہیں۔
آپ کی کمپنی کے سب سے اہم خطرات اور ان میں تخفیف کی حکمت عملی مندرجہ ذیل ہیں:

طلب اور سد کا فرق			
خطرے کی قسم	ماخذ	فطرت	خطرے کی سطح
اونچا	خارجہ	طول مدتی	حکمت عملی
گیس کی فراہمی کے مسئلے کو حل کرنے کے لئے حکومت کے ساتھ مختلف اقدامات اٹھائے گئے ہیں، جیسے آرائل این جی کی فراہمی کو دوبارہ مختص کرنا اور گیس اسٹوریج اور پائپ لائن کی تعمیر۔ ملک بھر میں WACOG کے نفاذ سے طلب اور رسد کے چیلنجزوں کو کم کرنے میں مدد ملے گی اور تھرڈ پارٹی رسائی نظام کے ذریعے کمپنی کی بڑھتی ہوئی مسابقت کو منظم کرنے میں مدد ملے گی۔ مزید برآں، کمپنی ایل بی جی سلنڈر کی تقسیم کے کاروبار میں داخل ہو گئی ہے اور صارفین کی ضروریات کو پورا کرنے کے لئے ایک طویل مدتی متبادل حل پر سرگرمی سے غور کر رہی ہے۔	تخفیف کی حکمت عملی	آپ کی کمپنی کو اپنے کام کے علاقے میں گیس کی بڑھتی ہوئی طلب کے برعکس گیس کے ذخائر میں کمی کے خطرے کا سامنا ہے۔ درآمدی گیس (آرائل این جی) پر انحصار بڑھ رہا ہے اور روپے کی قدر میں کمی اور بین الاقوامی مارکیٹ میں غیر یقینی صورتحال کی وجہ سے اس کی عدم دستیابی اور قیمتوں میں اتار چڑھاؤ کمپنی کی ترقی میں ایک سنگین چیلنج بن رہا ہے۔ مارکیٹ لبرلائزیشن پر توجہ ہونے کی وجہ سے، منہ پھیلنے والی گیس نیٹ ورک میں داخل ہو رہی ہیں۔ ان کی آمد صنعتی کلسٹروں میں کمپنی کے مکمل ادائیگی کرنے والے صارفین کی طلب کو کم کر سکتی ہے خاص طور پر جہاں کم تقصانات ہوتے ہیں۔	خطرے کے بارے میں
موجودہ گردش قرضہ			
خطرے کی قسم	ماخذ	فطرت	خطرے کی سطح
اونچا	خارجہ	طول مدتی	مالی
اوگرا آرڈیننس میں حالیہ تبدیلیوں نے میرف ایڈجسٹمنٹ کے اجماع کو حل کیا ہے۔ وفاقی حکومت نے 2023 اور بعد میں 2024 میں بھی صارفین کی قیمتوں میں اضافہ کیا ہے۔ سال کے دوران کمپنی نے 87 روپے سے زائد کی نقد سہد کی حاصل کی تاکہ گھریلو شعبے میں آرائل این جی کی منتقلی کی لاگت کے اثرات کو پورا کیا جاسکے۔ آپ کی کمپنی WACOG پر مبنی قیمتوں کی پیروی کر رہی ہے اور مجموعہ آرائل این جی منتقلی کے اخراجات کی ادائیگی کے لیے کوشاں ہے۔ مختلف طریقوں کے ذریعے رقم کے حل اور وصولی کے لئے کوششیں جاری رہیں گی۔	تخفیف کی حکمت عملی	وفاقی حکومت کی جانب سے گیس کی قیمتوں میں بروقت اور کافی نظر ثانی نہ ہونے اور پارکٹر کی جانب سے ادائیگیوں میں تاخیر کی وجہ سے کمپنی اپنے گیس سپلائرز کو ادائیگیاں روکنے پر مجبور ہے جس کے نتیجے میں گردش قرضے جمع ہو رہے ہیں۔	خطرے کے بارے میں
غیر محسوب گیس			
خطرے کی قسم	ماخذ	فطرت	خطرے کی سطح
اونچا	اندرونی	وسط مدتی	آپریشنل
آپ کی کمپنی فعال طور پر تمام علاقوں میں غیر محسوب گیس کنٹرول پروگرامز کو نافذ کر رہی ہے، جس میں لکچ کنٹرول، پیمائش کی غلطی کو کنٹرول، اور چوری کو کنٹرول کرنے کے پروگرام شامل ہیں۔ بوڈ کی سنگھ پر ایک وقفہ یو ایف سی کنٹرول کمپنی غیر محسوب گیس پر قابو پانے کے پروگرامز کی نگرانی کر رہی ہے۔	تخفیف کی حکمت عملی	غیر محسوب گیس (یو ایف سی) کمپنی کے لئے بڑے خطرات میں سے ایک ہے۔ یہ نہ صرف آپ کی کمپنی کے منافع کو متاثر کرتا ہے بلکہ ملک میں قدرتی گیس کے وسائل کی دستیابی کو بھی متاثر کرتا ہے	خطرے کے بارے میں
ریگولیٹری چیلنجز			
خطرے کی قسم	ماخذ	فطرت	خطرے کی سطح
اونچا	اندرونی	وسط مدتی	قہری
آپ کی کمپنی نے قابل اطلاق قوانین، قواعد و ضوابط کی تعمیل کو یقینی بنانے کے لئے تنظیم میں اہل اور تجربہ کار پیشہ ور افراد کی ایک ٹیم تیار کی ہے۔ کمپنی فعال طور پر ریگولیٹرز اور وفاقی حکومت کے ساتھ رابطے میں رہتی ہے تاکہ اس بات کو یقینی بنایا جاسکے کہ کمپنی کے مفادات کا تحفظ کیا جائے اور مناسب نمائندگی کی جائے۔	تخفیف کی حکمت عملی	آپ کی کمپنی متعلقہ قوانین، ضوابط اور پالیسیوں کے ساتھ ایک مخصوص ریگولیٹری منظر نامے کے تابع ہے۔ متضاد ریگولیٹری طریقوں سے کمپنی کے منافع اور آپریشنل کارکردگی پر اثر پڑ سکتا ہے۔ کوئی بھی منفی ریگولیٹری پیش رفت یا پالیسی کے نفاذ میں تاخیر کمپنی کی مالی کارکردگی کے لئے خطرہ بن سکتی ہے۔	خطرے کے بارے میں

رِسک مینجمنٹ پالیسی

آپ کی کمپنی تسلیم کرتی ہے کہ رِسک مینجمنٹ کارپوریٹ گورننس کے اصولوں اور ضابطہ اخلاق کا ایک اہم پہلو ہے جس کا مقصد کاروباری سرگرمیوں میں گورننس کے طریقوں کو بہتر بنانا ہے۔ رِسک مینجمنٹ کو مضبوط مینجمنٹ کے طریقوں کا ایک لازمی حصہ سمجھا جاتا ہے اور انتظامیہ کی تمام سطحوں پر اجتماعی ذمہ داری کے ذریعے آپ کی کمپنی کی تنظیمی ثقافت، پالیسیوں کے طریقہ کار اور کاروباری طریقوں میں بغیر کسی رکاوٹ کے ضم کیا جاتا ہے اور اسے ایک علیحدہ سرگرمی کے طور پر دیکھا یا لاگو نہیں کیا جاتا۔



انٹرئل کنٹرول سسٹم

انٹرئل کنٹرول سسٹم کا مقصد کمپنی کے آپریشنز کے موثر ہونے اور کارکردگی کو یقینی بنانا، اندرونی اور بیرونی رپورٹنگ کی قابل اعتمادیت، قابل اطلاق قوانین، قواعد و ضوابط، پالیسیوں کی تعمیل اور کمپنی کے اثاثوں کی حفاظت کو یقینی بنانا ہے۔ اندرونی کنٹرول کا ایک ٹھوس نظام موجود ہے، جو کمپنی کے اندر ہر سطح پر مؤثر طریقے سے نافذ اور برقرار رکھا جاتا ہے۔ اندرونی کنٹرول کے عمل کو کمپنی کے اثاثوں کی حفاظت اور کمپنی کو درپیش ابھرتے ہوئے خطرات کو مناسب طریقے سے حل کرنے اور / یا کم کرنے کے لئے مناسب طور پر ڈیزائن اور نافذ کیا جاتا ہے۔

بورڈ نے گورننس، رِسک مینجمنٹ اور کنٹرولز کے لئے اپنی مجموعی ذمہ داری کو برقرار رکھتے ہوئے، ان کے تفصیلی ڈیزائن، نفاذ اور نگرانی کو کمپنی کی انتظامیہ کو تفویض کیا ہے۔

انٹرئل آڈٹ فنکشن:

انٹرئل آڈٹ فنکشن کمپنی کے انتظامی ڈھانچے کا ایک لازمی حصہ ہے۔ کمپنی میں داخلی آڈٹ، ایک خود مختار اور مشاورتی سرگرمی ہے اور قدر میں اضافہ کرنے اور کمپنی کے آپریشنز کو بہتر بنانے کے لئے ڈیزائن کیا گیا ہے۔ انٹرئل آڈٹ فنکشن کا دائرہ کار اس کے باقاعدہ منظور شدہ چارٹر میں واضح طور پر بیان کیا گیا ہے۔

ہے یہ کاروباری تنوع میں کمپنی کے پر عزم اہداف کو حاصل کرنے میں اہم ہے خاص طور پر اس کے مہارت کے شعبوں میں جیسے کہ پائپ لائن کی تعمیر، کمپریشن انفراسٹرکچر O&M خدمات اور تکنیکی عملے کی صلاحیت میں اضافہ وغیرہ۔ جاری منصوبوں میں سے کچھ مندرجہ ذیل ہیں:

1. فوجی فریڈلایزر کمپنی لمیٹڈ (FFC) کو 105 MMCFD گیس کی فراہمی کے لئے 100 فیصد لاگت کی وصولی کی بنیاد پر 20" قطر کی 14 کلومیٹر تریلی لائن بچھائی گئی ہے۔
2. خصوصی اقتصادی زون میں موجود کمپنیوں کو ان کے اندرونی تقسیمی پائپ لائن نیٹ ورک کے لئے آپریشن اور بحالی کی خدمات فراہم کرنا۔
3. ماحول دوست اہداف کو پورا کرنے کے لئے بائیو گیس پلانٹ سے پائپ لائن کے ذریعے گیس کی فراہمی کے اقدامات۔

رِسک مینجمنٹ فریم ورک

کمپنی کا رِسک مینجمنٹ فریم ورک ISO 31000 اور کمیٹی آف اسپانسرنگ آرگنائزیشنز (COSO) انٹرپرائز رِسک مینجمنٹ (ERM) فریم ورک کے ذریعہ فراہم کردہ بہترین اور بین الاقوامی طریقوں اور رہنما خطوط پر مبنی ہے۔ رِسک مینجمنٹ فریم ورک، پالیسیوں کے طریقہ کار پر توجہ مرکوز کرتا ہے جو تمام متعلقہ خطرات پر غور اور انہیں کم کرتے ہوئے فیصلہ سازی اور کاروباری مقاصد کے حصول میں کمپنی کا مددگار ہے۔

