

Sui Northern Gas Pipelines Limited



1st Quarter Accounts (Un-Audited)
For the Period Ended September 30, 2018

SUSTAINABLE

GROWTH



Corporate Information

BOARD OF DIRECTORS

Syed Dilawar Abbas	Chairman
Mr. Mahmood Zia Ahmad	Managing Director
Mr. Ahmad Aqeel	Director
Mr. Himayat Ullah Khan	Director
Mirza Mahmood Ahmad	Director
Mr. Manzoor Ahmed	Director
Mian Misbah-ur-Rehman	Director
Qazi Mohammad Saleem Siddiqui	Director
Mr. Mohammad Younus Dagha	Director
Mr. Mustafa Ahmad Khan	Director
Ms. Roohi Raees Khan	Director
Mr. Sher Afgan Khan	Director

COMMITTEES OF THE BOARD OF DIRECTORS

AUDIT COMMITTEE

Mr. Manzoor Ahmed	Chairman
Mr. Ahmad Aqeel	Member
Qazi Mohammad Saleem Siddiqui	Member
Mr. Mohammad Younus Dagha	Member
Mr. Mustafa Ahmad Khan	Member
Ms. Roohi Raees Khan	Member

FINANCE & PROCUREMENT COMMITTEE

Mirza Mahmood Ahmad	Chairman
Mr. Mahmood Zia Ahmad	Managing Director
Mr. Ahmad Aqeel	Member
Mian Misbah-ur-Rehman	Member
Mr. Mohammad Younus Dagha	Member
Ms. Roohi Raees Khan	Member
Mr. Sher Afgan Khan	Member

HR & NOMINATION COMMITTEE

Syed Dilawar Abbas	Chairman
Mr. Mahmood Zia Ahmad	Managing Director
Mr. Ahmad Aqeel	Member
Mirza Mahmood Ahmad	Member
Mr. Manzoor Ahmed	Member
Mian Misbah-ur-Rehman	Member
Mr. Mustafa Ahmad Khan	Member
Mr. Sher Afgan Khan	Member

UNACCOUNTED FOR GAS (UFG)

CONTROL COMMITTEE

Qazi Mohammad Saleem Siddiqui	Chairman
Mr. Mahmood Zia Ahmad	Managing Director
Mirza Mahmood Ahmad	Member
Mr. Mohammad Younus Dagha	Member
Mr. Mustafa Ahmad Khan	Member

RISK MANAGEMENT COMMITTEE

Mr. Ahmad Aqeel	Chairman
Mr. Mahmood Zia Ahmad	Managing Director
Mirza Mahmood Ahmad	Member
Mr. Manzoor Ahmed	Member
Mian Misbah-ur-Rehman	Member
Qazi Mohammad Saleem Siddiqui	Member

CHIEF FINANCIAL OFFICER

Mr. Saghir-ul-Hassan Khan

COMPANY SECRETARY / SECRETARY TO COMMITTEES OF THE BOARD

Miss Wajiha Anwar

AUDITORS

A.F. Ferguson & Co.
Chartered Accountants

SHARE REGISTRAR

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Website: www.cdcPakistan.com

LEGAL ADVISORS

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

REGISTERED OFFICE

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DIRECTORS' REVIEW

We are pleased to present the un-audited financial statements for the 1st Quarter ended September 30, 2018. During the period under review, your Company has earned historical high profit after tax amounting to Rs 2,596 million against a profit of Rs 1,919 million for the corresponding period. The earnings per share for the period was Rs 4.09 as against earnings per share of Rs. 3.03 for the period ended September 30, 2017.

In view of the unprecedented profit posted by your Company during the first Quarter for FY 2018-19, the Board of Directors have announced interim cash dividend of 15%.

As a result of UFG study conducted by OGRA, the parameters used for the purpose of calculation of UFG have been revised from July 01, 2017. Consequently non-consumer and law effected area's volumes which were earlier allowed by OGRA, over and above the benchmark, have now become part of UFG benchmark. This has been partly compensated by giving an increase in fixed UFG benchmark from 4.5% to 5% and providing further upward adjustment in UFG benchmark by 2.60% in addition to fixed UFG benchmark of 5% based on the achievement of Key Monitoring Indicators (KMIs) as determined by OGRA in FRR for FY 2017-18. The Company's UFG benchmark was set at 6.991% (5.0%+1.991%) based on 76.58% key monitoring indicators (KMIs) as determined in FRR for FY 2017-18. The same benchmark of 6.991% has been used in the first quarter for FY 2018-19 for calculating UFG disallowance, despite the fact that during the FY 2017-18 the Company achieved higher percentage of KMIs as against 76.58% as determined by OGRA in the FY 2017-18. Moreover, the Board and the management are confident to restrict the UFG in the ensuing quarter of FY 2018-19.

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 in place of the existing rate of return which amounts to 17.5% of the average operating assets. Weighted Average Cost of Capital ('WACC') was computed at 17.43% for financial year 2018-19 and onwards and accordingly the Company has prepared its financial statements for the first quarter of FY 2018-19 using rate of return of 17.43% on its average operating assets.

Despite all the economic challenges and financial constraints, the Company has not only maintained its pace but accelerated it by gaining extra profit as compared to corresponding period. This has primarily been achieved by timely completion of targets of infrastructure development and taking wise decision by the Board/Management for the sustainability of the Company. The Board of Directors, Management and staff of the Company are confident that performance of the Company will further enhance in the years ahead.

PROJECTS

Projects Department has completed / commissioned 36.59 KMs Transmission Lines with diameters 6" & 12" including the contract line and 88.29 KMs of Distribution Lines were commissioned up to 1st Quarter of FY 2018-19 for enhancing system capacity, supplying gas to new towns and improving pressure to customers for achieving customer satisfaction. In view of acute energy crisis prevailing in the country, Government of Pakistan aggressively pursued the import of 1200 MMCFD LNG into the country to meet shortfall in gas supplies and so far 900-1000 MMCFD RLNG has been injected into system. The Company has completed / commissioned the following:

- (i) its system augmentation project for the transportation of 1200 MMCFD RLNG into its system.
- (ii) spur lines laying jobs of three power plants at Bhikki, Haveli Bahadur Shah and Balloki of consolidated 3600 MW capacity for supplying 200 MMCFD RLNG to each power plant.
- (iii) the pipeline infrastructure development works for supplying gas to Nandipur power plant.

Moreover, SNGPL is also undertaking spur line job for supply of 200 MMCFD RLNG to Punjab Power Plant near Trimmu Barrage, District Jhang, of 1400 MW capacity on 100 % cost sharing



basis. The works on the project have been initiated which are likely to be completed by June-2019.

