Annual Report 2021

Sui Northern Gas Pipelines Limited

Towards New Goals with New Zeal

Towards New Goals with New Zeal

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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 benefits for our stakeholders by providing an uninterrupted and environment friendly energy resource.

Mission

A consortium to deliver natural gas in all downstreams in our chosen areas through continuous expansion of our network, its carefully employing technological, human and organizational resources, best practices and high ethical standards.

Core Values

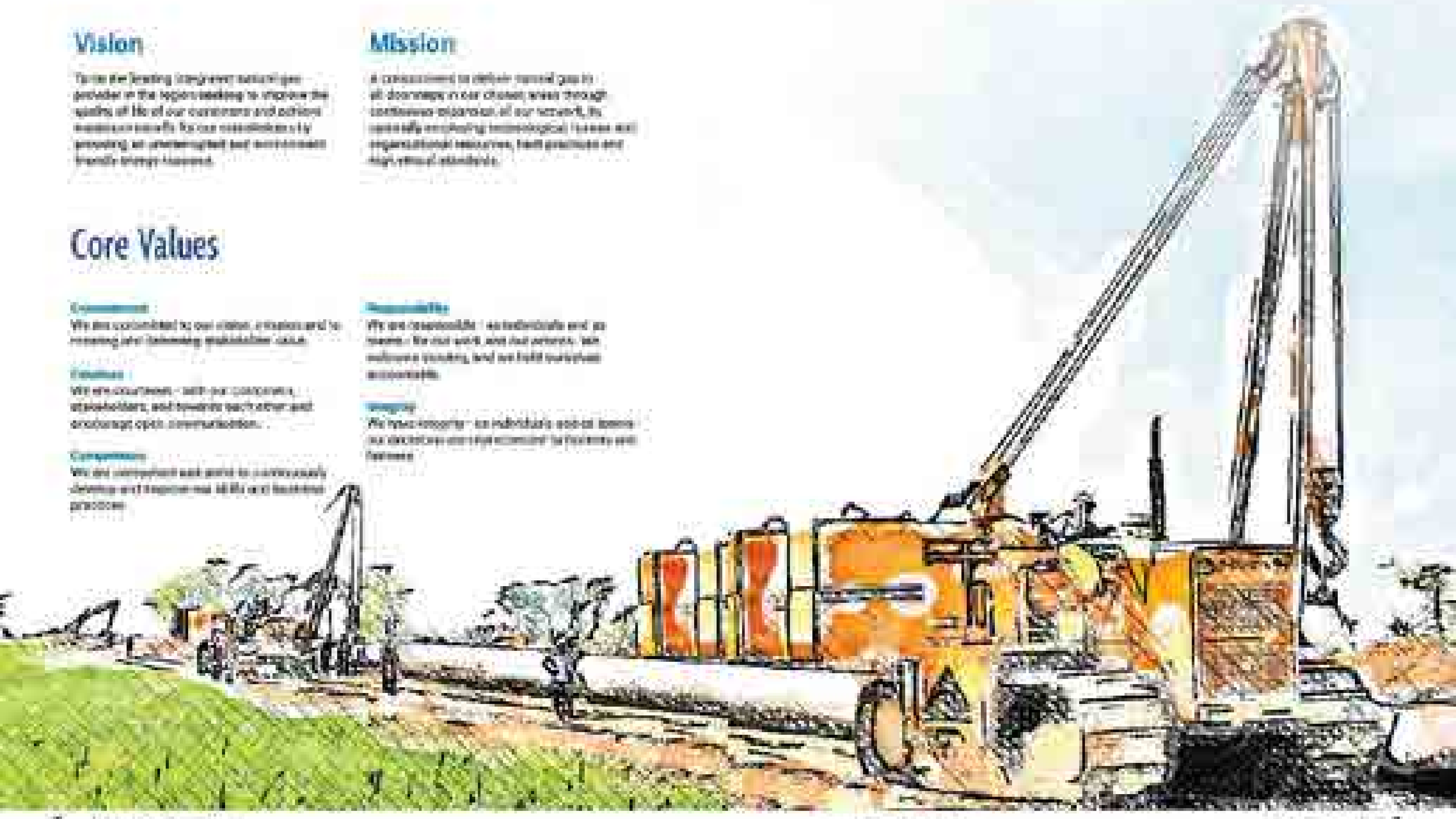
Commitment
We are committed to our vision, mission and to meeting and delivering stakeholder value.