رِسک مینجمنٹ کا عمل چار (04) مراحل پر مشتمل ہے، جس میں خطرے کی شناخت، خطرے کی تشخیص اور ترجیحات، خطرے کا علاج اور کنٹرول، اور خطرے کی نگرانی اور جائزہ شامل ہیں۔ فریم ورک واضح گورننس اور رپورٹنگ کی ضروریات کے ساتھ پوری کمپنی میں خطرات کا تدارک کرنے کے لئے ایک منظم اور جامع رِسک مینجمنٹ نقطہ نظر فراہم کرتا ہے۔



6- تربیت اور ترقی

انسانی وسائل کی تربیت کسی بھی تنظیم کی کامیابی اور ترقی کے لئے اہم ہے۔ کمپنی نے سال 2005 میں قائد اعظم انڈسٹریل اسٹیٹ، کوٹ لکھپت، لاہور میں سوئی ناردرن گیس ٹریننگ انسٹی ٹیوٹ (SNGTD) قائم کیا، جس کا مقصد ملازمین کی صلاحیتوں اور قابلیتوں کو فروغ دینا تھا جو مجموعی طور پر کمپنی کی کارکردگی میں حصہ ڈالتے ہیں۔

انسٹی ٹیوٹ میں وسیع تعلیمی اور ادارتی تجربے کے ساتھ اعلیٰ تعلیم یافتہ اساتذہ ہیں، جو بہترین کاروباری طریقوں کا استعمال کرتے ہوئے تربیتی پروگراموں کو مرتب کرنے اور فراہم کرنے میں مہارت رکھتے ہیں۔ وہ نوے سے زیادہ شعبوں میں متنوع تربیت فراہم کرتے ہیں، جن میں تکنیکی، سافٹ اسکولز، علاقائی اور غیر ملکی، رجحان، اور لازمی پروموشن پروگرام شامل ہیں۔ مالی سال 2022-23 میں انسٹی ٹیوٹ نے 356 تربیتی کورسز کا انعقاد کیا، 3,187 ملازمین کو کلاس روم لیکچرز، ٹیکنیکل ورکشاپس، پیئرز آن ٹریننگ، کیس اسٹڈیز اور عملی امتحانات جیسے طریقوں کے ذریعے تربیت دی۔

ڈیجیٹل ٹیکنالوجی کے تیزی سے ارتقاء کا صنعتوں پر نمایاں اثر پڑ رہا ہے۔ کم اخراجات کے ساتھ زیادہ سے زیادہ کارکردگی اور مواقع فراہم کرنے کے لئے، آپ کی کمپنی نے آن لائن ٹریننگ پورٹل کے ذریعے ملازمین کی استعداد کار بڑھانے کی ابتدا کی ہے۔ نتیجتاً، ورچوئل لرننگ پلیٹ فارم یعنی "سوئی ناردرن گیس ورچوئل لرننگ پلیٹ فارم" (ایس این جی وی ایل پی) 2020 میں شروع کیا گیا تھا، تب سے اب تک 71 آن لائن کورسز ڈیزائن، ریکارڈ اور اپ لوڈ کیے گئے ہیں جو پورے ادارے میں ایگزیکٹوز اور ماتحت عملے دونوں کی طرف سے کامیابی سے استعمال کیے جا رہے ہیں۔

قانونی معاملات

عدالت عظمیٰ، عدالت عالیہ اور سول کورٹس گیس یوٹیلٹی کورٹس میں 25 ہزار سے زائد مقدمات زیر التوا ہیں۔ موجودہ مالی سال کے دوران کمپنی نے کامیابی کے ساتھ 2003 ریکوری مقدمات نمٹائے جن میں 4.9 ارب روپے اور 1,473 ڈکلیئرنگ مقدمات شامل تھے۔

کاروباری تنوع اور ترقی

آپ کی کمپنی پائپ لائن تعمیراتی منصوبوں میں مصروف ہے اور اوجی ڈی سی ایل، ایف ایف سی، ماڈی پیٹرولیم کمپنی (ایم پی سی ایل)، ایم او ایل پاکستان وغیرہ جیسے قومی اور بین الاقوامی صارفین دونوں کے لئے مختلف پائپ لائن انجینئرنگ اور تعمیراتی منصوبوں کی بروقت تکمیل اور ان پر عملدرآمد کرنے پر مرکوز ہے۔ آپ کی کمپنی پر ان صارفین کا مسلسل انحصار آپ کی کمپنی کے اعلیٰ انجینئرنگ اور تعمیراتی معیارات پر ان کے اعتماد کو ظاہر کرتا

ماتحت کیڈر میں بڑا فرق زیادہ ہے کیونکہ یہ وائٹ کالر اور بلیو کالر دونوں کاموں کا احاطہ کرتا ہے اور یہ کیڈر بنیادی طور پر مرد ملازمین (ماتحت کیڈر میں 98 فیصد) پر مشتمل ہے کیونکہ خواتین ملازمین بلیو کالر / فیلڈ ورک میں شامل نہیں ہیں۔

مزید برآں، آپ کی کمپنی ہر انسانی کے خلاف عدم روادری کی پالیسی کو برقرار رکھتی ہے، جو تمام ملازمین کے حقوق اور فلاح و بہبود کے تحفظ کے لئے ہمارے عزم کا اعادہ کرتی ہے۔

3- صنعتی تعلقات

آپ کی کمپنی CBA کے معاہدے (منتخب ملازمین یونین) کے ساتھ مثبت تعاون کے تعلقات کو فروغ دینے کے لئے پرعزم ہے تاکہ کام کے سازگار ماحول کو یقینی بنایا جاسکے اور کمپنی کے اندر صنعتی ہم آہنگی کو فروغ دیا جاسکے۔ انتظامیہ اور سی بی اے دونوں کی محتاط اور پرعزم کوششوں کے ذریعے، صنعتی امن کو بغیر کسی رکاوٹ کے پورے عرصے میں برقرار رکھا گیا ہے۔

مزید برآں، اس مدت کے دوران، 28 افراد کو ان کے مرحوم رشتہ داروں سے خونی رشتے کی بنیاد بھرتی کیا گیا، جبکہ موجودہ ملازمین کے بچوں کو پیشہ ورانہ تعلیم کے حصول میں مدد کے لئے بڑی تعداد میں وظائف دیے گئے۔

4- خصوصی افراد کا روزگار (DAPs)

کمپنی کو ایک جامع افرادی قوت کو فروغ دینے کے وسیع تر معاشرتی مقصد کو آگے بڑھانے میں کردار ادا کرنے کا اعزاز حاصل ہے، ان قیمتی مہارتوں اور زاویہ نگاہ کا ادراک کرتے ہوئے جو خصوصی افراد ہماری کمپنی میں حصہ ڈالتے ہیں۔ اس عزم کے مطابق مخصوص افراد (DAPs) کے روزگار کو فعال طور پر فروغ دینے کے لئے اقدامات جاری ہیں۔ فی الحال، ہمارے پاس 26 خصوصی افراد ایگزیکٹو عہدوں پر اور 57 کمپنی کے اندر ماتحت عہدوں پر ملازم ہیں۔

کمپنی خصوصی ملازمین کے لئے کام کا معاون ماحول فراہم کرنے میں ثابت قدم ہے۔

5- کاروباری اخلاقیات اور انسداد بدعنوانی کے اقدامات

آپ کی کمپنی کاروباری اخلاقیات اور سالمیت کے اعلیٰ ترین معیارات کو برقرار رکھتی ہے اور بدعنوانی کے خلاف سخت موقف رکھتی ہے۔ کمپنی اپنے آپریشنز میں شفافیت، احتساب اور ایمانداری کو یقینی بناتی ہے، اور غیر اخلاقی طریقوں کی روک تھام کے لئے ایک واضح تادیبی پالیسی کی حمایت کرتی ہے۔ وسل بلونگ پالیسی جو ابی کارروائی کے خوف کے بغیر خدشات کی خفیہ رپورٹنگ کی اجازت دیتی ہے، اس بات کو یقینی بناتی ہے کہ کسی بھی بدانتظامی کو فوری طور پر حل کیا جائے۔ ان اقدامات کا مقصد ادارے کے اندر بدعنوانی اور غیر اخلاقی طرز عمل کا خاتمہ کرنا ہے۔

1. ادارتی ثقافت

تبدیلی پزیر توانائی کے شعبے میں کمپنی کی طویل مدتی حکمت عملی کا انحصار اسکی ثقافت اور قابلیت پر ہے۔ آپ کی کمپنی مثبت کام کے ماحول کو فروغ دینے کے لئے انسانی وسائل کے بہترین طریقوں اور ٹیلنٹ مینجمنٹ کے ذریعے ادارتی ثقافت کو بڑھانے کے لئے پرعزم ہے۔ ایس او ای ایکٹ 2023 کے مطابق کمپنی دیانتداری، معروضیت اور اعلیٰ اخلاقی معیارات کے اصولوں کو برقرار رکھتی ہے۔ آپ کی کمپنی حوصلہ افزائی، تعاون اور جدت طرازی کو بہتر بنانے کے لئے انسانی وسائل کے طریقوں کو بہتر بنا رہی ہے۔ باقاعدگی سے اندرونی اور بیرونی جائزے کمپنی کو صنعت کے رجحانات اور بہترین طریقوں کے ساتھ ہم آہنگ کرتے ہیں۔

2. صنفی تنوع

آپ کی کمپنی ایک متوازن آجر ہے اور صنفی تنوع اور شمولیت پر یقین رکھتی ہے۔ ہم اپنے ملازمین سے استفادہ کرتے ہیں جو پورے پاکستان کے علاقوں سے تعلق رکھتے ہیں۔ مختلف علاقوں، صنف، مذہب اور ذات سے تعلق رکھنے والے ملازمین تنظیمی مقاصد کے حصول کے لئے مل کر کام کرتے ہیں۔ تمام پالیسیوں اور طریقہ کار کا مقصد اس بات کو یقینی بنانا ہے کہ تقرریوں، تبادلوں، تربیت کے مواقع اور کارکردگی کے جائزے سے متعلق تمام فیصلے مکمل طور پر صرف میرٹ پر کیے جائیں۔ اس بات کو یقینی بنایا جاتا ہے کہ کسی بھی ملازم کو ان کی نسل، قومیت، ذات / معاشرتی، مذہبی یا سیاسی عقائد، عمر، صنف، ازدواجی حیثیت یا معذوری کی بنیاد پر امتیازی سلوک کا سامنا نہ کرنا پڑے۔

آپ کی کمپنی میں افسران اور ماتحت ملازمین دونوں درجوں کے لئے گریڈ کے لحاظ سے تنخواہ کے پیمانے ہیں جو بورڈ سے منظور شدہ ہیں۔ اس بات کی تصدیق کی گئی ہے کہ سروس کے معاملات میں صنف، علاقے، مذہب یا ذات کی بنیاد پر ملازمین کے درمیان کوئی امتیازی سلوک نہیں کیا جاتا ہے۔ ملازمین کی تنخواہ کارکردگی اور سروس کی مدت کی بنیاد پر مختلف ہو سکتی ہے تاہم صنف کی بنیاد پر کوئی امتیاز نہیں ہے۔ کارکردگی، قابلیت اور سروس کی مدت وہ عوامل ہیں جو ایک ہی گریڈ کے ملازمین کی تنخواہ میں کسی بھی فرق کا سبب بن سکتے ہیں۔ موجودہ صنفی تنخواہ کا فرق (مرد سے خواتین) کمپنی میں مستقل ملازمین کی تنخواہ میں درج ذیل ہے:

کیڈر	صنفی تنخواہ کا اوسط فرق	صنفی تنخواہ کا درمیانی فرق
ایگزیکٹو	11%	10%
ماتحت	37%	41%