As per direction of Government of Pakistan, SNGPL has planned new 42"dia x 770 KM pipeline project to build another 1200 MMCFD pipeline capacity in its franchise areas from Sawan to Lahore for upcoming LNG terminals in the country keeping in view the diminishing indigenous gas supply resources for meeting the increasing gas demand of all sectors, whereas pipeline from Karachi to Sawan shall be built by SSGC. After the completion of system augmentation Project, your Company has been able to transport 1200 to 1500 MMCFD RLNG gas into the system. Your Company has also completed infrastructure required to supply 700 MMCFD RLNG to new RLNG based power plants constructed in Punjab. Your company is also engaged in supplying 200 MMCFD gas to new RLNG based Power Plant, being constructed near Trimmu, District Jhang in Punjab. However, after the completion of new project i.e. 42"dia x 770 KM Pipeline Project along with 89,750 HP compression, your Company shall be able to transport further 1200 MMCFD RLNG from Sawan to Lahore. The Board of Directors has granted conceptual approval of the project. Economic Coordination Committee (ECC) of the cabinet has also approved the financial model of the Project. At present, the Company has sought GOP (Petroleum Division)'s guarantee of necessary arrangements for entire capacity utilization of the project.

BUSINESS DEVELOPMENT

The Company is engaged in various pipeline construction projects of national and multinational companies. SNGPL is undertaking pipeline engineering and construction jobs of MOL Pakistan's flow line / trunk lines and Fiber Optic Cable in District Kohat / Hangu for different gas fields of MOL Pakistan like Maramzai, Manzalai, Mamikhel, Makori Deep-1, Tolanj West and Makori for the last fifteen years. MOL Pakistan has played a very vital role in strengthening the gas input supplies. MOL Pakistan is presently working on Mardankhel-3 well and has awarded the project of pipeline laying from / to the well to SNGPL which is under progress. The completion of Mardankhel-3 project will inject additional 15-20 MMCFD gas into SNGPL's system that would be quite instrumental in reducing the energy deficiency in the country. Lately, SNGPL has also completed MOL Pakistan's pipeline construction jobs of 6"dia x 6 Km & 12"/10"dia x 22 KM pipe line for Mardankhel-2 & Mardankhel-1 wells respectively, which has resulted in injection of additional 40-50 MMCFD gas into SNGPL's system.

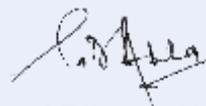
ACKNOWLEDGEMENTS

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

On behalf of the Board



(Mahmood Zia Ahmad)
Managing Director/CEO



(Syed Dilawar Abbas)
Chairman-BOD

Lahore.
April 20, 2019



Condensed Interim Statement Of Financial Position

As at September 30, 2018

		Un-audited September 30, 2018	Audited June 30, 2018
	Note	(Rupees in thousand)	
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital 1,500,000,000 ordinary shares of Rs 10 each		15,000,000	15,000,000
Issued, subscribed and paid up share capital 634,216,665 (June 30, 2018; 634,216,665) ordinary shares of Rs 10 each		6,342,167	6,342,167
Revenue reserves		14,930,317	12,334,514
Shareholders' equity		21,272,484	18,676,681
NON-CURRENT LIABILITIES			
Long term financing:			
-Secured	4	50,420,000	50,420,000
-Unsecured	5	379,418	415,232
Security deposits		44,770,332	43,782,459
Deferred credit		57,785,781	57,854,554
Deferred taxation		1,963,857	1,676,766
Employee benefits		7,876,723	7,617,333
		163,196,111	161,766,344
CURRENT LIABILITIES			
Trade and other payables	6	269,518,327	233,679,577
Unclaimed Dividend		106,355	111,462
Interest and mark-up accrued on loans and other payables		35,870,933	31,363,988
Short term borrowing-secured	7	2,648,299	3,986,546
Current portion of long term financing	8	11,608,218	11,572,645
		319,752,132	280,714,218
CONTINGENCIES AND COMMITMENTS			
	9	-	-
		504,220,727	461,157,243

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.


(Saghir-ul-Hassan Khan)
 Chief Financial Officer



Condensed Interim Statement Of Financial Position

As at September 30, 2018

		Un-audited September 30, 2018	Audited June 30, 2018
	Note	(Rupees in thousand)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	190,393,509	190,609,690
Intangible assets		118,924	116,432
Long term investment		4,900	4,900
Long term loans		760,846	818,832
Employee benefits		2,471,951	2,488,638
Long term deposits and prepayments		25,020	24,527
		193,775,150	194,063,019
CURRENT ASSETS			
Stores and spare parts		4,043,753	3,832,525
Stock in trade	11	55,660,518	31,404,569
Trade debts	12	67,235,234	66,314,600
Loans and advances	13	3,146,493	1,260,945
Trade deposits and short term prepayments	14	711,099	226,212
Accrued interest		18,457	16,585
Other receivables	15	135,374,542	122,338,162
Sales tax recoverable		36,017,207	33,513,780
Income tax receivable		852,296	1,111,813
Cash and bank balances	16	7,385,978	7,075,033
		310,445,577	267,094,224
		504,220,727	461,157,243

(Mahmood Zia Ahmad)
Managing Director/CEO

(Syed Dilawar Abbas)
Chairman



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

For the Quarter Ended September 30, 2018

	Note	September 30, 2018	September 30, 2017
(Rupees in thousand)			
Gas sales		158,035,116	90,216,147
Add: differential margins	17	2,184,990	3,462,787
		160,220,106	93,678,934
Less: Cost of gas sales	18	152,084,625	89,617,277
Gross profit		8,135,481	4,061,657
Add: Other operating income	19	3,935,535	3,150,996
		12,071,016	7,212,653
Less: Operating expenses:			
Selling cost		1,759,582	1,133,536
Administrative expenses		1,552,982	1,369,299
Other operating expenses	20	384,114	146,551
		3,696,678	2,649,386
Operating profit		8,374,338	4,563,267
Less: Finance cost	21	4,592,450	1,822,397
Profit before taxation		3,781,888	2,740,870
Taxation	22	1,186,085	822,260
Profit for the period		2,595,803	1,918,610
Earnings per share - basic and diluted (Rupees)		4.09	3.03

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.


(Saghir-ul-Hassan Khan)
Chief Financial Officer


(Mahmood Zia Ahmad)
Managing Director/CEO


(Syed Dilawar Abbas)
Chairman



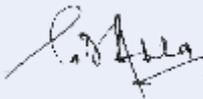
Condensed Interim Statement of Comprehensive Income (Un-audited) for the Quarter Ended September 30, 2018

	Quarter ended	
	September 30, 2018	September 30, 2017
	(Rupees in thousand)	
Profit for the period	2,595,803	1,918,610
Other comprehensive income for the period		
Items that will not be reclassified to profit and loss	-	-
Items that may subsequently be reclassified to profit and loss	-	-
Total comprehensive income for the period	2,595,803	1,918,610

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.