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

Competence
We are competent and aims 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 counting, and we hold ourselves accountable.

Integrity
We have integrity - as individuals and as teams - our decisions are right-conscient, fairness and fairness.



Corporate Profile

Corporate Information

[illegible]

[illegible]

[illegible]

Chairman
[illegible]

Managing Director
[illegible]

Company Secretary
[illegible]

Auditors
[illegible]
Chartered Accountants

Legal Advisors
[illegible]

Share Registrar
[illegible]

Registered Office
Gas House
21-Kashmir Road, P.O. Box No. [illegible]
Lahore - 54000, Pakistan.
[illegible]

Code of Conduct

DHCFL requires its entire staff both national staff and expatriates employees, the observance of the highest ethics standards in the conduct of its business and their commitment the significance into associated with non compliance. The policy on Business Principles and Ethics (Code) is intended to assist DHCFL staff in meeting the standards of professional and personal integrity required of them. DHCFL staff will act with integrity at all times, to protect and safeguard the reputation of the Company. Violations of the policy will be regarded as misconduct.

DHCFL will ensure that through this policy and through other means of communication of staff is aware of the required mandatory company 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 appear to give rise to, conflicting loyalties between their personal interests and the interests of Company. Such conflict could arise in a number of several and a number of situations. The following paragraphs outline some specifications. Staff is however not exhaustive. In case of doubt the advice of the Management should be sought.

- DHCFL purchase requirements material and services for cash or against of its operations. DHCFL staff members are forbidden from receiving any financial, material benefits or indirectly in any organization supplying goods or services to the Company.
- DHCFL staff should not participate in any external activity that competes, directly or indirectly, with the Company.
- DHCFL 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 any important material or services to or from the Company except where as an employee it may be necessary in the normal course of market sales.
- Staff members are not permitted to conduct personal business activities on the Company's premises or to use Company facilities for such purposes.
- If a staff member has direct relatives, relatives related or family connections with an existing organization that has business dealings with DHCFL, details of such connections and relationships should be fully disclosed in the Management.
- Staff members should disclose to the Management the details in respect of any relationship at with other staff members and
- Staff members shall not perform any service or gift in kind to any situation that potentially could conflict with the particulars mentioned above.

Confidentiality

Staff members should not keep or make copies of correspondence, documents, papers and records (on of suppliers or communications with of the interests of the Company. Company's information and records should be kept as Company premises only and unauthorised use of these may be disclosed to external organisations/ individuals only on "need to know" basis. In cases of doubt in this regard the Management's advice should be sought.

Organisations

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

Endorsement of Products

Staff members should not give or hold out any endorsement that are intended to influence a business decision or to compromise independent judgment that should any staff member receive money for having given Company business to a certain organisation. Payments of any sums to Government officials in cash from time to time is strictly prohibited.

Proper Books of Trade, Accounts, Records and Assets

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

Relationships and Dealings with Government Officials, Agents, Trustees, Consultants and other parties

DHCFL is committed and shall act with the standard of honest, ethical, fair and in accordance with the laws of the country in which it operates. DHCFL staff should, at all times, be such that DHCFL's integrity and its reputation would not be damaged / details of the misleading or exchange made to become public knowledge.

It is the responsibility of each DHCFL staff member to exercise good judgment to deal with the matter in such a manner that will affect the society or the Company and the individual. Staff member should only make statements to the media, appearance in public forums, or publish articles in newspapers etc. with prior authorisation. In a personal capacity also, due care should be taken while discussing the Company performance in place with the relatives, friends and acquaintances.

Staff members having questions on how to comply with this requirements should consult with the Management.

Health and Safety

Every staff member should take responsible care to ensure the health and safety of himself and anyone who may be affected by his/her acts or omissions at work. Staff members should consult with a manager and take prompt action the Company to ensure the safety, health and welfare of its staff and for the protection of the environment.

Environment

To preserve and protect our environment, all DHCFL staff members should:

- Design and operate the Company's facilities and processes in such a way to ensure the best of reducing environmental impacts.
- Promote environmental awareness, waste minimisation and the minimisation of the release of chemicals or other pollutants into the environment.
- Ensure employees, contractors, suppliers and/or subcontractors are aware of their responsibilities with respect to environmental protection.
- Ensure that information is available to internal decision making and
- Strive continuous improvement in Company environmental awareness and protection.