مائع پٹرولیم گیس (ایل پی جی)

آپ کی کمپنی نے قدرتی گیس کی قلت سے نمٹنے کے لئے ایل پی جی سلنڈر کی تقسیم کا کاروبار شروع کرنے کا اسٹریٹجک فیصلہ کیا ہے۔ اس نئے منصوبے کا مقصد کم دباؤ اور آف گرڈ صارفین کو ایل پی جی سلنڈروں کی فراہمی کے ذریعے خدمات کی فراہمی میں اضافہ کرنا تھا۔ مزید برآں، کسٹمر آرڈرز رجسٹر کرنے کے لئے ایک خصوصی کسٹمر سروس کال سینٹر 24/7 کام کر رہا ہے۔

آپ کی کمپنی کا ایک اور اہم کارنامہ گلگت میں اپنے فلنگ شپ ایل پی جی ایگزیکٹس پلانٹ کا کامیاب آغاز اور فعال کرنا ہے۔ اس سلسلے میں صارفین کے کنکشن کی سرگرمیاں زور و شور سے جاری ہیں اور میسرز اوجی ڈی سی ایل کے ساتھ ایل پی جی سپلائی معاہدہ کر کے پلانٹ کے آپریشنل استعمال کو بہتر بنانے کے لئے ایل پی جی کی اپ سٹریم سپلائی کی یقینی بنائی گئی ہے۔

انسانی وسائل کی ترقی

آپ کی کمپنی اس یقین کو مضبوطی سے برقرار رکھتی ہے کہ ہمارے لوگ ہمارا سب سے بڑا اثاثہ ہیں۔ سال 2023 کے دوران ہماری غیر متزلزل گن مختلف قسم کے اقدامات کے ذریعے ہمارے انسانی وسائل کی ترقی پر مرکوز رہی جس کا مقصد ان کی مہارتوں، علم اور مجموعی فلاح و بہبود کو بہتر بنانا ہے۔ 30 جون، 2023 تک آپریشنز کے لحاظ سے اور پروجیکٹ کے لحاظ سے ایگزیکٹوز اور نان ایگزیکٹوز کی تعداد درج ذیل ہے:

ایگزیکٹو	نان ایگزیکٹو	کل
1,380	6,602	7,982
95	205	300
1,475	6,807	8,282

مالی سال میں کمپنی نے ملازمین میں مہارت کی کمی کو دور کرنے کے لئے تربیتی ضروریات کا جائزہ لے کر انسانی وسائل کی ترقی کو ترجیح دی۔ اندرون خانہ رہنما پروگراموں کا محور، مستقبل کے رہنماؤں کو مضبوط بنیاد کی فراہمی کے ساتھ انکی اعلیٰ سطح پر ترقی پر مرکوز رہا۔ قابلیت کا اندازہ لگانے کے لئے ایک معروف انسانی وسائل کے کنسلٹنٹ کی مدد سے 699 ایگزیکٹوز کی قابلیت کو جانچنے کے لیے ٹیسٹ منعقد کیے گئے تھے۔ اس بنیاد پر افسران کی قابلیت کو مزید پروان چڑھانے کے مخصوص تربیتی اقدامات اٹھائے گئے۔

انفارمیشن ٹیکنالوجی اور ڈیجیٹلائزیشن

آپ کی کمپنی نے مستقل طور پر بہترین کارکردگی کے ذریعے، ایک مضبوط ٹیکنالوجی کے بنیادی ڈھانچے کو یقینی بنانے، معلومات کے اثاثوں کو موثر طریقے سے منظم کرنے، خدمات کی فراہمی، اور کاروباری صارفین کو سہولت فراہم کرنے میں اپنی مہارت کا مظاہرہ کیا ہے۔ سال کے دوران مکمل ہونے والے بڑے منصوبوں میں درج ذیل شامل ہیں:

گاہکوں کا ٹریکنگ سسٹم

موبائل ایپس میں اضافہ

- صارفین کے لئے کمپنی موبائل ایپ کنیکٹ آن (IOS/Android)
- ایل پی جی کی فروخت کے لئے موبائل ایپ
- ملازمین کے لئے بل ایپ

ای آر پی سسٹم میں اضافہ

- ای آر پی ایپلی کیشن کو کامیابی کے ساتھ تازہ ترین ورژن یعنی اوریکل EBS 12.2 میں اپ گریڈ کیا گیا ہے۔ اپ گریڈ شدہ ورژن فعالیت میں بہتری، ہموار تنصیب اور بہتر کارکردگی فراہم کرتا ہے۔
- محفوظ لاگ ان کے لیے EBS صارفین کے لیے ملٹی فیکٹر تصدیق (MFA) بھی متعارف کرائی گئی ہے۔ صارف کو ایپلی کیشن تک رسائی حاصل کرنے کے لئے دفتری ای میل ایڈریس پر OTP موصول ہوتا ہے۔

ڈاکومنٹ مینجمنٹ سسٹم (DMS)

ڈاکومنٹ مینجمنٹ سسٹم (DMS) کے ابتدائی پروجیکٹ کو تمام محکموں میں ہیڈ آفس میں کامیابی کے ساتھ نافذ کیا گیا ہے تاکہ دفتری خط و کتابت کی دستاویزات کو ڈیجیٹلائز کیا جاسکے اور دستاویزات تک رسائی کو آسان اور موثر بنایا جاسکے۔ اوور ٹائم کی آٹومیشن اور ڈیجیٹلائزیشن کا عمل بھی جاری ہے۔

لینڈ ریکارڈ کی ڈیجیٹلائزیشن

لینڈ ریکارڈ مینجمنٹ سسٹم تیار کیا گیا ہے تاکہ زمین کے ریکارڈ اور دی گئی /

تبدیل شدہ زمین کے لیے کی گئی ادائیگیوں پر نظر رکھی جاسکے۔ یہ نظام جی آئی ایس کے ساتھ مکمل طور پر مربوط ہے۔

بلنگ

آپ کی کمپنی اپنے قابل قدر صارفین کو شفاف اور قابل اعتماد بلنگ خدمات فراہم کرنے کے لئے پرعزم ہے۔ بروقت اور درست بلنگ، زیادہ سے زیادہ وصولی اور معیاری کسٹمر سروس کی فراہمی کو یقینی بنانے پر زور دیا جاتا ہے۔ آپ کی کمپنی فوری کارروائی اور فیصلہ سازی کے ذریعے بلوں کی عدم ادائیگی اور میٹر ریڈنگ سے متعلق دیگر معاملات کو حل کرنے میں کوئی کسر نہیں چھوڑ رہی ہے۔ کمپنی کے نقد بہاؤ کو بہتر بنانے کے لئے ادائیگی سے متعلق امور سے نمٹنے پر خصوصی زور دیا جاتا ہے۔

ڈیجیٹل تبدیلی کے اس دور میں آپ کی کمپنی نے ہمارے قابل قدر صارفین کو ای میل کے ذریعے اپنے گیس بل حاصل کرنے کی سہولت فراہم کر کے اپنا کردار ادا کیا ہے۔ مزید برآں، فوری رد عمل کے لئے ایک جامع اوگرا کمپلیننس مینجمنٹ سسٹم کو بھی کمپنی بھر میں نافذ کیا گیا ہے۔

آپ کی کمپنی اس بات کو یقینی بنانے کے لئے ہر ممکن کوشش کر رہی ہے کہ موقع پر پائی جانے والی کسی بھی بے قاعدگی، نقص یا خلاف ورزی کو ہنگامی بنیادوں پر رپورٹ کیا جانا چاہئے تاکہ کمپنی کے مالی مفادات کے تحفظ کے لئے فوری اصلاحی کارروائی کی جاسکے۔ اس کے مطابق مالی سال 2022-23 کے دوران 1.8 ملین سے زائد مختلف رپورٹس تیار کی گئیں۔ نتیجتاً، چوری / اور اس کے علاوہ دوسرے الزامات کے 650,000 سے زیادہ مقدمات کو حتمی شکل دی گئی اور نظام میں شامل کیا گیا۔ اس کے نتیجے میں 1,150 MMCF چوری کے حجم اور 5,800 MMCF چوری کے علاوہ کے اعداد کا اندراج کیا گیا، جو مجموعی طور پر 10 ارب روپے سے زیادہ ہے۔

مزید برآں، مربوط کوششوں کے نتیجے میں وصولیوں کو محفوظ بنانے اور صارفین کی جانب سے غیر متوقع عدم ادائیگی کے خوف کا مقابلہ کرنے کے لئے اضافی پیٹنگی رقم کی بازیابی کی گئی۔ ان کوششوں کے نتیجے میں اس مالی سال میں کمپنی کی جانب سے رکھی گئی کل کیش سیکیورٹیز / بینک گارنٹیز 8.6 ارب روپے سے زائد کا اضافہ ہوا۔ گیس (چوری کنٹرول اور بازیابی) ایکٹ 2016 کی دفعات کا اطلاق کیا جا رہا ہے، خاص طور پر سیکشن (2) 27 کے تحت لینڈ ریونیو اتھارٹیز، ایس ای سی پی اور دیگر اداروں وغیرہ سے مدد طلب کی جا رہی ہے تاکہ نادہندگان کے خلاف زیادہ سے زیادہ واگزار کی کو یقینی بنایا جاسکے۔

حادثات کی آن لائن رپورٹنگ:

آن لائن حادثات کی رپورٹنگ کمپنی کے افسران کو حادثات کی بروقت رپورٹنگ تک رسائی فراہم کرتی ہے جس کے نتیجے میں خطرات کا جلد پتہ چلتا ہے اور اس میں کمی واقع ہوتی ہے۔

3. پائیدار ترقی کے اصولوں کے ذریعے معاشرے، حکومت اور غیر سرکاری تنظیموں کے ساتھ شراکت داری میں کام کر کے اپنے متعلقین کے ساتھ ہم آہنگ تعلقات کو یقینی بنانا۔
- کمپنی نے مالی سال 2022-23 میں کارپوریٹ سماجی ذمہ داری کے تحت مندرجہ ذیل منصوبوں پر وسائل خرچ کیے:

مہم برائے متاثرین سیلاب:

1. اندرونی وسائل کو بروئے کار لاتے ہوئے سیلاب متاثرین کو پناہ گاہوں، کھانے پینے کی اشیاء، ادویات وغیرہ کی فراہمی۔
2. سیلاب سے متاثرہ علاقوں میں قدرتی آفات سے بچاؤ / بحالی کی سرگرمیوں کے لئے اچھی شہرت کی حامل غیر سرکاری تنظیموں کے ساتھ معاونت۔
3. وزیراعظم سیلاب ریلیف فنڈ میں حصہ ڈالنا۔

ماحول:

کھپانی ٹاپ (لوئر ڈیر) میں لگائے گئے 20 ہزار پودوں کی دیکھ بھال کی لاگت محکمہ جنگلات خیبر پختونخوا کو دی گئی۔

راشن کی تقسیم کی مہم:

ملک میں معاشی سست روی اور افراط زر کے پیش نظر آپ کی کمپنی نے ضرورت مند اور مستحق شہریوں کو 10,000 راشن بیگز کی فراہمی کے لئے راشن کی تقسیم کی مہم شروع کر کے قومی اہمیت کے خصوصی منصوبے کے لئے اپنا کردار ادا کیا۔

اعزازات:

1. نیشنل فورم فار انوائزمنٹ اینڈ ہیلتھ (NFEH) 12 واں سالانہ فار سیفٹی ایوارڈ 2022۔
2. نیشنل فورم فار انوائزمنٹ اینڈ ہیلتھ (NFEH) 19 واں سالانہ ماحولیاتی ایکسیلینس ایوارڈ 2022۔ اور
3. نیشنل فورم فار انوائزمنٹ اینڈ ہیلتھ (NFEH) 15 واں سالانہ کارپوریٹ سماجی ذمہ داری ایوارڈ 2023۔

کارپوریٹ سماجی ذمہ داری

کمپنی میں کارپوریٹ سماجی ذمہ داری کا قاعدہ آغاز 2013 میں ہوا۔ کمپنی کی منظور شدہ CSR پالیسی کے مطابق کارپوریٹ سماجی ذمہ داری کے اقدامات بنیادی طور پر صحت، تعلیم اور ماحولیات کے شعبوں پر مرکوز ہیں۔

آپ کی کمپنی کی کارپوریٹ سماجی ذمہ داری کی پالیسی بہترین عالمی طریقوں پر مبنی ہے جو معاشرے اور ماحول پر مجموعی طور پر مثبت اثر پیدا کر کے کاروباری عمل کے انتظام کو یقینی بناتے ہیں۔

CSR پالیسی سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی جانب سے 2013ء میں فراہم کردہ ہدایات، اوگر کی جانب سے پاکستان میں ریگولیٹڈ گیس سیکٹر کے لیے نئے ٹیرف نظام، اقوام متحدہ کے گلوبل کمپیکٹ (UNGC) کے اصولوں، متعلقہ پائیدار ترقیاتی اہداف (SDGs) اور کمپنی کے وژن، مشن اور بزنس کوڈ آف کنڈکٹ کی تعمیل کرتی ہے۔

کمپنی اس بات پر یقین رکھتی ہے:

1. کاروبار کو معاشرے کے لئے منافع بخش اور فائدہ مند ہونا چاہئے۔
2. گیس پیدا کرنے والے علاقوں کے 15 کلو میٹر کے دائرے میں رہنے والی غیر ترقیاتی یافتہ / پسماندہ آبادی کی معیار زندگی کو ترقی دینے پر بہتر بنانا۔

نے LANCOR اور TESTO 350 جیسے جدید ترین پورٹبل آلات کے ذریعے اخراج کی نگرانی کے لئے ایک اندرون خانہ تجزیہ کار تیار / نصب کیا ہے۔ 2,447 گاڑیوں، 294 اسٹیک اور 388 مشینوں کی مالی سال کے دوران ماحولیاتی نگرانی کی گئی۔ ماحولیاتی اثرات کا جائزہ اس بات کو یقینی بنانے کے لئے کیا جاتا ہے کہ سرگرمیوں کے نتیجے میں ماحول کی تیزی نہ ہو۔

صوتی میٹر کے ذریعے شور کی نگرانی

مشینری / آلات اور گاڑیوں سمیت کمپنی کی مختلف تنصیبات پر شور کی شدت کی پیمائش کرنے کے لئے شور کی سطح کی نگرانی کی جاتی ہے۔ شور کی سطح کی نگرانی سے جمع کردہ اعداد و شمار ہمیں رجحانات کو سمجھنے میں مدد کرتے ہیں اور صوتی آلودگی کو کم کرنے کے لئے کارروائی کی جاتی ہے۔

روشنی کی سطح کا سروے

روشنی کی سطح کا سروے lux level کسی جگہ / کسی خاص کام کے علاقے میں روشنی کی شدت کی پیمائش کرنے کے لئے کیا جاتا ہے۔ بہت زیادہ تیز روشنی، چمک، کم روشنی یا چمکتی ہوئی روشنی ملازمین کے کام کی کارکردگی کے لئے ممکنہ خطرہ ہے۔ مناسب روشنی کام کی جگہ پر ملازمین کی کارکردگی پر بڑا اثر ڈالتی ہے۔

ماحولیات کا عالمی دن

5 جون، 2023 کو کمپنی بھر میں ماحولیات کا عالمی دن منایا گیا۔ صاف ستھرے ماحول کے لئے آپ کی کمپنی کے عزم کا مظاہرہ کرتے ہوئے علاقائی اور مرکزی دفاتر میں تقریبات کا انعقاد کیا گیا۔ ان تقریبات میں ملازمین اور ان کے بچوں نے شرکت کی جس سے کمپنی کے انسانی سرمائے میں آگاہی اور جوش و خروش پیدا ہوا۔

گلابی رہن کا دن

خواتین میں چھاتی کے سرطان کی مقامی نوعیت کو مد نظر رکھتے ہوئے کمپنی کے متعدد دفاتر میں پنک رہن کے عنوان سے چھاتی کے سرطان سے آگاہی کے بارے میں آگاہی نشست کا انعقاد کیا گیا۔ ان تقریبات میں کمپنی کی خواتین ملازمین نے شرکت کی۔

آرکائیو سینٹر (Archive Centre):

ریکارڈ کے موثر انتظام کے لئے، کمپنی نے ریکارڈ کی شناخت، دیکھ بھال، حفاظت، رسائی اور ڈسپوزل سمیت کمپنی کے ریکارڈ کو محفوظ رکھنے کے لئے ایک آرکائیو سینٹر قائم کیا۔ فی الحال کمپنی کے ریکارڈ پر مشتمل تقریباً 150,000 فائلیں آرکائیو سینٹر میں رکھی گئی ہیں۔

اس کے علاوہ، ذیابیطس، بلند فشار خون اور سپائٹائٹس بی اور سی کی طبی جانچ کی جاتی ہے تاکہ کارکنوں کو کسی بھی متعدی اور غیر متعدی بیماری کے بارے میں آگاہ کیا جاسکے۔ مالی سال 2022-23 کے دوران کل 13 پیشہ ورانہ صحت کی نگرانی کے کیچپوں کا انتظام کیا گیا ہے۔

آر او پلانٹس:

کمپنی کے تمام مقامات پر پینے کے پانی کی دستیابی پر زور دیا جاتا ہے۔ کمپنی اپنے ملازمین کو پینے کے صاف پانی کی فراہمی کے لئے آر او پلانٹس کی خریداری اور تنصیب پر معقول رقم خرچ کرتی ہے۔ مالی سال 2022-23 کے دوران کمپنی کے مقامات پر 17 نئے آر او پلانٹس خریدے اور نصب کیے گئے جن میں کمپریسر اسٹیشنز بی سی ون مانا والا، سی سی تھری گلی جاگیر، ایف سی ون دھولیاں، سی سی ون ہرن پور، اے سی فور اوچ شریف، ذیلی دفتر ترسیلی کوہاٹ، سب ایریا شجاع آباد، سب ایریا ڈی جی خان وغیرہ شامل ہیں۔

آگ سے بچاؤ

آپ کی کمپنی تمام دفاتر میں آگ بجھانے والے آلات، فائر ہائیڈرنٹ سسٹم، فائر ٹرک، فائر الارم اور دھواں کا پتہ لگانے کے نظام متعارف کروا کر آگ سے متعلق کسی بھی ہنگامی صورتحال کی صورت میں تخفیف کے انتظامات کو یقینی بنانے کے لئے فائر سیفٹی پر زور دیتی ہے۔ مالی سال 2022-23 کے دوران سی سی تھری کمپریسر اسٹیشن گلی جاگیر میں فائر ہائیڈرنٹ سسٹم نصب کیا گیا، ہیڈ آفس لاہور، اسلام آباد آفس اور کمپریسر اسٹیشن اے سی 6 ملتان کے لیے ایڈریس ایبل اسموک ڈیٹیکشن سسٹم کی خریداری جاری ہے۔ سال کے دوران 530 آگ بجھانے والے آلات اور 100 بیٹری سے چلنے والے اسموک ڈیٹیکٹرز خریدے گئے ہیں۔

ذاتی حفاظتی سامان

اپنے ملازمین کو ممکنہ چوٹوں سے بچانے کے لئے، آپ کی کمپنی حفاظتی ہیلمٹ، کپڑے، جوتے، دستانے، فیس شیلڈ وغیرہ سمیت پی پی ای فراہم کرتی ہے۔ 2022-23 کے دوران تقریباً 40,601 حفاظتی سامان خرید اگیا اور عملے میں تقسیم کیا گیا۔

ماحولیاتی نگرانی

ماحول کا تحفظ آپ کی کمپنی کی پالیسی کا ایک اہم حصہ ہے اور ISO 14001 معیار کی ضرورت ہے۔ تمام مشینوں، اسٹیک اور گاڑیوں کی ماحولیاتی نگرانی کی جاتی ہے تاکہ اس بات کو یقینی بنایا جاسکے کہ تمام اخراج PEQS / NEQS معیارات کے اندر رہے۔ کمپنی

- اسکاڈا مواصلات کے لئے بیٹانی (ولی -1) کے مقام پر سیٹلائٹ سسٹم کی تنصیب اور تشکیل۔

صحت، حفاظت، اور ماحول

- کمپنی کے تمام افعال کے لئے بہترین طریقوں کے منظم نفاذ کے لئے آپ کی کمپنی میں ISO 14001:2015 اور ISO 45001:2018 معیارات پر مبنی ایک مربوط ایچ ایس ای مینجمنٹ نظام موجود ہے۔

ISO 14001:2015 / ISO 45001:2018 معیارات کی تعمیل، اور صنعت کے بہترین طریقوں کی نگرانی دو سالہ بنیاد پر تیسرے فریق کے ذریعہ مخفی پڑتال کے نظام کے ذریعے کی جاتی ہے۔ ان آڈٹس کا کامیاب نفاذ ایچ ایس ای مینجمنٹ سسٹم کی تاثیر کو ظاہر کرتا ہے۔ ایچ ایس ای کی مد میں آپ کی کمپنی کی وابستگی کو خود مختار پڑتال کنندگان نے بہت سراہا ہے۔

ایچ ایس ای تربیت کمپنی کے افسران اور عملے کو دی جاتی ہے جس کا بنیادی مقصد ایچ ایس ای کے علم اور مہارت کو سیکھنا، دھرا نا اور بہتر بنانا ہے تاکہ کام پر ان کی کارکردگی کو مسلسل بہتر بنایا جاسکے۔ اس سال ڈرائیور حضرات کو حفاظتی طرز عمل کی تربیت پر بہت زور دیا گیا ہے۔ مجموعی طور پر 2,787 ڈرائیور حضرات کو نیشنل ہائی وے اور موٹر وے پولیس کے ذریعے تربیت دی گئی ہے۔ آپ کی کمپنی نیشنل سیفٹی کونسل کی رکن ہے، جو ایک غیر منافع بخش تنظیم ہے جس کا مقصد گھروں اور آبادیوں میں کام کے دوران چوٹوں اور اموات کو روکنا ہے۔ اس کے علاوہ، ایچ ایس ای انجینئرز امریکن بین الاقوامی سوسائٹی آف سیفٹی پروفیشنلز (ASSP) کے رکن ہیں۔

پیشہ ورانہ صحت

پیشہ ورانہ صحت موبائل یونٹ کے استعمال کے ذریعے ملازمین کی صحت کی اسکریننگ کی گئی۔ صحت کی دیکھ بھال کے بارے میں آگاہی کو فروغ دینے کے لئے، اس سرگرمی کا باقاعدگی سے انعقاد کیا جاتا ہے۔ ایک پیشہ ورانہ صحت موبائل یونٹ پلموزری فنکشن ٹیسٹ، پیورٹون آڈیوگرام، اور آنکھوں کے ریفریکشن کی سہولیات کے ساتھ کام کر رہا ہے۔ پیشہ ورانہ صحت کی نگرانی کے نتائج ہمیں موجودہ کنٹرولز کی مناسبت کے لئے راہنمائی فراہم کرتے ہیں اور صحت مند پیداواری افرادی قوت اور محفوظ کام کی جگہ کو برقرار رکھنے کے لئے مزید بہتری کی تجاویز پیش کرتے ہیں۔