(Saghir-ul-Hassan Khan)
Chief Financial Officer


(Mahmood Zia Ahmad)
Managing Director/CEO


(Syed Dilawar Abbas)
Chairman



Condensed Interim Statement of Cash Flow (Un-audited)

for the Quarter Ended September 30, 2018

	Note	September 30, 2018	September 30, 2017
(Rupees in thousand)			
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	23	5,466,423	922,238
Finance cost paid		(105,576)	(8,693)
Income taxes paid		(639,477)	(139,846)
Employee benefits paid/contributions paid		(257,281)	(2,267,837)
Security deposits received		987,873	662,236
Receipts against government grants and consumer contributions		516,243	2,915,595
Long term loans to employees		(35,171)	31,650
Long term deposits and prepayments		(493)	(1,220)
Net cash inflow from operating activities		5,932,541	2,114,123
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		(4,371,778)	(6,323,278)
Capital expenditure on Intangible assets		(25,177)	-
Proceeds from sale of property, plant and equipment		47,347	20,024
Return on bank deposits		77,734	85,413
Net cash used in investing activities		(4,271,874)	(6,217,841)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term financing - unsecured		(6,368)	(2,496)
Proceeds from long term financing- secured		-	6,350,200
Dividend paid		(5,107)	(17)
Net cash (outflow) / inflow from financing activities		(11,475)	6,347,687
Net increase in cash and cash equivalents		1,649,192	2,243,969
Cash and cash equivalents at the beginning of the period		3,088,487	2,648,524
Cash and cash equivalents at the end of the period	23.2	4,737,679	4,892,493

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.


(Saghir-ul-Hassan Khan)
Chief Financial Officer


(Mahmood Zia Ahmad)
Managing Director/CEO


(Syed Dilawar Abbas)
Chairman



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

For the Quarter Ended September 30, 2018

	Share Capital	Revenue Reserves			Total	Total share holders' equity
		General Reserve	Dividend Equalization Reserve	Unappropriated Profit / (Loss)		
(Rupees in thousand)						
Balance as at June 30, 2017 (Audited)	6,342,167	4,127,682	480,000	(354,056)	4,253,626	10,595,793
Total comprehensive income from July 01, 2017 to September 30, 2017	-	-	-	1,918,610	1,918,610	1,918,610
Balance as at September 30, 2017 (Un-audited)	6,342,167	4,127,682	480,000	1,564,554	6,172,236	12,514,403
Transactions with owners						
Final dividend for the year ended June 30, 2017 @ Rupees 6.00 per share	-	-	-	(3,805,300)	(3,805,300)	(3,805,300)
Interim dividend for the first quarter ended September 30, 2017 @ Rupees 1.50 per share	-	-	-	(951,325)	(951,325)	(951,325)
	-	-	-	(4,756,625)	(4,756,625)	(4,756,625)
Total comprehensive income for the period from October 01, 2017 to June 30, 2018	-	-	-	10,918,903	10,918,903	10,918,903
Balance as at June 30, 2018 (Audited)	6,342,167	4,127,682	480,000	7,726,832	12,334,514	18,676,681
Total comprehensive income for the period from July 01, 2018 to September 30, 2018	-	-	-	2,595,803	2,595,803	2,595,803
Balance as at September 30, 2018 (Un-audited)	6,342,167	4,127,682	480,000	10,322,635	14,930,317	21,272,484

The annexed notes from 1 to 28 form an integral part of these condensed interim financial statements.


(Saghir-ul-Hassan Khan)
Chief Financial Officer


(Mahmood Zia Ahmad)
Managing Director/CEO


(Syed Dilawar Abbas)
Chairman



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

For the Quarter Ended September 30, 2018

1. THE COMPANY AND ITS OPERATIONS

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

Region	Address
Abbottabad	Jub Pul. PO Jhangi, Main Manshera Road, Abbottabad.
Bahawalpur	6-A-D, Model Town-A, Bahawalpur.
Faisalabad	Sargodha Road, Faisalabad.
Gujranwala	M.A. Jinnah Road, Gujranwala.
Sialkot	Wahid Road, Malkay Kalan, Off. Marala Road, Sialkot.
Gujrat	State life building, 120 & 121. G.T. Road, Gujrat.
Islamabad	Plot No. 28-30, I-9 Industrial Area, Islamabad.
Rawalpindi	Al-Mansha Plaza, Opp. LESCO Office, Main G.T. Road, Rawalpindi.
Lahore (East and West)	21-Industrial Area, Gulberg-III, Lahore.
Multan	Piran Ghaib Road, Multan.
Peshawar	Plot No. 33, Sector B-2M, Hayatabad, Peshawar
Mardan	Riffat Mehal, Near Mardan Industrial Estate, Main Nowshera Road, Mardan.
Sahiwal	79-A, 79-B, Canal Colony, Sahiwal.
Sargodha	H. No. 15, Muslim Town, Sargodha.
Sheikupura	Main Sargodha Road, Near Punjab College, Sheikupura.
WAH	Gudwal Link Road, Wah Cantt

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

2. BASIS OF PREPARATION

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

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

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

- 2.2 These condensed interim financial statements do not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2018.

3. ACCOUNTING POLICIES AND ESTIMATES

- 3.1 The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the preceding annual financial statements of the company for the year ended June 30, 2018 except for



the following:.

IFRS 15 'Revenue from Contracts with Customers

The Company has adopted IFRS 15 from 01 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an Company's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the Company's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Key changes in accounting policies resulting from application of IFRS 15

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct goods or services to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

- (i) Revenue from gas sales is recognized on the basis of gas supplied to consumers at the rates fixed by 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.
- (ii) Meter rentals are recognized on a monthly basis, at specified rates by OGRA for various categories of consumers.
- (iii) Interest on gas sales arrears and surcharge on late payment is calculated from the date the billed amount is overdue and recognized when it is probable that economic benefits will flow to the entity.
- (iv) Return on bank deposits is accrued on a time proportion basis by reference to the principal outstanding and applicable rate of return.
- (v) 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.
- (vi) Income on the construction contracts is recognized over time by reference to the progress towards complete satisfaction of the relevant performance obligation.
- (vii) Income on the Urgent fee is recognized when the performance obligation as per the terms of contract agreed with consumer is completed.

- 3.2** Judgments and estimates used by the management in the preparation of these condensed interim financial statements are same as those applied to the annual financial statements for the year ended June 30, 2018.



	Note	Un-audited September 30, 2018	Audited June 30, 2018
(Rupees in thousand)			
4. LONG TERM FINANCING - SECURED			
From banking companies			
Local currency - Syndicate term finance - I	4.1	9,360,000	9,360,000
Local currency - Syndicate term finance - II	4.2	28,213,097	28,213,097
		<u>37,573,097</u>	<u>37,573,097</u>
Other loans			
Islamic finance under musharaka arrangement	4.3	2,750,000	2,750,000
Islamic finance under musharaka arrangement	4.3	4,800,000	4,800,000
Islamic finance under lease arrangement for LNG Project Phase-II	4.3	14,786,903	14,786,903
Islamic finance under musharaka arrangement	4.3	1,600,000	1,600,000
		<u>61,510,000</u>	<u>61,510,000</u>
Less: Current portion shown under current liabilities	8	11,090,000	11,090,000
		<u>50,420,000</u>	<u>50,420,000</u>

4.1 Syndicate term finance-I

Lender	Mark-up rate	No. of instalments	Maturity date
Syndicate of banks	Six months KIBOR+ 0.70% p.a.	10 half yearly intallments	May 19, 2022

This loan has been obtained from a syndicate of banks (with Bank Alfalah acting as the Agent and United Bank Limited acting as the Security Trustee) and is secured by a first pari passu created by way of hypothecation over all present and future movable fixed assets of the company (excluding land and building) to the extent of Rs 15,600,000 thousand (June 30, 2018: Rs 15,600,000 thousand). The effective mark-up charged during the period is 7.21 % per annum (June 30, 2018: 7 % to 7.21% per annum).