Alcohol, Drugs and Gambling

The use of alcohol is very strictly prohibited on all company business premises. Similarly the use of drugs except under medical advice is prohibited on all company business premises.

Any staff member arriving at work place under the influence of alcohol or drugs will be permitted to work. Despite case and will be liable to disciplinary action.

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

Receiving Gifts

No employee shall accept or offer a gift or other benefit to any member of his/her family in return for any gifts or favours, the receipt of which is liable to influence unduly the exercise of official obligation to the donor. As part of building relationships with customers, suppliers, etc. staff members may receive or offer gifts provided that the gift is of nominal value (e.g. pen, notebook, calendar), these are inherently of a promotional material, and the gift is not in exchange of favours by others to be interpreted as improperly influence business decisions.

Work Place Harassment

DHCFL staff will maintain an environment that is free from harassment and in which all employees are treated with respect. Biological harassment is defined as any action that unwanted, intimidating, hostile or offensive environment. Such actions include but are not limited to, sexual harassment, obscene or racist comments, jokes or gestures, based on gender, religion, race or ethnicity.

Regulatory Compliance and Corporate Governance

DHCFL is committed fully with all governmental and regulatory bodies and is committed to high standards of corporate governance. The company fully with our obligations under the Listing Rules of the Pakistan Stock Exchange Limited (PSX).

General

- All information and representations supplied to the auditors must be complete and non misleading.
- DHCFL will not knowingly assist in fraudulent activities (e.g. tax evasion etc). If unlawful act reason to believe that fraudulent activities are taking place whether within the company or by others with which the company has business, one must report this circumstance (personally) to the Management immediately.
- All the financial transactions will remain within the scope of the memorandum of association and articles of association of the Company.

Present Board of Directors

Ms. [illegible]
Chairperson

[illegible]

Mr. [illegible]
Managing Director / CEO

[illegible]

Mr. [illegible]
Director

[illegible]

[illegible]
Director

[illegible]

Mr. Hamid Hussain Chaudhry
Director

Mr. Hamid Hussain Chaudhry is a Fellow Member (Dr-CPA) by profession. With 28 years of experience of working in a broad range of organizations both within the public sector as well as private. Member Balance sheet in Wapda and Pakistan Government in various positions. He has extensive experience of working in the realm of public. Has served in various assignments with Secretary Planning Development and Special Initiatives, Government of Pakistan.

Mr. Hamid Hussain Chaudhry has served as a key protagonist in the provincial assembly, both in the personal capacity as well as in the Ministry including Member Housing and Development, Secretary Finance, Commissioner Bahawalpur, Secretary Livestock & Dairy Development Department Punjab, Special Secretary Finance, Chief Economist & Planning & Development Department etc. In his assignments as Finance Secretary Punjab, he was through creation of financial governance as well as fiscal governance system.

He has worked with international development partners as advisor and consultant in the realm of policy and governance reforms especially relating to public finance. He headed GTZ-LGP as a governance advisor to Government of Punjab under Sub-National Governance Programme as in Punjab under which overall was provided to Punjab government for transition in new local government system. Afterwards he was running an Innovation Fund to look at new and innovative models.

Mr. Hamid earned MBA from Kansas State University and Bachelor Development Studies from School of Oriental & African Studies (SOAS) London. Currently engaged on a teaching assignment. He was awarded Student Fellowship from Nebraska in 2002.

Mr. [illegible]
Director

Mr. [illegible] is Chief Operating Officer (COO) of National Investment Trust Limited (NIT). As COO, he has been successfully managing the operations and investment portfolio worth over Rs.190 bn. He has experience of over 30 years of the banking, manufacturing, pharma, textile and oil & gas sectors, which has included various senior level positions, including interaction with management, board and dealing with the regulatory authorities. He has served as CEO of NIT as Managing Director during June from May 2012 to May 2014 and September 2017 to February 2019. He is CFA & and also holds CIA & B. He has also been the Council Member of The Institute of Business Administration. Currently, he is working Chairman Investment Committee (CIC) Board.