- آخری سروں کے مختلف مقامات پر IOT پر مبنی دباؤ کی نگرانی کے لئے پائلٹ پراجیکٹ کامیابی سے نافذ کیا گیا۔ اس منصوبے کو بعد میں پورے ادارے میں نافذ کیا جائے گا۔

- نئی ایپلی کیشنز یعنی GIS، CCNB کی وجہ سے ٹیلی کام نیٹ ورک پر بڑھتے ہوئے بوجھ کو پورا کرنے کے لئے ٹیلی کام نیٹ ورک کی بینڈو تھ کو کچھ اہم لنکس پر 100 MBPS سے بڑھا کر 400 MBPS کر دیا گیا ہے۔

- اسکاڈا کو خصوصی ترقیاتی زونز فیصل آباد، بھلوال، علامہ اقبال انڈسٹریل اسٹیٹ، ایم تھری اور قائد اعظم انڈسٹریل اسٹیٹ میں فعال کر دیا گیا ہے۔

- مختلف اقسام کے EVCs اور RTUs کو اسکاڈا نظام کے ساتھ ضم کرنے کے لئے ایک اندرون خانہ تحقیقی و ترقیاتی کام کو سرانجام دیا گیا ہے اور RLNG ٹرمینلز کے اسکاڈا انضمام کے لئے SSGC سسٹم کے ساتھ جدید انٹرفیس تیار کیا گیا ہے۔

- گیس فیلڈ کوہاٹ، تونج فیلڈ اور ڈھوک حسین فیلڈ، بشمول SMS راگی، نئے ایس ایم ایس روات پر GPRS موڈیم کی تنصیب اور تشکیل کی گئی۔

- ٹیلی کام ٹیم کی جانب سے ایس ایم ایس گجر خان میں اسکاڈا سسٹم کی تنصیب، پریشر اور ٹمپرچر سینسرز کے ساتھ فلو کمپیوٹر، ریڈیو ٹرانسیور اور سولر سسٹم نصب کیے گئے۔

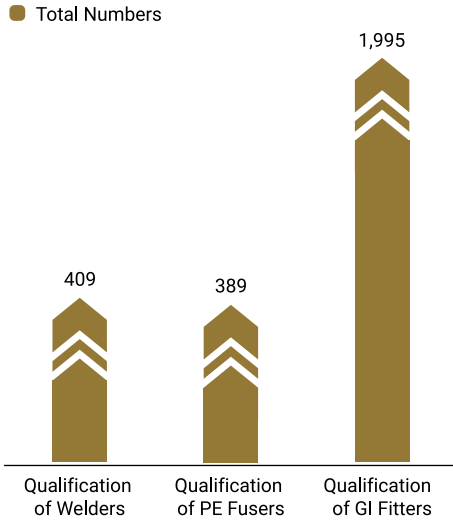
- ریشمی خصوصی اقتصادی زون منصوبہ کے حصے کے طور پر SMS پیر صباق پر SCADA کے لئے فلو کمپیوٹر نصب کیا گیا ہے۔ ایس ایم ایس ٹوپی پر ایک علیحدہ فلو کمپیوٹر بھی نصب کیا گیا ہے۔

- مسلسل نگرانی اور خبردار رکھنے کے لئے اسلام آباد میں IOT آلات اور اپ سٹریمر پریشر ٹرانسمیٹر ایس ایم ایس کرک پر نصب اور ترتیب دیئے گئے ہیں۔

- ٹیلی کام نیٹ ورک کا استعمال کرتے ہوئے واہ میں آئی ٹی سرور سے گلی جاگیر (C-6) میں بائیومیٹرک مشین کو مربوط کرنے کے لئے ڈیٹا سروس کی فراہمی۔

ملازمین کی تربیت اور اہلیت کو ترجیح دیتے ہوئے، تمام 15 علاقائی مراکز تربیتی پر انفرادی تربیت کا اہتمام کیا گیا۔ مالی سال کے تربیتی اعداد و شمار درج ذیل ہیں:

تربیت شدہ ملازمین کی تعداد



شعبہ برقی روابط (Telecommunication)

آپ کی کمپنی اپنے قیام کے بعد سے کمپنی کے ٹرانسمیشن رائٹ آف وے (ROW) کے ساتھ ایک انتہائی اہمیت کے حامل انفرادی وائر لیس ٹیلی کمیونیکیشن نظام کو برقرار رکھے ہوئے ہے۔

زیر جائزہ سال کے دوران ٹیلی کام نظام اور اسکاڈا نظام بغیر کسی بندش کے فعال رہے۔ اس کے علاوہ، مندرجہ ذیل خصوصی منصوبوں، نیٹ ورک اور خدمات میں اضافہ کیا گیا تھا:

- مجموعی طور پر TBS 330، POD 7 اور SMS 21 اسکاڈا نظام کے ساتھ منسلک کیا گیا۔
- پائپ لائن نیٹ ورکس کی موثر نگرانی اور غیر محسوب گیس میں کمی کو یقینی بنانے کے لئے سسٹم گیس کو درست و متوازن رکھنے کے لئے مختلف ڈیش بورڈز تیار کیے گئے تھے۔ اسی طرح اندرونی طور پر استعمال ہونے والی گیس کے ڈیش بورڈز تیار کیے گئے۔
- ٹیسٹ سائٹس کے لئے صنعتی بلنگ کی کامیاب ٹیسٹنگ کی گئی۔

تاکہ عمل کی ضروریات کو پورا کرنے اور آکسٹنر وپیک ہیڈ اور کارکردگی کو برقرار رکھنے کے لئے روٹر کی حرکیات کو تبدیل کیا جاسکے۔

آئی ایس او 9001:2015 کو الٹی میجنٹ سسٹم کی دوبارہ تصدیق اور نفاذ:

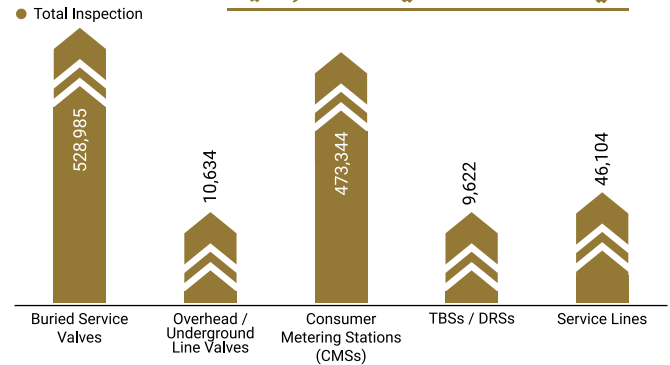
آپ کی کمپنی کو اپنے تمام آپریشنز میں معیار کے اہداف پورا کرنے اور سرگرمیوں کو اپ گریڈ کرنے کے لئے میسرز ڈی اے ایس انٹرنیشنل (بین الاقوامی سرٹیفیکیشن کا ادارہ) سے ISO 9001:2015 کی سند حاصل کرنے کا اعزاز حاصل ہے۔ اس سلسلے میں بین الاقوامی کوڈز اور معیارات، ISO 9001:2015 اور 14001:2015 اور OHSAS 45001:2018 کے مطابق طے شدہ مقاصد اور اہداف کو یقینی بنانے کے لئے ایک کوالٹی پالیسی تشکیل دی گئی ہے۔

معیار کی یقینی دہانی

آپ کی کمپنی ISO 9001:2015 معیار کے تحت تصدیق شدہ ایک جامع کوالٹی مینجمنٹ سسٹم (QMS) کے تحت کام کرتی ہے۔ یہ متعلقہ قومی اور بین الاقوامی معیارات کے نفاذ کو یقینی بناتا ہے، بشمول ASME معیارات، حکمانہ مینوئلز، منظور شدہ طریقہ کار، اور کمپنی بھر میں واضح طریقہ کار۔

شعبہ خدمات صارفین سمیت تمام انجینئرنگ محکموں میں تکنیکی پڑتال کی گئی تاکہ طے شدہ معیارات کی پاسداری کو یقینی بنایا جاسکے۔ مزید برآں، تقسیمی اور ترسیلی گیس نیٹ ورک کا کڑا معائنہ کیا گیا، جس میں مندرجہ ذیل سرگرمیاں شامل ہیں:

معیار کو برقرار رکھنے کے لیے نگرانی کی سرگرمیاں



مزید برآں، ترسیلی اور تقسیمی لائنوں کے لئے 900 پینچ لٹریں (ایم ایس کے لئے 277 اور پی ای کے لئے 623) تیار کی گئیں۔ 74,971 کھلے پائپوں اور 74,640 لپ شدہ پائپوں کا معائنہ کیا گیا۔

627,891 گھریلو میٹرز کی میٹر انسپشن رپورٹس بھی تیار کی گئیں اور علاقائی دفاتر کو بھیج دی گئیں۔

اپ گریڈیشن کے لئے منصوبے کا دوسرا مرحلہ جاری ہے۔ پیکجوں کی ان اپ گریڈیشن سے حاصل ہونے والے فوائد درج ذیل ہیں۔

1. آپریشنل زندگی کو مزید 15-20 سال کے لئے بڑھادیا گیا ہے۔
2. مجموعی طور پر ایندھن کی کارکردگی میں 12% کی بہتری آئی ہے۔
3. اعلیٰ درجہ بندی والے پیکجوں پر سروس گیس کی 100% بچت، اس طرح گرین ہاؤس گیس کے اخراج میں کمی واقع ہوئی۔
4. ان اپ گریڈیشن کے ذریعے انوینٹری کو معیاری بنایا جاتا ہے جس کے نتیجے میں انوینٹری لاگت میں مجموعی طور پر 24 فیصد کمی واقع ہوتی ہے۔
5. سسٹم کی قابل اعتمادیت میں بہتری آئی ہے جس کے نتیجے میں MTBF (ناکامی کے درمیان اوسط وقت) میں 100 فیصد بہتری اور تمام اپ گریڈڈ پیکجز پر MTTR (بحالی کا اوسط وقت) میں 44 فیصد بہتری آئی ہے۔
6. جدید ترین آگ سے بچاؤ کا نظام، واہریشن مانیٹرنگ اور سرج کنٹرول سسٹم کے نفاذ کے ذریعے اثاثہ جات کی حفاظت میں اضافہ کیا گیا ہے۔

مزید برآں مرکزی میٹر شاپ لاہور اور علاقائی میٹر شاپس (اسلام آباد، فیصل آباد اور ملتان) کی بذریعہ پاکستان قومی منظوری کونسل (PNAC) معائنے و جانچ کے لیے، ISO 17025:2005 اور ISO 17020:2012 کی بنیاد پر منظوری ابھی تکمیل کے مراحل میں ہے۔ علاقائی میٹر شاپ ملتان کی پہلی مخفی پڑتال ISO 17020:2012 کے تحت ہو چکی ہے۔ مزید برآں، یہ شاپس QMS کے ISO 9001:2015 کے تحت بھی سند یافتہ ہیں۔