4.2 Syndicate term finance - II

Lender	Mark-up rate	No. of instalments	Maturity date
Syndicate of banks	Six months KIBOR+ 1.10% p.a.	16 Half yearly Instalments	June 8, 2026

This loan has been obtained from a syndicate of banks (with Habib Bank Limited acting as the Agent) and is secured by a first pari passu charge created by way of hypothecation over all present and future movable fixed Regassified Liquefied Natural Gas (RLNG) assets of the Company to the extent of Rs 35,870,000 thousand (June 30, 2018: Rs 35,870,000 thousand) relating to the project and a sovereign guarantee of the Government of Pakistan. The effective mark-up charged during the period is 8.03 % per annum (June 30, 2018: 7.26 % to 8.03% per annum).



4.3 Arrangements under Islamic financing

Lender	Mark-up rate	No. of instalments	Maturity date
Syndicate of banks	Six months KIBOR+ 0.55% per annum	8 Half yearly Instalments	June 30, 2020

This loan has been obtained from a syndicate of banks (with Al Baraka Bank Limited acting as the Investment Agent) and is secured by a first pari passu charge created by way of hypothecation over movable fixed assets of the company (excluding land and building) to the extent of Rs 7,333,333 thousand (June 30, 2018: Rs 7,333,333 thousand). The effective mark-up charged during the period is 7.59 % per annum (June 30, 2018: 6.69 % to 7.59 % per annum).

Lender	Mark-up rate	No. of instalments	Maturity date
Syndicate of banks	Six months KIBOR+ 0.70% p.a.	10 Half yearly Instalments	May 19, 2022

This loan has been obtained from a syndicate of banks (with Bank Alfalah acting as the Investment Agent) and is secured by a first pari passu charge created by way of hypothecation over movable fixed assets of the company (excluding land and building) to the extent of Rs 8,000,000 thousand (June 30, 2018: Rs 8,000,000 thousand). The effective mark-up charged during the period is 7.21 % per annum (June 30, 2018: 7 % to 7.21 % per annum).

Lender	Mark-up rate	No. of instalments	Maturity date
Syndicate of banks	Six months KIBOR+ 1.10% p.a.	16 Half yearly Instalments	June 8, 2026

This loan has been obtained from a syndicate of banks (with Habib Bank Limited acting as the Agent) and is secured by a first pari passu charge created by way of hypothecation over all present and future movable fixed RLNG assets of the Company to the extent of Rs 18,800,000 thousand (June 30, 2018: Rs 18,800,000 thousand) relating to the project and the sovereign guarantee of Government of Pakistan. The effective mark-up charged during the period is 8.03 % per annum (June 30, 2018: 7.26 % to 8.03 % per annum).

Lender	Mark-up rate	No. of instalments	Maturity date
Allied Bank Limited	Six months KIBOR - 0.12% p.a.	4 Half yearly Installments	September 28, 2019

This loan 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. The effective mark-up charged during the period ranges from 6.44 % to 8.07% per annum (June 30, 2018: 6.05 % to 6.44 % per annum)

Note	Un-audited September 30, 2018	Audited June 30, 2018
(Rupees in thousand)		

5. LONG TERM FINANCING - UNSECURED

Other loans - Local currency:		897,636	897,877
Less: Current portion shown under current liabilities	8	518,218	482,645
		379,418	415,232

5.1 These loans carry effective mark-up at variable rates which range from 6.55% per annum to 14.24% per annum (June 30, 2018: 6.55% per annum to 14.47% per annum).



	Note	Un-audited September 30, 2018	Audited June 30, 2018
(Rupees in thousand)			
6. TRADE AND OTHER PAYABLES			
Creditors for:			
Gas	6.1	233,265,866	207,456,506
Supplies		1,551,099	1,400,122
Accrued liabilities		10,770,887	11,675,679
Provident fund		106,447	42,439
Gas infrastructure development cess payable	6.2	474,924	439,868
Interest free deposits repayable on demand		280,282	727,809
Earnest money received from contractors		137,553	130,463
Mobilization and other advances		3,015,214	3,184,518
Advances from customers		8,477	7,925
Due to customers		68,066	68,066
RLNG differential margin	6.3	14,996,301	4,012,899
Gas swapping deferral account	6.4	2,751,556	2,640,675
Workers' profit participation fund		2,091,655	1,892,608
		269,518,327	233,679,577

6.1 Included in trade payables is an amount of Rs 22,107,050 thousand (2018: Rs 12,350,792 thousand) and Rs 7,483,286 thousand (2018: 10,222,060 thousand) due to Pakistan State Oil (PSO) and Pakistan LNG Limited (PLL) respectively representing payable against Liquefied Natural Gas (LNG) supplied by them. In this regard, the agreement for the supply of LNG between the parties has 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.

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

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

In September 2014, a GIDC Ordinance was issued by President of Pakistan, pursuant to which, on directions of OGRA, the Company charged GIDC from its consumers with effect from September 2014. The Ordinance was superseded by GIDC Act 2015 passed by Parliament of Pakistan. The Act ratified the preceding GIDC Act 2011 and 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 FY2017-18, 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 and May 21, 2015, subject to agreement with the Company.

Furthermore, principal amount of GIDC amounting to Rs 136,277,960 thousand (2018: Rs 130,606,731 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, such 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. The current payable amount of Rs 474,924 thousand (2018: Rs 439,868 thousand) represents GIDC collected from consumers which has been deposited in the Government treasury subsequent to September 30, 2018.



	Un-audited September 30, 2018	Audited June 30, 2018
	(Rupees in thousand)	
6.3 RLNG differential margin		
Opening balance	4,012,899	4,192,208
Recognised for the period/year	10,983,402	(179,309)
Closing balance	14,996,301	4,012,899

The balance of RLNG Margin Account represents the aggregate difference between the margin earned by the Company from the purchase and sale of RLNG based on the notified rates and the RLNG margin guaranteed to the Company till September 30, 2018. The settlement of this amount is expected to materialize in the shape of adjustment to future sale price of RLNG by OGRA.

	Un-audited September 30, 2018	Audited June 30, 2018
	(Rupees in thousand)	
6.4 Gas swapping deferral account		
Opening balance	2,640,675	-
Recognised for the period/year	110,881	2,640,675
Closing balance	2,751,556	2,640,675

A gas swapping mechanism was allowed by the Economic Coordination Committee ("ECC") of the Cabinet Division vide its decision dated May 11, 2018, which was endorsed by OGRA vide Final Revenue Requirement decision of the Company for financial year 2017-18 dated January 15, 2019 (FRR 17-18), for swapping of natural gas and RLNG for the purpose of gas load management. The necessary volumetric adjustments and financial impact is to be made on a cost neutral basis in the sale price of RLNG. The balance of gas swapping deferral account represents the difference of average cost of RLNG and the prescribed price of system gas (used by OGRA in determination of deferral account) of the swapped volumes. This amount will be adjusted upon directional changes in gas swapping and / or tariff adjustments in future periods to be determined by OGRA.