Mr. [illegible] has rich experience of serving on the Boards of various subsidiaries and associates of Pakistan belonging to the diverse sectors of the economy.

Mr. [illegible] has also attended various training courses organized by institutions of international repute like London Business School, CFA UK, Institute of Chartered Accountants and American Institute, New York (USA).

Currently, he represents NIT as Director Finance in the Board of Directors of many leading national and multinational companies of Pakistan. Mr. [illegible] is also a Director Finance from Pakistan Institute of Corporate Governance.

He [illegible] is also member of the [illegible] authority [illegible].

Mr. Muhammad [illegible]
Director

Mr. Muhammad has strong [illegible] and [illegible] of diverse experience is one of the key dynamics and [illegible] in the oil and telecommunications.

A Corporate Director from Pakistan Institute of Corporate Governance, currently he is serving as an Independent Director on the Boards of Two publicly listed companies:

1. Southern Gas Pipelines Limited
   (Ministry of Energy, Petroleum Division)
2. [illegible] Limited
   (Ministry of Science & Technology)

Earlier he had a long partnership association with the "Nishat Group", a fully integrated Group of Companies in a variety of segments of Cotton Yarn Industry from spinning, production and selling to marketing of a wide range of garments products. The Group also operates and maintains a 300 MW gas fired power plant and a premium hotel. Several major industries in the Group.

He has extensive experience in the "Oil and Gas" sector of the oil industry. He has the honour of being one of the primary founders of the team that established "Shell Petroleum Limited", which is currently, one of the largest "Oil Co" in Pakistan. Spent time meeting many high level people. He was also a member of the Oil Marketing Companies Association.

Mr. Muhammad has also been in the sphere of marketing and commercial asset management for a Telecom Giant in Pakistan.

During his professional career he gained rich experience in Sales/Marketing, Business Development, Human Resource Administration, Business Development, Customer Care and Team Motivation. He has worked in managing diverse [illegible] cultures and of different and [illegible] and [illegible] levels.

Mr. Muhammad also spending time with his family, going off road and exploring the Northern Areas of Pakistan to enjoy its breathtaking beauty. He has been active in community welfare and is a member of the "Lions Club International" and "Rotary International".

He has a degree in Business Administration and extensive experience of management courses in Pakistan and abroad.

Mr. Muhammad [illegible]
Director

Mr. Hamid Sattar is currently serving as additional Secretary Ministry of Petroleum & Natural Resources. He holds a distinguished career of more than 28 years of inter-ministerial and federal service. His areas of interest are policy making, implementation, governance, inter-ministerial coordination & adaptation. He worked at different positions in the public sector as a civil servant. Our employee, Deputy Commissioner and Director in the provincial government in the areas of health, education, rural development, planning, governance, finance, tourism and transportation sectors, serving at times in the field and at the HQ office as Joint Secretary. He also had the experience of working for DFID & ADB and had experience of working with [illegible], [illegible] and other donors.

In addition to his considerable [illegible] experience in public policy and governance, he also has one graduate degree in Development Studies, Law and Civil Engineering. Besides, he has done a course in Project Management and international human rights law. He was also awarded scholarships in Belgium and Central European University, Hungary and Chulalongkorn University, USA for research. He was also a member of [illegible] and [illegible] in Islamabad. He has contributed in various [illegible] and research in [illegible] and [illegible] as well. He serves on [illegible] and [illegible] and [illegible] of the Institute.

Mr. Muhammad Saqib Ahmed Farooqi
Director

Mr. Muhammad Saqib Ahmed Farooqi is an officer of Pakistan Administrative Service (PAS) who served the Civil Service in FBR. Before joining as Secretary Technical Education & Vocational Training Department, Punjab Development Authority of Pakistan was Chief Executive Officer (Saqib Innovative Development Company, Bahrain). He has service experience in Federal Principal and Chairman/Director positions in Asia.

He earned his Master's degree from London School of Economics U.K. He is a Berkeley Developing Minister and has a deep international service in the field of sustainable development. His interests flow into the field particularly associated with economics. Mr. Farooqi has an active network relationships in various countries. During the course of PAS service, he has actively travelled and experienced Pakistan as well as various international forums.