گزشتہ سال مرکزی میٹر شاپ لاہور، اسلام آباد میں علاقائی میٹر شاپس اور ملتان، فیصل آباد، ساہیوال اور لاہور میں مقامی میٹر معائنہ شاپس پر تھرڈ پارٹی سرٹیفیکیشن ذرائع کی جانب سے مخفی پڑتال کی گئی۔

مالی سال 2022-23 میں لاہور میں مرکزی میٹر شاپ میں صنعتی/ہائی پریشر کمرشل گیس میٹرز کے بہاؤ کو ثابت کرنے کے لیے ٹرانسفر پروور مشین کا میبانی کے ساتھ نصب کر دی گئی ہے۔

ہیڈ آفس بلڈنگ کے لئے بجلی کی پیداوار اور HVAC پروجیکٹ:

ہیڈ آفس بلڈنگ کے پاور جزییشن (PG) اور HVAC نظام کی خرابی کو دور کرنے کے لئے، بورڈ آف ڈائریکٹرز اور ریگولیٹر نے فرسودہ PG اور HVAC نظام کو نئے اور موثر نظام کے ساتھ تبدیل کرنے کے لئے نئے منصوبے کی تجویز اور منظوری دی تاکہ عمارت کی بجلی اور ایئر کنڈیشننگ کی ضروریات کو پورا کیا جاسکے۔

گیس ٹربائنز کی اور ہالنگ منصوبہ:

آپ کی کمپنی بین الاقوامی معیار API-616 کے مطابق ٹربائن انجنوں اور سینٹری فیوگل کمپریسرز کی اور ہالنگ کے لئے اپنے پانچ سالہ منصوبے پر کام کر رہی ہے، جنہوں نے اپنے TBO (اور ہالنگ کے درمیان کا وقت) مکمل کر لیا ہے۔ آپ کی کمپنی کو پاکستان کی واحد مجاز کمپنی ہونے کا اعزاز حاصل ہے جو تکنیکی طور پر جانچ پڑتال کی سہولت کے ساتھ گیس ٹربائنز کی اور ہالنگ کرتی ہے۔ مالی سال 2022-23 کے دوران چار سینٹور اور سینٹرن گیس ٹربائن انجنوں کی مرمت کی گئی۔

ملٹی اسٹیج سینٹری فیوگل کمپریسرز فیلڈ اور ہال:

آپ کی کمپنی گیس پریشر بڑھانے کے لئے استعمال ہونے والے سینٹری فیوگل کمپریسرز کی فیلڈ اور ہالنگ کے لئے بھی خود کفیل ہے۔ بوسٹ کمپریسرز کی فیلڈ اور ہالنگ کی گئی ہے

کمپریشن

آپ کی کمپنی ملک میں گیس ٹربائنوں کی سب سے بڑی تعداد کی مالک ہے، جو قومی گیس گرڈ کو گیس کی پائیدار فراہمی کے لئے کمپنی بھر کے 11 کمپریسر اسٹیشنوں پر 200,226 ہارس پاور کی کل نصب شدہ صلاحیت کے ساتھ 69 گیس ٹربائن سے چلنے والے کمپریسر پیکجز چلا رہی ہے۔ مالی سال 2022-23 کے دوران کمپنی نے مختلف کمپریسر اسٹیشنوں پر 923 BCF درآمدی اور مقامی گیس کو کمپریس کیا۔ ان اسٹیشنوں پر مختلف ذرائع سے کم اور متغیر دباؤ والی گیسوں کو کمپنی کے ترسیلی نظام میں منتقل کرنے اور طلب اور رسد میں بڑے پیمانے پر تبدیلیوں کے درمیان استحکام اور نظام کی یکساں فعالیت کو برقرار رکھنے کے لئے ٹربائیز کو مجموعی طور پر 478,106 آپریٹنگ گھنٹے چلایا گیا۔

کمپریسر پیکجز کی جدت اور کنٹرول سسٹم اپ گریڈیشن پروجیکٹ:

ٹیکنالوجی میں جدید پیش رفت کے تحت، درپیش مسائل کے حل کے لیے، کمپریسر پیکجز کی جدت اور کنٹرول سسٹم کی اپ گریڈیشن کا منصوبہ سینور-47 کمپریسر پیکج (1995 ماڈل) کی اپ گریڈیشن کا منصوبہ شروع کیا گیا تھا۔ یہ منصوبہ دو مرحلوں میں چلایا جا رہا ہے، جس میں پہلے مرحلے میں 5 کمپریسر پیکجز کو کامیابی کے ساتھ اپ گریڈ کیا گیا ہے جبکہ بقیہ 4 کی

جغرافیائی معلوماتی نظام (GIS)

آپ کی کمپنی نے جغرافیائی معلوماتی نظام (GIS) ٹیکنالوجی کے استعمال کے ذریعے اپنے پائپ لائن نظام اور متعلقہ خصوصیات (بشمول صارفین، رساؤ، خوردگی کنٹرول پوائنٹس وغیرہ) کا ایک ڈیجیٹل نقشہ تیار کیا ہے، جس میں ترسیلی نظام مکمل کر لیا گیا ہے جبکہ تقسیمی نظام کی نقشہ بندی جاری ہے۔ انٹرپرائز GIS پورٹل انتظامیہ اور صارفین کو انٹرایکٹو ویب ایپس اور GIS ڈیش بورڈز کے ذریعے پائپ لائن نیٹ ورک اور صارفین سے متعلق معلومات کو دیکھنے کے قابل بناتا ہے۔ قابل ذکر بات یہ ہے کہ تقسیمی پائپ لائن نیٹ ورک کی ڈیجیٹل نقشہ بندی کا منصوبہ تیزی سے جاری ہے، اور مرحلہ اول اسے ("24"-4 قطر پائپ لائنز) سال کے دوران 100% مکمل ہو چکا ہے۔

خوردگی کا تدارک (Corrosion Control)

آپ کی کمپنی کو ٹینگز اور کیتھوڈک پروٹیکشن (سی پی) نظام کے اطلاق کے ذریعے زیر زمین قیمتی اہم ایس پائپ لائن نیٹ ورک کو خوردگی کے حملے سے بچانے کے لئے مسلسل کوشاں ہے۔ نیٹ ورک کے تحفظ کے لئے 1920 سی پی اسٹیشنز نصب کئے گئے ہیں اور تقسیمی و ترسیلی نظام پر 39633 ٹیسٹ پوائنٹس کے ذریعے ان کی نگرانی کی جارہی ہے۔ آپ کی کمپنی نے انجینئرنگ کے کفایتی حل کے ذریعے کوٹنگ مواد کی جانچ، سی پی سامان / آلات کی مرمت، ٹرانسفارمر / ریکیٹی فائبروٹس کی اندرون خانہ تیاری اور مرمت کی صلاحیتوں سے مالا مال کوٹ لکھپت لاہور میں 2015-ISO 9001 سند یافتہ مرکز برائے تدارک خوردگی قائم کیا ہوا ہے۔

پیائش (Metering)

آپ کی کمپنی بین الاقوامی طریقہ ہائے کار کے مطابق معائنہ، بہاؤ کی جانچ، میٹرز / EVCs کی کیلبریشن، میٹر شاپس میں EVCs کی گیس پیائش کے لیے مرتب معیارات جیسے خصوصی اقدامات کے ذریعے گیس کی صحیح پیائش کو یقینی بناتی ہے۔

آپ کی کمپنی نہ صرف گھریلو، تجارتی اور صنعتی میٹر / EVCs کی مرمت اور دیکھ بھال کے ذریعے اخراجات کی بچت کر رہی ہے، بلکہ یہ غیر محسوب گیس نقصانات کو روکنے کے لئے گیس چوری کا پتہ لگانے میں بھی اہم کردار ادا کر رہی ہے۔

سال 2022-23 کے دوران مرکزی علاقائی میٹر شاپس نے کامیابی کے ساتھ 10,856 صنعتی اور ہائی پریشر کمرشل میٹرز، 13,032 لو پریشر کمرشل میٹرز اور 244,186 گھریلو میٹرز کی مرمت / کیلبریشن کیا ہے تاکہ اوگرا کے متعین کردہ اہداف کو حاصل کیا جاسکے۔ مزید برآں، 11,296 صنعتی اور ہائی پریشر کمرشل میٹرز، 13,076 کمرشل میٹرز اور

11. کمپیوٹر پر مبنی ڈیش بورڈز کے ذریعے سرگرمیوں کی مسلسل نگرانی کے لئے ٹیکنالوجی کا استعمال۔

جاری / مستقبل کے منصوبہ جات:

30 جون 2023ء کو ختم ہونے والے مالی سال کے دوران جاری پائپ لائن منصوبہ درج ذیل ہیں:

1. بنوں ویسٹ ویل ون سے گیس حاصل کرنے کے لیے بنوں ویسٹ ویل ون سے داؤد خیل تک "18 قطر کی 230 کلومیٹر ترسیلی پائپ لائن بچھائی جائے گی۔ کمپنی نے 155.35 کلومیٹر تک پائپ لائن بچھائی ہے جبکہ اس سال کے دوران 62.05 کلومیٹر پائپ لائن فعال کی جا چکی ہے۔

2. لاہور تقسیمی نظام کے مرحلہ دوم میں SMS برکی سے SMS ڈیال تک "8 قطر کی 16 کلومیٹر پائپ لائن اور SMS مانگا سے SMS سندر تک "16 قطر کی 6.50 کلومیٹر پائپ لائن بچھانے کا منصوبہ بنایا گیا ہے۔ "8 قطر کی 16 کلومیٹر پائپ لائن میں سے 12.43 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. مردان اور پشاور میں موسم سرما کے دوران گیس کے دباؤ میں کمی کے مسئلے کو حل کرنے کے لئے مرحلہ اول کے تحت چار سہہ SMS سے خزانہ SMS تک "10 قطر کی 20.80 کلومیٹر ترسیلی پائپ لائن بچھائی جارہی ہے جبکہ مرحلہ دوم میں "10 قطر کی 24 کلومیٹر چار سہہ تانگی پائپ لائن بچھائی جارہی ہے۔ کمپنی نے 20.80 کلومیٹر میں سے 19.94 کلومیٹر پائپ لائن بچھائی ہے جبکہ مرحلہ دوم کا سروے اور انجینئرنگ ڈیزائن مذکورہ سال کے دوران مکمل کر لیا گیا ہے اور تعمیراتی سرگرمیاں جلد شروع ہونے کا امکان ہے۔

4. ضلع صوابی کے حلقہ NA-12 کے مختلف دیہات کو گیس کی فراہمی کے لئے شیخ ڈھیری سے یار حسین تک "8 قطر کی 22.50 کلومیٹر طویل ترسیلی پائپ لائن منصوبہ بنایا گیا۔ کمپنی نے مذکورہ سال کے دوران 22.50 کلومیٹر پائپ لائن بچھائی ہے۔

قائم کیا ہے۔

1.

نیٹ ورک توسیع اور بحالی، جائز کنکشنز کی فراہمی اور غیر محسوب گیس پر قابو پانے کی سرگرمیوں کے ذریعے تیل اور گیس پیدا کرنے والے علاقوں (کرک وغیرہ) کے غیر محسوب گیس نقصانات کو 7,238 MMCF سے کم کر کے مالی سال 2022-23 میں 5,532 MMCF کیا گیا۔

2.