7. Short term borrowing - secured

	Note	Un-audited September 30, 2018	Audited June 30, 2018
		(Rupees in thousand)	
Allied Bank Limited	7.1	2,176,618	2,348,352
Bank Alfalah Limited	7.2	471,681	1,638,194
		2,648,299	3,986,546

7.1 This is a short term running finance facility of Rs 4,000,000 thousand. This facility carries mark-up at the rate of 3 months KIBOR per annum (2018: 3 months KIBOR plus 0.15% per annum) on the balance outstanding. This is secured by way of first pari passu charge over current assets of the Company to the extent of Rs 1,333,330 thousand (2018: Rs 1,333,330 thousand) and ranking charge over current assets of the Company to the extent of Rs 4,000,000 thousand (2018: Rs 4,000,000 thousand). Mark-up is payable on quarterly basis. The effective interest rate during the period is charged at 6.92% (2018: 6.29% to 6.50%) per annum.

7.2 This is a short term running finance facility from Bank Alfalah Limited amounting to Rs 2,500,000 thousand (2018: Rs 2,500,000 thousand). This facility carries mark-up at the rate of 3 months KIBOR per annum (2018: 3 months KIBOR per annum) on the balance outstanding. This is secured by way of ranking charge over current assets of the Company to the extent of Rs 3,333,334 thousand (2018: Rs 3,333,334 thousand). Mark-up is payable on quarterly basis. The effective interest rate during the period is 6.93% per annum (2018: 6.41% per annum)



	Note	Un-audited September 30, 2018	Audited June 30, 2018
(Rupees in thousand)			
8. CURRENT PORTION OF LONG TERM FINANCING			
Long term financing - secured	4	11,090,000	11,090,000
Long term financing - unsecured	5	518,218	482,645
		11,608,218	11,572,645

9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

There is no significant change in contingencies from the preceding audited financial statements of the company for the year ended June 30, 2018.

	Un-audited September 30, 2018	Audited June 30, 2018
(Rupees in thousand)		
9.2 Commitments:		
a) Capital Commitments		
Property, plant and equipment	858,402	636,879
Intangible assets	29,095	29,307
Stores and spares	15,973,600	18,141,502
	16,861,097	18,807,688
b) Other Commitments	666,039	684,443

10. Property, plant and equipment

Operating fixed assets Tangible

Opening book value	171,406,578	140,804,573
Additions during the period/year	2,897,006	47,760,232

	174,303,584	188,564,805
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Book value of property, plant and equipment disposed off during the period/year	(13)	(3,010)
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Book value of property, plant and equipment transferred to CWIP during the period/year	-	(38,221)
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Depreciation charged during the period/year	(4,643,677)	(17,116,996)
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	(4,643,690)	(17,158,227)
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Closing book value	169,659,894	171,406,578
Capital work-in-progress	20,733,615	19,203,112

	190,393,509	190,609,690
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	Note	Un-audited September 30, 2018	Audited June 30, 2018
(Rupees in thousand)			
10.1 CAPITAL WORK-IN-PROGRESS			
Transmission system		2,376,283	2,076,420
Distribution system		9,188,177	8,718,932
Stores and spares including in transit Rs 298,553 thousand (June 2018: Rs 1,325,451 thousand)		8,708,851	7,819,285
Advances for land and other capital expenditure		460,304	588,475
		20,733,615	19,203,112

11. STOCK-IN-TRADE

- Gas in pipelines		3,812,279	3,211,724
- Held with third parties	11.1	51,848,239	28,192,845
		55,660,518	31,404,569

11.1 This represents gas purchased by the Company that is yet to be delivered by Engro Elengy Terminal (Private) Limited ('EETL') and Sui Southern Gas Company Limited ('SSGCL'). Subsequent to the period end, OGRA vide its decision dated November 20, 2018, and further clarification dated February 4, 2019, directed that this stock be sold to SSGCL 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 shall be passed on to the Company within a month of sale of RLNG stock by SSGCL to its consumers and is to be realised / adjusted in form of future price adjustments of the Company's RLNG consumers. The Company and SSGCL are in the process of finalising an agreement to implement the decision of OGRA.

	Note	Un-audited September 30, 2018	Audited June 30, 2018
(Rupees in thousand)			
12. TRADE DEBTS			
Considered good			
Secured		41,656,554	40,870,650
Unsecured	12.1	25,781,627	25,658,877
Accrued gas sales		(202,947)	(214,927)
		67,235,234	66,314,600
Considered doubtful		21,776,622	21,202,850
		89,011,856	87,517,450
Less: Provision for doubtful debts		(21,776,622)	(21,202,850)
		67,235,234	66,314,600

12.1 Included in trade debts are amounts receivable from Government owned power generation companies and independent power producers of Rs 27,274,644 thousand (June 2018: Rs 27,294,107 thousand) along with interest thereon of Rs 14,130,807 thousand (June 2018: Rs 15,155,518 thousand) due to delayed payments. While trade and other payables referred to in note 6 include an amount of Rs 167,768,211 thousand (June 2018: Rs 138,142,072 thousand) due to Pakistan Petroleum Limited, Sui Southern Gas Company Limited (SSGCL), Oil and Gas Development Company Limited and Government Holding (Private) Limited on account of gas purchases along with interest on delayed payments of Rs 28,319,102 thousand (June 2018: Rs 24,770,686 thousand), interest on delayed payment of Gas Development Surcharge of Rs 4,101,732 thousand (June 2018: Rs 4,101,732 thousand) is payable to Government of Pakistan, the settlement of these amounts is dependent upon the resolution of inter-corporate circular debt by the Government of Pakistan. Further an amount of Rs 135,344,910 thousand (June 2018: Rs 122,176,517 thousand) is receivable from Government of Pakistan on account of differential margin. The recoverability of this amount is dependent upon settlement by the Government of Pakistan directly or indirectly inter alia including increase in future gas prices.