Dr. Sohail Bahir Khan
Director

Dr. Sohail B. Khan is a corporate strategy, M and Ops business development management consultant with award of achievement in planning, development and growth of the Oil & Gas industry. A highly motivated individual with successful working experience in Oil & Gas, and service industries across the world. He has a track record working on total cost optimizing corporate strategy & leading the development of business in downstream and upstream company and implementing successfully efficiency improvement projects with difficult deadlines and has worked in the operations in Total (E&P) U.S. and Qatar. He has experience in joint venture and traditional building JOBs now allocated to business owner given the task based on what to be achieving strategy into actual achievement. As a change management consultant successfully has been involved in key Strategic consultancy implementation. Currently he is deep involved in a company in the oleochemicals and intermediate chemicals. He is either an a Management consultant and Training Coordinator, responsible for implementing Facilities Operations and Management (FOM) projects in two offshore Exploration and Production sites in Indonesia and also ensure successful results. He is the Site Responsible for determining competency requirements for all functions and staff, against the competency standards and successfully developed the annual training program, which is right and on time. He has achieved a preparation of safety transition developments and execution of IT strategy to support operations by developing software management plan, Big Data analysis, cyber threat management and Cross Competence to optimize production efficiency and improve business processes under the operation. Working for FOM (FOM) he has managed IT program inventory, FOM Solution support, including software development, business process re-engineering, process development, implementation, daily managing multiple departments and compliance with ISO and Sarbanes Worldwide. He has a public company, turnaround experience, having established management tools and techniques such as Lean Process, Change Management, Outsourcing strategies, Project Management methodologies, Kanban, MRP, Agile, a Shell procurement, JDE, BPM and BPM by Lotus companies from cost to profit and improved the growth. In small periods of time. He has a PhD Doctor of Philosophy (Principal), MBA, MSc and B.S. from Sarbanes which gives him unique skills and international exposure in combination to promote maximum organizational success in strategic goals.

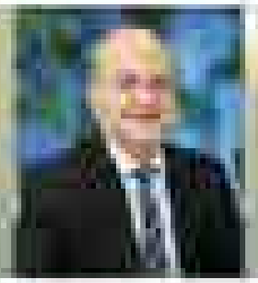
Syed Zeeshan Ali Shah
Director

Syed Zeeshan Ali Shah is a Civil Engineering professional who awards "Twenty Years CEO" years of experience working in the private, public and semi-autonomous sector. He is currently serving as Joint Secretary, Ministry of Energy (Petroleum Division).

He joined the Office Management Group of Pakistan Civil Services in 1998 and has several times held key appointments in a number of ministries including Finance, Investment, Establishment, Religious Affairs, Economic Affairs Division, Ordnance of Pakistan Television (PTV) Development Authority (PDTV) etc.

Earlier he served as the Vice Chief Executive Officer of China Pakistan Economic Corridor Authority (CPEC-A), Director General in the Provincial Secretariat, Joint Secretary Discipline & Litigation, Establishment Division, Deputy Secretary (Urban Planning Commission), Assistant Director, Commission Commission, Deputy of Pakistan Minerals, General Manager Planning & Development, and Initially as Manager (Marketing & Evaluation) in FATA Development Authority. Earlier, Administration Officer (Military) at the ICW and various other government offices, where worked as Team Leader (Infrastructure) in two years in the $100 million USAID Pakistan Food Demonstration Program.

He holds Bachelors of Science in Civil Engineering from Aligarh University of Engineering & Technology, Peshawar in 1993. Being a Civil Engineer, he worked as Project Director on various projects of national importance and experience and expertise in Northern Highways, in Indus Highway, including Construction of Interchange at Chakwal, Rehabilitation and Civil Rehabilitation of National Highway No. 1, rehabilitation of Kohat Cantonment of Kohat Highway from Rajapur to Chakwal, Construction of flyover at Rawalpindi, also worked under Water and Power Development Authority (WAPDA) on various engineering and evaluation projects.