بڑے شہروں میں نظام پر دباؤ کم کرنے کے لئے بڑے منصوبے شروع کیے گئے جن میں چند درج ذیل ہیں:

1. اسلام آباد / راولپنڈی: بڑے قطر کی 45 کلو میٹر لائنیں

بچھائی گئیں

2. لاہور شہر: 6 نئے SMS کی تعمیر، 97.6 کلو میٹر ترسیلی

اور 12.5 کلو میٹر تقسیمی نیٹ ورک بچھایا گیا

3. گوجرانوالہ شہر: 2 نئے SMS کی تعمیر اور 8.7 کلو میٹر

بڑے قطر کی لائنیں بچھائی گئیں۔

3.

غیر محسوب گیس کے نقصانات سے دوچار بڑے شہروں یعنی لاہور، اسلام آباد، راولپنڈی، پشاور اور مردان میں 902 میٹر نصب کر کے ٹاؤن بارڈر اسٹیشنز (TBS) پر نقصانات کی خلی سطح پر نگرانی کا آغاز کیا۔

4.

ریہوٹ مانیٹرنگ اور EVC ڈیٹا کے حصول کے لئے SCADA کے ذریعے ترسیلی اور تقسیمی نیٹ ورک کا انضمام۔

5.

39 SMS پر مشتمل 11 لوپڈ سیلز میٹر اسٹیشنز (SMS) کلکٹرز کی تقسیم کی گئی تاکہ انفرادی SMS کے تحت نقصانات کا تخمینہ لگایا جاسکے اور اصلاحی اقدامات اٹھائے جاسکیں۔

6.

گجرانوالہ، گجرات، مردان، ملتان اور فیصل آباد میں صنعتی کلکٹرز کو گھریلو صارفین سے الگ کرنا۔

7.

رساؤ سے متاثر 1551 کلو میٹر زیر زمین نظام کو تبدیل کرنا اور 42,000 سے زائد زیر زمین رساؤ کے مقامات کو درست کرنا

8.

چوری کے 177,114 مقدمات میں 1165 MMCF گیس کا اندراج اور گیس چوری کرنے والوں کے خلاف FIR 281 درج کی گئیں۔

9.

517,153 میٹروں کی تبدیلی کے نتیجے میں 5,846 MMCF حجم کا اندراج ہوا ہے۔

10.

سیلز میٹر اسٹیشن SMS کی سطح پر نقصانات کی نگرانی۔

انسانی وسائل میں رکاوٹوں کا سامنا کرنے کے باوجود، کمپنی نے اپنے کسٹمر سروس اہلکاروں کے لئے مسلسل تربیتی پروگراموں اور جدید ٹیکنالوجی کے نفاذ کے لیے پروگرامز (TIPs) کے ذریعے اس مسئلے سے فعال طور پر نمٹا ہے۔ کمپنی نے وزیر اعظم کے پرفارمنس ڈیپوڑی یونٹ (PMDU) کے تحت پاکستان سٹیزن پورٹل کے ذریعے درج صارفین کی شکایات کی کڑی نگرانی کرتے ہوئے ڈیجیٹل حل بھی اپنائے ہیں۔ مزید برآں، رسائی اور رد عمل کو بہتر بنانے کے لئے، کمپنی کے علاقائی سربراہان کی نگرانی میں تمام علاقوں میں ماہانہ ای کچہریوں کا انعقاد کیا جاتا ہے، جو کمپنی کی قیادت تک براہ راست رسائی فراہم کرتا ہے۔ مزید برآں، نیچنگ ڈائریکٹر باقاعدگی سے علیحدہ ای کچہریوں کی نگرانی کرتے ہیں، جس سے کمپنی کی سطح پر کسٹمر سروسز کی جامع نگرانی کو یقینی بنانے میں مدد ملتی ہے۔

آپریشنل جائزہ

آپ کی کمپنی کا ترسیلی نظام اپنے زیر انتظام علاقے میں 9,239 کلو میٹر ہائی پریشر پائپ لائنوں تک پھیل گیا ہے، جس کا قطر "6 سے 42" تک ہے۔ سال کے دوران 108 نئے قصبوں اور دیہاتوں کو 2,916 کلو میٹر تقسیمی مین اور سروس لائنیں بچھا کر موجودہ نظام سے منسلک کیا گیا، جس سے نیٹ ورک کو مجموعی طور پر 149,242 کلو میٹر تک بڑھایا گیا۔ اس وقت مجموعی طور پر 5500 قصبے، دیہات، ڈسٹرکٹ ہیڈ کوارٹرز اور تحصیل ہیڈ کوارٹرز کمپنی کے نیٹ ورک کا حصہ ہیں۔

غیر محسوب گیس پر قابو پانے کے لیے اقدامات:

غیر محسوب گیس پر قابو پانا کمپنی کی توجہ کا مرکز ہے۔ کمپنی کے غیر محسوب گیس نقصانات کو کم کرنے کے لئے وقتاً فوقتاً بورڈ آف ڈائریکٹرز، رسک مینجمنٹ اینڈ پالیسی جی کٹرول کمیٹی اور انتظامیہ کی ہدایت / فیصلوں کی روشنی میں تقسیمی علاقوں کو رہنما اصول جاری کیے جاتے ہیں۔ غیر محسوب گیس میں کمی کے اہداف تقسیمی علاقوں کو تفویض کیے جاتے ہیں اور اس کی نگرانی ماہانہ بنیادوں پر کی جاتی ہے۔ ڈسٹری بیوشن ڈپارٹمنٹ کے علاقائی سربراہان مختلف غیر محسوب گیس سرگرمیوں کو عملی جامہ پہنانے اور مختلف محکموں / سیکشنز سے متعلق اپنی ٹیموں کے ذریعے آپریشن کے متعلقہ علاقوں میں UFG نقصانات کو کنٹرول کرنے کے ذمہ دار ہیں۔

مندرجہ ذیل اہم غیر محسوب گیس سرگرمیوں نے کمپنی کی غیر محسوب گیس میں کمی لانے میں کردار ادا کیا ہے:

ڈائریکٹرز رپورٹ

بورڈ آف ڈائریکٹرز 30 جون 2023 کو ختم ہونے والے مالی سال کے لئے آپ کی کمپنی کے پڑتال شدہ مالیاتی گوشوارہ جات سمیت 60 ویں سالانہ رپورٹ بمع آڈیٹرز رپورٹ پیش کرنے پر خوشی محسوس کر رہے ہیں۔

مالیاتی جائزہ

ہم 30 جون 2023 کو ختم ہونے والے سال کے لئے آپ کی کمپنی کے پڑتال شدہ مالیاتی گوشوارہ جات پیش کرتے ہوئے خوش ہیں، جس میں مالی سال 2022-23 کے لئے ریگولیٹر کے ذریعہ طے کردہ حتمی آمدنی کی ضروریات (FRR) شامل ہیں۔ اس عرصے کے دوران آپ کی کمپنی نے 15,772 ملین روپے کا قبل از ٹیکس منافع کمایا۔ سال کے دوران بعد از ٹیکس منافع 10,564 ملین روپے رہا، جس میں فی حصہ آمدن 16.66 روپے رہی جبکہ گزشتہ سال کے اسی عرصے کے دوران بعد از ٹیکس منافع 10,366 ملین روپے اور فی حصہ آمدن 16.34 روپے تھی۔

زیر نظر سال کے مالی نتائج کا خلاصہ درج ذیل ہے:

(ملین روپے میں)	
قبل از ٹیکس منافع	15,772
ٹیکس کی دستیابی	(5,208)
بعد از ٹیکس منافع	10,564

کچھ اہم عوامل جنہوں نے آپ کی کمپنی کے منافع کے تسلسل کو برقرار رکھنے میں کردار ادا کیا ہے وہ ذیل میں بیان کیے گئے ہیں:

1. غیر محسوب گیس (UFG) 5.58% سے کم ہو کر 5.15% (یعنی 0.43 کم) رہ گئی جبکہ غیر محسوب گیس کا حجم BCF 38.5 سے کم ہو کر BCF 32.6 یعنی BCF 5.9 تک کم ہو گیا۔ کل 16 ریجنز میں سے 7 ریجنز کی غیر محسوب گیس 4 فیصد سے کم جبکہ 4 ریجنز کی غیر محسوب گیس 6.25% سے کم ہے۔ غیر محسوب گیس میں یہ نمایاں کمی بورڈ کی مسلسل رہنمائی کے تحت حاصل کی گئی تھی، جس میں غیر محسوب گیس میں کمی کے پر عزم اہداف کا تعین اور مسلسل نگرانی شامل ہے۔

2. مالی سال 2022-23 سے ریگولیٹر نے کمپنی کے غیر محسوب گیس اہداف کے پیمانے پر نظر ثانی کی اور تریلی اور تقسیمی نظام کے لئے

الگ الگ اہداف مقرر کیے۔ کمپنی کا ماننا ہے کہ متعلقین سے مشاورت کے بغیر یکطرفہ اہداف مقرر کرنا لائسنس کی شرط کے مطابق نہیں ہے، اس کے مطابق معاملہ ریگولیٹر کے سامنے اٹھایا گیا ہے۔ غیر محسوب گیس کے حجم کو کم کرنے میں KMI نظام کے مثبت کردار کو تسلیم کرتے ہوئے، ریگولیٹر نے صرف تقسیمی نظام کے لئے KMI نظام کو برقرار رکھا ہے یعنی ایک مقررہ 5% اہداف اور اضافی 2.6% مقرر کرنا جو KMI کی پیشرفت پر منحصر ہے۔ تریلی نظام کا ہدف 0.36% مقرر کیا گیا تھا اور سال کے دوران نگرانی کے کلیدی اعدادیوں پر 84% پیش رفت کا تعین کرنے کے بعد تقسیمی نظام کا ہدف 7.18% مقرر کیا گیا تھا۔ ریگولیٹر نے تریلی نظام میں مقامی گیس کے لیے غیر محسوب گیس کا تخمینہ 0.24% اور تقسیمی نظام کے لئے 8.33% لگایا ہے، جس کے نتیجے میں 3,074 ملین روپے (2022 میں 2,498 ملین روپے کے مقابلے میں) کی عدم اجازت ہوئی ہے۔ عدم اجازت میں یہ اضافہ بنیادی طور پر نئے ہدف کے اطلاق اور سال کے دوران گیس کی بڑھتی ہوئی لاگت کی وجہ سے ہے۔

3. مزید برآں، ریگولیٹر نے کچھ صارفین کے حجم کو بھی اس دلیل پر حساب کتاب سے خارج کر دیا ہے کہ ان صارفین کو فروخت کی جانے والی گیس کمپنی کے نظام میں داخل نہیں ہوتی ہے۔ اس حجم کو چھوڑ کر غیر محسوب گیس نقصانات کا تخمینہ لگایا گیا ہے۔ تاہم کمپنی نے اس معاملے کو ریگولیٹر کے سامنے اٹھایا ہے۔

4. ڈیجیٹلائزیشن اور دیگر انتظامی اقدامات کے ذریعے وسائل کو بہتر بنانے کا عمل جاری رہا اور آپ کی کمپنی تقریباً ایک ارب روپے کی بچت کرنے میں کامیاب رہی۔

صارفین کی سہولت کے لیے خدمات

صارفین کی سہولت کمپنی کی اخلاقیات اور انتظامی فیصلوں کا محور ہے۔ موسم سرما کے مہینوں میں محدود رسد کے باعث تقریباً 7.5 ملین گھریلو صارفین کی طرف سے بڑھتی ہوئی طلب ایک خاص چیلنج ہے۔ ان مسائل سے نمٹنے کے لئے کمپنی نے پنجاب، خیبر پختونخوا، وفاقی دار الحکومت اور آزاد جموں و کشمیر میں 16 علاقائی دفاتر، 37 ذیلی علاقائی دفاتر، 42 کسٹر سروس سینٹرز اور 87 خود مختار شکایتی مراکز سمیت 182 شکایات مراکز کا وسیع نیٹ ورک