	Note	Un-audited September 30, 2018	Audited June 30, 2018
(Rupees in thousand)			
13. LOANS AND ADVANCES			
Loans to employees - considered good		177,134	169,024
Advances - considered good:			
- Employees		1,159,278	630,375
- Suppliers and Contractor		1,810,081	461,546
Advances to suppliers and contractors - considered doubtful		3,227	3,227
Less: Provision for doubtful receivables		3,227	3,227
		-	-
		3,146,493	1,260,945
14. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Trade deposits and short term prepayments		364,975	126,588
Less: Provision for doubtful deposits		(22,290)	(22,290)
		342,685	104,298
Current portion of long term prepayments		368,414	121,914
		711,099	226,212
15. OTHER RECEIVABLES			
Excise duty recoverable		108,945	108,945
Less: Provision for doubtful recoverable		108,945	108,945
		-	-
Differential margin recoverable		135,344,910	122,176,517
Due from customers		1,438	1,438
Current account with SSGCL		17,132	17,132
Others		11,062	143,075
		135,374,542	122,338,162
16. CASH AND BANK BALANCES			
Deposit accounts	16.1	6,863,808	5,821,947
Current accounts		502,247	1,248,816
		7,366,055	7,070,763
Cash in hand		19,923	4,270
		7,385,978	7,075,033

16.1 Included in deposit accounts are amounts deposited by the company in separate bank account(s) for funds released by the government as grant to finance distribution development projects being the government share of cost. Withdrawal from this account(s) is made on periodic basis to the extent of projects approved and sanctioned therefrom and until then, these funds amounting to Rs 5,234,754 thousand (June 30, 2018: Rs 5,426,673 thousand) are not used for the normal treasury operations of the Company. Any profit earned there on is credited to the funds instead of accounting for as Company's income.



	First quarter ended	
	Un-audited September 30, 2018	Un-audited September 30, 2017
17. Differential margins	(Rupees in thousand)	
Differential margin on indigenous gas	13,168,392	4,614,726
Differential margin on RLNG	(10,983,402)	(1,151,939)
	2,184,990	3,462,787
18. COST OF GAS SALES		
Opening stock of gas in pipelines	31,404,569	10,270,890
Gas purchases:		
- Southern system	17,811,571	17,670,160
- Northern system	19,508,423	15,416,198
- RLNG	132,135,028	49,002,074
- Cost equalization adjustment	-	5,079,961
	169,455,022	87,168,393
- Gas swapping deferral account	110,881	-
	200,970,472	97,439,283
Less: Gas internally consumed	1,081,394	847,251
Closing stock of gas in pipelines	55,660,518	13,538,876
	56,741,912	14,386,127
Distribution Cost	7,856,065	6,564,121
	152,084,625	89,617,277
19. OTHER OPERATING INCOME		
Income from financial assets		
Interest income on late payment of gas bills		
- Interest income on late payment of gas bills - other consumers	1,610,945	1,079,150
- Government owned and other power generation Companies	527,688	517,222
- Fertilizer and cement	50,208	84,674
Gain on initial recognition of financial liabilities at fair value	1,528	1,528
Interest on staff loans and advances	19,340	13,221
Return on bank deposits	79,606	87,099
	2,289,315	1,782,894
Income from assets other than financial assets		
Net gain on sale of fixed assets	47,334	26,531
Meter Rentals and service income	393,977	502,312
Amortization of deferred credit	583,490	561,029
Insurance claims	1,959	803
	1,026,760	1,090,675
Others		
Sale of tender documents	1,121	1,701
Sale of scrap	71,719	4,454
Liquidated damages recovered	254,504	16,415
Non delivery charges recovered	237,503	-
Urgent fee	52,435	241,165
Miscellaneous	2,178	13,692
	619,460	277,427
	3,935,535	3,150,996



		First quarter ended	
		Un-audited September 30, 2018	Un-audited September 30, 2017
		(Rupees in thousand)	
20. OTHER OPERATING EXPENSES			
Workers' Profit Participation Fund		199,046	144,256
Exchange loss on gas purchases		89,421	2,071
Loss on initial recognition of financial assets at fair value		95,647	224
		384,114	146,551

21 Included in finance cost is an amount of Rs 3,085,722 thousand (September 2017 :Rs 800,879 thousand) in respect of late payment surcharge on account of overdue payables for gas purchases.

		First quarter ended	
		Un-audited September 30, 2018	Un-audited September 30, 2017
		(Rupees in thousand)	
22. TAXATION	Note		
Current tax		898,994	465,948
Deferred tax		287,091	356,312
		1,186,085	822,260

23. CASH GENERATED FROM OPERATIONS

Profit before taxation		3,781,888	2,740,870
Adjustment for non-cash charges and other items			
Depreciation - Owned assets		4,643,677	3,899,378
Amortization of intangible assets		22,685	12,200
Employee benefits		503,825	790,921
Amortisation of deferred credit		(583,490)	(561,029)
Finance cost		4,592,450	1,822,397
Return on bank deposits		(79,606)	(87,099)
Gain on sale of fixed assets		(47,334)	(26,531)
Provision for doubtful debts		573,772	158,583
Loss on initial recognition of financial assets at fair value		95,647	224
Gain on initial recognition of financial liabilities at fair value		(1,528)	(1,528)
Amortisation of difference between initial and maturity amount		(10,599)	(8,214)
Working capital changes	23.1	(8,024,964)	(7,817,934)
		5,466,423	922,238



	First quarter ended	
	Un-audited September 30, 2018	Un-audited September 30, 2017
	(Rupees in thousand)	
23.1 Working capital changes		
(Increase) / decrease in current assets		
Stores and spares parts	(211,227)	185,623
Stock-in-trade	(24,255,949)	(3,267,986)
Trade debts	(1,494,406)	5,462,702
Loans and advances	(1,877,438)	(1,467,500)
Trade deposits and prepayments	(484,887)	(383,263)
Other receivables	(15,539,807)	(9,966,419)
	(43,863,714)	(9,436,843)
Increase in current liabilities		
Trade and other payables	35,838,750	1,618,909
	(8,024,964)	(7,817,934)
	Un-audited September 30, 2018	Un-audited September 30, 2017
	(Rupees in thousand)	
23.2 Cash and cash equivalents		
Cash and bank balances	7,385,978	5,883,617
Short term running finance	(2,648,299)	(991,124)
	4,737,679	4,892,493

24. INCORPORATION OF TARIFF REQUIREMENTS

- 24.1 OGRA vide its decision dated June 21, 2018 on the Estimated Revenue Requirement ('ERR') of the Company for the year 2018-19 decided in consultation with the Federal Government and other licensees in the natural gas sector to revise the tariff regime including the rate of return which is to be based on Weighted Average Cost of Capital ('WACC') from the financial year 2018-19 in place of the existing rate of return of 17.5% of the average operating assets. Weighted Average Cost of Capital ('WACC') was computed at 17.43% for financial year 2018-19 and onwards, however, the same will automatically rest if the reference figure changes by $\pm 2\%$. As per the revised tariff regime, the Company is required to earn an annual return of not less than Weighted Average Cost of Capital ('WACC') on the value of its average fixed assets in operation (net of deferred credit), before corporate income taxes, interest and other charges on debt and after excluding interest, dividends and other non operating income and before incorporating the effect of efficiency benchmarks prescribed by OGRA.
- 24.2 During the period, the Company could not meet the benchmarks prescribed by Oil and Gas Regulatory Authority (OGRA) and as a result the return for the period on the aforesaid basis works out to be 12.50% (September 30, 2017: 11.63%). Among other disallowances, the Company has also incorporated the effect of Unaccounted for Gas (UFG), which represents the volume difference of gas purchases and sales, amounting to Rs 1,715,279 thousand (September 30, 2017: Rs 1,786,889 thousand), which is in excess of the UFG benchmark of 6.991% as determined by OGRA in Final Revenue Requirements (FRR) for FY 2017-18.