Mr. [illegible]
Chief Financial Officer

[illegible]

Mr. Imtiaz Mahmood
Company Secretary

[illegible]

Corporate Governance

[illegible]

[illegible]

[illegible]

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[illegible]

[illegible] Audit Committee

The constitution alongside objectives & responsibilities of the Board Audit Committee would be as follows:

Procedures

1. Number of members – [illegible]
2. Quorum will be three members
3. The Board Audit Committee shall meet atleast once every quarter of the financial year. These meetings shall be held prior to the approval of Unaudited results of the company by the Board and after completion of external audit.
4. A meeting of the Board Audit Committee shall also be held if requested by the external auditors, Head of Internal audit or by Chairman of the Board Audit Committee.
5. The Chief Executive Officer and the Chief Financial Officer shall not be members of the Board Audit Committee but shall be available in person for meetings, at the invitation of the Chairman of the Board Audit Committee.
6. The Company Office Board Audit Committee will include the agenda and relevant working papers, maximum seven days before the meeting, and minutes of the meeting to the Board Members within fourteen days of the meeting.
7. The Chief Financial Officer, the Head of Internal Audit and a representative of the external auditors shall attend all meetings of the Board Audit Committee at which matters relating to accounts and audit are discussed.
8. The Head of Internal Audit and external audit representative by engagement partner or in his absence by other partner designated by the audit firm shall attend meetings of the Board Audit Committee at which matters relating to accounts and audit are discussed.
9. At least once a year, the committee shall meet the external auditors without the presence of the Chief Financial Officer, the Head of Internal Audit and other executives being present, to ensure independent communication between the external auditors and the Board Audit Committee.
10. At least once a year, the Board Audit Committee shall meet the Head of Internal Audit and other employees of the internal audit division without the Chief Financial Officer and the external auditor being present.

Objectives & Responsibilities

1. The Board Audit Committee shall support the Board in performing its functions effectively and assist in the decision making process, for an efficient and effective internal control and internal financial reporting mechanism.
2. The Board Audit Committee shall among other things be responsible for recommending to the Board the appointment of external auditors, their remuneration and fees, the provision of any service over and beside to be rendered by the external auditors in addition to audit of the financial statements, measures for notification and rectification of non-compliance with the Regulations. The Board shall give due consideration to the recommendations of the

Board Audit Committee and recommend its effectiveness (which also includes between meetings)

b. In the absence of serious concerns to proceed after review the Board of Directors shall act in accordance with the relevant regulations of the Board Audit Committee. In those matters, the Board shall not be deemed to assume itself of the overall responsibility for the functions delegated to the audit committee. The Board Audit Committee shall have full and unfettered authority to investigate any matter and shall be provided with adequate resources and access to all relevant information. The terms of reference of Board Audit Committee are as stated in the Charter.

c. Determination of risk profile, practices to safeguard the Company's assets;

d. Review of preliminary announcements of results prior to external communication and publication;

e. The Board Audit Committee shall review the related party transactions as per relevant agenda. Which are required under Sub 5 of the Public Sector Enterprises Code of Corporate Governance issued, 2011 and regulation 23 of the Listed Companies (Corporate Governance) Regulations, 2018.

f. Review of quarterly, half-yearly and annual financial statements of the Company prior to their approval by the Board of Directors. Including at:

i. major judgement areas;

ii. significant adjustments resulting from the audit;

iii. the going concern presumption;

iv. any changes in accounting policies and practices;

v. compliance with applicable accounting standards;

vi. compliance with listing requirements and other statutory and regulatory requirements; and

vii. all other statutory requirements.

Provided that the Company shall not publish any financial statements unless the chief financial officer, or the chief financial officer, presents the Board of Directors to sign, certified under their respective signatures for consideration and approval of the audit committee and the Board. The Board shall, after consideration and approval, authorize the signing of financial statements for issuance and circulation.

g. Monitoring the external audit and discussion with external auditors on major observations arising from interim and final audits and certain matters that the auditors may wish to highlight (in the absence of management where necessary).

h. Review of management letter issued by external auditors and management's response thereto;

i. Ensuring coordination between the internal and external auditors of the company.

j. Review of the scope, assessment of internal audit function, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is staffed with persons within the Company.

k. Consideration of major findings of internal investigations of activities of a material nature or of concern and actions of management in respect thereto.

l. Monitoring that the internal control systems and financial and accounting systems for timely and accurate recording of all transactions and assets, security and safeguards, validity and reliability and whether reporting procedures are adequate and effective.

m. Review of the Company's statement on internal control systems and internal audit requirements to enable members to the Board.

n. Recommendations on appointing the having or removal of the head of internal audit.

o. Monitoring external perspective issues including studies or other investigations in any matter specified by the Board of Directors, in consultation with the Chief Executive Officer and in particular compliance of any matter to the external auditors or to any other external body.