پر سولر انزیشن شامل ہیں۔ یہ اقدامات کمپنی کی طویل مدتی مالیاتی خوشحالی کی راہ ہموار کرتے ہیں۔ ان دور اندیش اقدامات کے ذریعے، آپ کی کمپنی خود کو توانائی کے شعبے میں ایک رہنما کے طور پر پیش کر رہی ہے اور جدت طرازی، چلک اور استحکام کی طرف منتقلی کے لئے پرعزم ہے۔



(محمد اسماعیل قریشی)
چیئر مین بورڈ آف ڈائریکٹرز

لاہور
26 جولائی، 2024

آنے والے مسائل سے پوری طرح آگاہ بورڈ ملک کی ترقی میں اپنا مکمل کردار ادا کرنے کیلئے بھرپور کوششوں کے ساتھ ثابت قدم ہے۔ اس بات کو مد نظر رکھتے ہوئے بورڈ پرعزم ہے کہ تمام متعلقین کے مفادات کے تحفظ کے لئے جوابدہی کو بڑھانے اور تجارتی نظم و نسق کے اعلیٰ ترین معیار کو برقرار رکھنے کے لئے مضبوط تجارتی نظم و نسق ضروری ہے۔

میں عمومی طور پر تمام متعلقین اور خصوصی طور پر کمپنی کے ملازمین کا ان کی حمایت، وفاداری، استقامت اور عزم کے لئے شکریہ ادا کرنا چاہتا ہوں۔ اس مشکل وقت میں آپ کا اعتماد اور ایک مشکل کاروباری اور معاشی ماحول میں مثبت نتائج دکھانا تعریف کا مستحق ہے۔ میں حکومت پاکستان، وزارت توانائی (پیٹرولیم ڈویژن) اور انسٹل اینڈ گیس ریگولیٹری اتھارٹی (اوگرا) کی رہنمائی اور مسلسل حمایت پر تہہ دل سے شکریہ ادا کرتا ہوں۔

جائزہ چیمپین

معزز حصہ داران

منجانب بورڈ

مجھے مالی سال 2022-23 کے دوران آپ کی کمپنی کی کارکردگی پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔ اسٹریٹجک وژن کی رہنمائی میں، کمپنی نے قابل ذکر ترقی حاصل کی ہے جس میں غیر محسوب گیس میں مسلسل کمی، بڑھتے ہوئے منافع، بنوں / شمالی وزیرستان سے متصل کئی مروت کے دشوار گزار علاقوں میں مربوط دریافتیں، جامع ڈیجیٹلائزیشن اور ادارے بھر میں وسائل کو بہتر بنانا شامل ہیں۔

غیر محسوب گیس (UFG) میں کمی خاص طور پر قابل ذکر تھی، جو BCF 38.6 سے کم ہو کر BCF 32.6 ہو گئی، جو سالانہ 15% سے زیادہ حجم میں کمی کی نمائندگی کرتی ہے۔ ڈیجیٹلائزیشن کی کوششوں میں وسیع پیمانے پر پروسیس آٹومیشن اور انٹر ایکٹو ڈیش بورڈز کی ترقی شامل ہے، جس سے بروقت فیصلہ سازی کے لئے جامع معلومات کی دستیابی میں سہولت ملتی ہے۔ سال کے دوران آپ کی کمپنی نے 10,564 ملین روپے کا بعد از ٹیکس منافع حاصل کیا، جس میں فی حصہ آمدن (ای پی ایس) 16.66 روپے رہی، جو گزشتہ مالی سال کے 10,366 ملین روپے اور 16.34 روپے کی فی حصہ آمدن سے زیادہ ہے۔

جغرافیائی معلوماتی نظام کی ٹیکنالوجی کو استعمال میں لاتے ہوئے ڈیجیٹل نقشہ جات اور اسکی متعلقہ خصوصیات ہمارے پائپ لائن نیٹ ورک کیلئے حد درجہ مفید ثابت ہو رہے ہیں۔ یہ جدید طریقہ کار نہ صرف ہماری کارکردگی میں اضافہ کا باعث ہے بلکہ صارفین کی شکایات کو درستی کے ساتھ حل کرنے اور مخصوص اہداف کے حصول میں بھی معاون ہے۔ GIS ٹیکنالوجی سے استفادہ کر کے، ہماری کمپنی ایک ہمہ جہتی منظم انداز میں آگے بڑھتے ہوئے، خدمات کی فراہمی اور فعالیت کے نئے معیار قائم کر رہی ہے۔ کمپنی کئی مروت سے متصل بنوں / شمالی وزیرستان کے دشوار گزار علاقوں میں مستقبل کے رابطوں کے پیش نظر نیٹ ورک کو توسیع دیتے ہوئے، دریافتوں سے کامیابی کے ساتھ استفادہ حاصل کر رہی ہے۔

کمپنی شعبہ توانائی میں صف اول کی کمپنیوں میں شامل ہے اور ملک کی معیشت میں اہم کردار ادا کر رہی ہے بطور توانائی کی ایک معروف افادیتی کمپنی یہ نہ صرف بڑے صنعتی اور تجارتی صارفین کی توانائی کی ضروریات کو پورا کرتی ہے بلکہ ماحولیاتی اور سماجی طور پر ذمہ دارانہ انداز میں 7.5 ملین سے زائد گھرانوں کی زندگیوں کو بھی بہتر بناتی ہے۔ بہترین کارکردگی اور جدت طرازی کے لئے اپنے مسلسل عزم کے ذریعے، کمپنی ملک کے توانائی کے مرکب میں ایک سنگ بنیاد ہے، جو ترقی اور خوشحالی کو فروغ دیتا ہے۔ آپ کی کمپنی اپنے قائدانہ کردار کو جاری رکھنے کے لئے پرعزم ہے۔

آپ کی کمپنی ایک انتہائی منظم طریقہ کار کے ذریعے چلتی ہے جہاں گیس کی خریداری اور فروخت کی قیمتوں پر کنٹرول ایک مخصوص پالیسی فریم ورک کے ذریعے طے کیا جاتا ہے، جس سے منافع کے لیے محدود مارجن رکھا جاتا ہے۔ وفاقی حکومت اور اس کے اداروں کے اکثریتی حصص ہونے کی وجہ سے کمپنی اپنے آپریشنز کے ساتھ وفاقی حکومت کے سماجی و اقتصادی ایجنڈے سے ہم آہنگ ہونے کی پابند ہے۔ اس منفرد پوزیشن کے لئے تعمیل اور آپریشنل کامیابی کے درمیان توازن کی ضرورت ہوتی ہے، جس سے کمپنی کے لئے اسٹریٹجک مطابقت پذیری اہم ہو جاتی ہے۔

کمپنی کے ڈائریکٹرز اور انتظامیہ صارفین کی خدمات کے شعبوں میں مطلوبہ کارکردگی، پوری کمپنی میں احتساب کے نظام کو بہتر بنانے، TBS کی سطح پر موثر انتظام کی تکمیل اور کمپنی کے ڈیجیٹل فٹ پرنٹ کو بڑھانے سے پوری طرح آگاہ ہیں۔

تسلسل کو یقینی بنانے اور اسٹریٹجک ترقی کے دوام کے لئے، آپ کی کمپنی مستحکم اور متنوع آمدنی کے ذرائع کی تلاش میں مستعد ہے۔ ان اسٹریٹجک مقاصد کے حصول میں LPG سلنڈروں کی فراہمی میں نمایاں پیش رفت اور عمودی انضمام کے لئے پرعزم منصوبے اور پوری کمپنی کے مختلف دفاتر میں ماحول دوست اقدامات کے حصے کے طور

[illegible]

Form of Proxy

SUI NORTHERN GAS PIPELINES LIMITED

I/We _____
of _____
being a member of SUI NORTHERN GAS PIPELINES LIMITED and holder of _____ (number of shares)
ordinary shares vide Registered Folio/CDC Participant I.D. No. _____
hereby appoint Mr./Mrs./Miss. _____ of _____
or failing whom Mr./Mrs./Miss _____ of _____
as my/our proxy to vote for me/us and on my/our behalf at the 59th Annual General Meeting of the Company to be held
on Wednesday, August 21, 2024 at 10:30 a.m. at Pearl Continental Hotel, Lahore and /or at any adjournment thereof.

Signed under my/our hand this _____ day of _____, 2024.

**Signature on
appropriate value
of Revenue Stamp**

(Signature should agree
with the specimen
signature registered with
the Company)

WITNESSES:

1. Signature: _____	2. Signature: _____
Name: _____	Name: _____
_____	_____
Address: _____	Address: _____
_____	_____
CNIC / Passport No. _____	CNIC / Passport No. _____
Dated: _____	

NOTES:

1. All members, entitled to attend and vote at the general meeting, are entitled to appoint another person in writing as their proxy to attend and vote on their behalf. A legal entity, being a member, may appoint any person, regardless whether they are a member or not, as proxy. In case of legal entities, a resolution of the Board of Directors / Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the legal entity, shall be submitted to the Company. The proxy holders are required to produce their original CNIC or original Passport at the time of the meeting.
2. The proxy instrument must be complete in all respects and, in order to be effective, should be deposited at the Registered Office of the Company but not later than 48 hours before the time of holding the meeting.

For CDC account holders / legal entities:

In addition to the above, the following requirements have to be met:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall submit the proxy form as per the requirements mentioned below.
- ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii) Attested copies of CNIC or the Passport of the beneficial owners and of the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.
- v) In case of a legal entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.



پراکسی فارم

سوئی ناردرن گیس پائپ لائنز لمیٹڈ

میں مسی / مسات _____

ساکن _____

بحیثیت ممبر سوئی ناردرن گیس پائپ لائنز لمیٹڈ (کمپنی) حامل _____ عمومی حصص،

(تعداد حصص) (شیرز)

جو کہ بحوالہ فولیو نمبر / سی ڈی سی (CDC) اکاؤنٹ نمبر _____ کے تحت

مسی / مسات _____ ساکن _____ کو بطور مختار (پراکسی) مقرر کرتا / کرتی ہوں بصورت عدم موجودگی

مسی / مسات _____ ساکن _____

کو بطور مختار (پراکسی) مقرر کرتا / کرتی ہوں تاکہ وہ میری جگہ کمپنی کے انسٹواں سالانہ اجلاس عام، جو بتاریخ 21 اگست 2024ء بروز بدھ بوقت 10:30 بجے صبح پرل کا ٹینٹنٹل ہوٹل، لاہور میں منعقد ہو رہا ہے یا اس کے ملتوی شدہ اجلاس میں شرکت کر سکیں اور ووٹ ڈال سکیں۔

مورخہ: _____

جگہ برائے درست قیمت
کے رسیدی ٹکٹ
اور ان پر حصے دار کے
درج شدہ (رجسٹرڈ) دستخط

گواہان:

1.

دستخط:

نام گواہ:

پتہ:

2.

دستخط:

نام گواہ:

پتہ:

شناختی کارڈ / پاسپورٹ نمبر:

شناختی کارڈ / پاسپورٹ نمبر:

مورخہ: _____



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www.sngpl.com.pk
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