Un-audited September 30, 2018	Un-audited September 30, 2017
(Rupees in thousand)	

25. TRANSACTIONS WITH ASSOCIATES AND RELATED PARTIES

25.1 Transactions during the period

Gas sales	52,061,339	9,100,464
Purchase of materials	323,801	2,839
Purchase of gas	119,347,771	75,978,818
Service charges	13,819	3,900
Profit received on bank deposits	6,674	3,830
Transportation charges	41,019	16,111
Transmission charges	1,504	88
Insurance expenses	64,620	89,693
Insurance claims received	5,580	10,455
Contributions to defined contribution plans	117,368	357,063
Contributions to defined benefit plans	533,359	833,284
Key management personnel	749,727	3,998,296
	Un-audited September 30, 2018	Audited June 30, 2018

(Rupees in thousand)

25.2 PERIOD END BALANCES

Receivable from related parties	25,685,402	25,566,781
Payable to related parties	235,902,539	207,203,045

26. EVENTS AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company in its meeting held on April 20, 2019 has proposed an interim cash dividend of Rs. 1.50 per share (September 30, 2017: Rs. 1.50 per share) amounting to Rs. 951,324,998 (September 30, 2017: Rs. 951,324,998) for the year ended June 30, 2019.

27. DATE OF AUTHORISATION FOR ISSUE

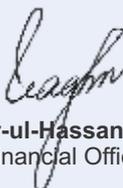
These condensed interim financial statements were authorized for issue on April 20, 2019 by the Board of Directors of the Company.

28. CORRESPONDING FIGURES

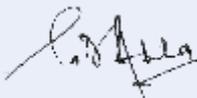
In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim statement of financial position and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statements of preceding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

Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions. Following major reclassification has been made during the period:

Description	Reclassified		Rupees in thousand
	From	To	
Differential margin on RLNG	Gas sales	Differential margins	(1,151,939)


(Saghir-ul-Hassan Khan)
Chief Financial Officer


(Mahmood Zia Ahmad)
Managing Director/CEO


(Syed Dilawar Abbass)
Chairman



(موسم) ہندی پور پاور پلانٹ کیلئے پائپ لائن کی تنصیب کا منصوبہ۔

مزید برآں، تریبون بیراج کے نزدیک زیر تکمیل 1400 میگا واٹ صلاحیت کے پنجاب پاور پلانٹ کیلئے 100 فیصد اشتراکی لاگت کی بنیاد پر پائپ لائن کی تنصیب کے کام کا آغاز ہو چکا ہے۔ یہ منصوبہ جون 2019ء تک مکمل ہو جائے گا۔

حکومت پاکستان کی ہدایات پر، بتدریج کم ہوتے ہوئے گیس ذرائع اور تمام شعبہ جات میں بڑھتی ہوئی طلب کے پیش نظر نئے LNG انٹرنیشنل کی وساطت سے 1 ارب 20 کروڑ مکعب فٹ گیس روزانہ لانے کے لیے کمپنی نے سادان سے لاہور تک مزید ایک نئی "42" قطر اور 770 کلومیٹر طویل پائپ لائن کو اپنے دائرے کار میں تعمیر کا منصوبہ تیار کر لیا ہے جبکہ سوئی سدرن کراچی سے سادان تک پائپ لائن کی تعمیر کرے گی۔ نظام میں اس توسیعی منصوبے کی تکمیل پر آپ کی کمپنی اپنے نظام کے ذریعے 1.2 ارب سے 1.5 ارب مکعب فٹ گیس روزانہ نقل و حمل کے قابل ہوگی۔ آپ کی کمپنی نے پنجاب میں زیر تعمیر RLNG کی بنیاد پر نئے بجلی کے پیداواری کارخانوں کو 70 کروڑ مکعب فٹ گیس روزانہ کی ترسیل کے لیے پائپ لائن کی تعمیر کا مکمل کر لیا ہے۔ آپ کی کمپنی RLNG کی بنیاد پر تعمیر ہونے والے پنجاب، ضلع بھنگ میں تریبون کے مقام پر، نئے بجلی پیداواری یونٹ کو 20 کروڑ مکعب فٹ گیس روزانہ کی ترسیل کے لیے پائپ لائن کی تعمیر کے لیے مصروف عمل ہے۔ تاہم "42" قطر اور 770 کلومیٹر طویل پائپ لائنز بشمول 89,750 ہارس پاور کمپریشن کی تعمیر کے منصوبے کی تکمیل پر، جو کہ سادان سے لاہور تک ہے، آپ کی کمپنی 1 ارب 20 کروڑ مکعب فٹ گیس روزانہ کی نقل و حمل کے قابل ہوگی۔ بورڈ آف ڈائریکٹرز نے اس منصوبے کی ابتدائی منظوری دے دی ہے۔ معاشی رابطہ کمیٹی نے بھی منصوبے کی مالیاتی منظوری دے دی ہے۔ فی الحال کمپنی حکومت پاکستان (پیٹرولیم ڈویژن) کی جانب سے منصوبے کی مکمل صلاحیت کے استعمال کیلئے ضروری اقدامات کی ضمانت حاصل کرنے میں کوشاں ہے۔

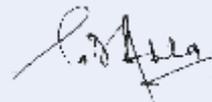
توسیع کاروبار (Business Development)

آپ کی کمپنی، دیگر ملکی و کثیر الملکی کمپنیوں کیلئے مختلف پائپ لائنز کے تعمیری منصوبہ جات میں مصروف عمل ہے۔ MOL، SNGPL پاکستان لیمیٹڈ کے مختلف گیس کنوؤں جیسا کہ مر م زنی، منٹولی، مامی خیل، مکوڑی ڈیپ-1، مغربی تولخ اور مکوڑی کیلئے ضلع کوہاٹ / ہنگو میں بہاؤ / ٹرنک لائنز اور فائبر آپٹک کیبل (FOC) کی انجینئرنگ اور تعمیری ذمہ داریاں، پچھلے پندرہ سالوں سے نبھاتی ہے۔ گیس کی فراہمی کو مستحکم کرنے میں MOL پاکستان ایک بہت اہم کردار ادا کر رہی ہے۔ فی الوقت MOL پاکستان مردان خیل-3 گیس کے کنویں پر کام کر رہی ہے۔ اس منصوبے کی تکمیل پر 1.5 سے 2 کروڑ مکعب فٹ روزانہ اضافی گیس ملے گی جو کہ ملک میں جاری گیس کی قلت کو دور کرنے میں اہم کردار ادا کریں گی کمپنی نے MOL پاکستان کے لیے بالترتیب 6 انچ قطر کی 6 کلومیٹر اور 10 سے 12 انچ قطر کی 22 کلومیٹر پائپ لائن کی تعمیر کا کام برائے مردان خیل-1 اور مردان خیل-2 منصوبہ جات مکمل کر لیا ہے جس کی وجہ سے کمپنی کے نظام میں 4 سے 5 کروڑ مکعب فٹ گیس روزانہ کا اضافہ ہوا ہے۔

اظہار تشکر (Acknowledgements)

ڈائریکٹرز، حکومت پاکستان، وزارت تیل و قدرتی وسائل، اوگرا اور متعلقہ سرکاری و غیر سرکاری اداروں کی مسلسل حمایت اور قدر افزائی اور کمپنی کے تمام ملازمین کی محنت اور خدمات پر مشکور و ممنون ہیں۔

منجانب بورڈ



(سید رازا رازا)

چئیرمین - بورڈ آف ڈائریکٹرز

لاہور

20 اپریل، 2019

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



ڈائریکٹرز جائزہ (Directors' Review)

ہم ہمسرت، اول سہ ماہی عرصہ ختمتہ 30 ستمبر 2018ء کیلئے غیر پڑتال شدہ مالیاتی گوشواراجات پیش کر رہے ہیں۔ زیر نظر عرصہ آپ کی کمپنی نے گذشتہ اسی مدت میں حاصل ہونے والے 1 ارب 92 کروڑ روپے (تقریباً) منافع کے مقابلے میں اس سال 2 ارب 60 کروڑ روپے (تقریباً) تاریخی بلند منافع حاصل کیا۔ فی حصہ منافع بھی پچھلے سال کے اس عرصے کے دوران ہونے والے 3 روپے 3 پیسے منافع سے بڑھ کر 4 روپے 9 پیسے ہو گیا ہے۔

مالی سال 2018-19 کی پہلی سہ ماہی میں حاصل شدہ منافع کے مد نظر بورڈ آف ڈائریکٹرز نے 15% عبوری نقد تقسیم کا اعلان کیا ہے۔

اوگرا کی جانب سے ہونے والی غیر محسوب برائے گیس (UFG) سٹڈی کے نتیجے میں UFG کی پیمائش میں استعمال ہونے والے معیارات یکم جولائی 2017ء سے تبدیل ہو گئے ہیں۔ نتیجتاً غیر صارف اور خوردش امن و امان والے علاقوں میں استعمال کی گئی گیس حجم کو پہلے ہدف کا حصہ نہیں بنایا گیا تھا جو کہ اب UFG کا حصہ ہے۔ جبکہ اس کی کچھ تلافی اوگرا کی جانب سے 2017-18 کے لیے حتمی مالی ضروریات (FRR) میں متعین سابقہ مقررہ حد 4.5% سے بڑھ کر 5% تک اضافے سے ہوئی اور مزید 2.6% کے حصول کے لیے اہم اشاریے برائے جانچ کے حصول کا ہدف مقرر کیا گیا ہے۔ مالی سال 2017-18 کیلئے حتمی مالی ضروریات کی تعین میں اہم اشاریے برائے جانچ کے 76.58% کے حصول کی بنیاد پر، کمپنی کیلئے غیر محسوب برائے گیس 6.991% (5.0% + 1.991%) کی حد مقرر کی گئی تھی 2018-19 کی پہلی سہ ماہی میں غیر محسوب برائے گیس کی عدم اجازت کی پیمائش کیلئے، اسی 6.991% کی حد کو استعمال کیا گیا ہے باوجود اسکے کہ مالی سال 2017-18 کے دوران، اہم اشاریے برائے جانچ کے 76.58%، جس کا اوگرا نے تعین کیا تھا، کے مقابلے میں زیادہ بہتر فیصد حاصل کی گئی۔ مزید برآں، بورڈ اور انتظامیہ پر امید ہیں کہ مابعد سہ ماہی مالی سال 2018-19 میں غیر محسوب برائے گیس کو قابو میں رکھا جائے گا۔

اوگرا نے کمپنی کی درخواست تخمینہ برائے مالی ضروریات (ERR) 2018-19 کیلئے اپنے 21 جون 2018 کے فیصلے میں وفاقی حکومت اور دیگر شعبہ قدرتی گیس کے اجازت یافتہ متعلقین کی مشاورت کے بعد اوسط فعالی اثاثہ جات کی بنیاد پر ملنے والے موجودہ 17.5% شرح منافع اور گیس نرخ کو تبدیل کر کے مالی سال 2018-19 کیلئے مجموعی سرمائے کی اوسط لاگت (WACC) کی بنیاد پر شرح منافع کی اجازت کا فیصلہ کیا ہے۔ مالی سال 2018-19 اور مابعد اور سال 2018-19 کی اوسط لاگت کی بنیاد پر شرح منافع 17.43% ملے گی ہے، لہذا کمپنی نے 2018-19 کی پہلی سہ ماہی کے مالی گوشوارہ جات اوسط فعالی اثاثہ جات پر ملنے والے شرح منافع، 17.43%، کی بنیاد پر تیار کیا ہے۔

معاشی چیلنجز اور مالیاتی دشواریوں کے باوجود، کمپنی نے نہ صرف اپنی برقرار رکھی ہے بلکہ پچھلے دور کے مقابلے میں مزید نفع کے حصول سے اس کو تقویت دی ہے۔ یہ سب کمپنی کے استحکام کیلئے بورڈ اور مینجمنٹ کے دانشمندانہ فیصلوں سے بنیادی ڈھانچے کی ترقی کیلئے اہداف کے بروقت حصول سے ممکن ہوا۔ بورڈ آف ڈائریکٹرز، کمپنی انتظامیہ و ملازمین کمپنی کی کارکردگی میں مزید بہتری کیلئے پُر امید ہیں۔

منصوبہ جات (Projects)

شعبہ منصوبہ جات نے 6 سے 12 انچ قطر کی (بشمول کنٹریکٹ لائنز) 36.59 کلومیٹر طویل ترسیلی پائپ لائنز زیر نظر مدت میں مکمل و فعال کی ہیں اور 88.29 کلومیٹر کی تقسیمی لائنز بھی نظام کی صلاحیت میں اضافے، گیس کی رسد اور صارفین کے اطمینان کیلئے گیس پر پش میں بہتری کے حوالے سے فعال کردی گئی ہیں۔ ملک میں جاری شدید توانائی بحران کے تناظر میں گیس فراہمی میں کمی کو پورا کرنے کیلئے 1 ارب 20 کروڑ مکعب فٹ روزانہ قدرتی مائع گیس کی درآمد کے لیے بھرپور انتظامات کر رہی ہے اور اب تک 1 ارب سے 90 کروڑ مکعب فٹ روزانہ گیس نظام میں شامل ہو چکی ہے۔ کمپنی نے ذیل اقدامات / منصوبہ جات مکمل و فعال کر دیے ہیں۔

(اول) نظام میں توسیعی منصوبہ کی مدد سے 1 ارب 20 کروڑ مکعب فٹ گیس کی نقل و حمل۔

(دوم) مجموعی طور پر 3,600 میگا واٹ صلاحیت کے حامل بجلی پیداوار کے تین اداروں، مٹکھی، جوبلی بہادر شاہ ادرہ بلوکی کو 20 کروڑ مکعب فٹ روزانہ فی پلانٹ کی

بنیاد پر گیس کی فراہمی کیلئے گیس پائپ لائنز بچھانے کا منصوبہ۔





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