p. Determination of compliance with relevant statutory requirements.

q. Monitoring compliance with the Rules and Code of Corporate Governance and disclosure of significant violations thereof.

r. Outsourcing services being policy and procedures requirements:

i. review of management letter issued and management response to report by Internal Audit Committee in relation to, inventory, Fixed, deferred or potential implications, financial and other material and uncertainty including revaluation and impairing considerations;

ii. consideration of any other issue or matter as may be assigned by the Board of Directors.

s. The Board Audit Committee shall be responsible for overseeing the overhauling of the Company with the scope of audit in managing the Company's relationship with the external auditors on behalf of the Board. The Board Audit Committee makes recommendations to the Board.

t. Engaging the appointment of the external auditor to the Board, the audit fee, and any cessation of engagement/non-renewal.

u. Considering the objectives and scope of any non-audit work of a nature not previously provided to be undertaken by the external auditors, and reviewing the relevant expense for the work.

v. Discussing with the external auditors the nature and scope of the audit and the extent of reliance on internal audit and other review agencies.

w. Discussing with the external auditors any significant issues from the review of the financial statements by the Management and any other work undertaken or considering the Board Audit Committee.

x. Reviewing and considering management letters issued by the external auditors and management's response thereto; and

y. Reviewing programs to accomplish the recommendations from the external auditors.

z. The Board Audit Committee shall ensure that the appointment of external auditors is made in line with Section 27 "Internal Audit" of the Listed Companies Code of Corporate Governance Regulations, 2019 and other relevant laws and rules.

aa. Where there is a proposed auditing of financial statements, the Board Audit Committee, Risk Management & HR Control Committee and the Audit Committee, the respective Committee Chairperson shall have the discretion to signal the most appropriate Committee in authority and obligation.

The composition of the Board Audit Committee, category, date of meetings and their attendance are given below:

Sr. No.	Name	Designation	Category	No. of Meetings Attended	No. of Meetings Held
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Finance and Procurement Committee

The procedure governing rights, duties & responsibilities of the Finance and Procurement Committee includes as follows:

Composition

1. Number of Members - 07
2. Quorum - 03 (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 papers/documents amongst members before the meeting and will forward minutes of the meeting to the Board Members within four days of the meeting.

Objectives & Responsibilities

1. The Purpose of the Finance and Procurement Committee is to focus on the right business with regard to financial sustainability, balancing short and long term initiatives and goals and to oversee the adequacy in financial & physical resources including workforce and policies and procedures as well as dealing with the suppliers. The scope shall inter alia include:
2. To review the Strategic Business Plan, investment proposals, project proposals & pursuit of the investment objective of the Company and make recommendations to the Board for approval.
3. To review the Budgets and Operating Units allocations and recommend to the Board any development and enhancement thereof.
4. To review the overheads in overhead entity including of capital and downtime efficiency and non-profit cost benefit analysis exceeding the financial authority of the Managing Director and make recommendations to the Board for approval.
5. To review and recommend to the Board procurement contracts for goods and services including overhauls and changes to strengthen, streamline and rationalize procurement.
6. To review the financial position of the Company and apprise the Board of Directors on the matters which may significantly impact the financial position or operations of the Company.
7. To review the Operating and Capital Budgets, Operative Requirements and recommendation to the Board for consideration/approval including performance evaluation of the Budgets.
8. To examine the Budgets and Operating Units allocations and recommend to the Board any development and enhancement thereof.
9. To review the overheads in overhead entity including of capital and downtime efficiency and non-profit cost benefit analysis exceeding the financial authority of the Managing Director and make recommendations to the Board for approval.
10. To review and recommend to the Board procurement contracts for goods and services including overhauls and changes to strengthen, streamline and rationalize procurement.
11. To review the Company's policies and procedures for the procurement of goods and services and the accommodations of the management for bringing improvement thereof.
12. Recommendation of Capital and Revenue Budget as proceeding for approval.
13. Make there is a personnel meeting of representatives between the Finance and Procurement Committee, the Risk Management (LUTE) Review Committee and the Board Audit Committee. The respective Committee Chairmen shall have the discretion to invite the Chairman of the Board of Directors to such meetings.

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

S. No.	Name	Designation	Category	No. of Meetings Attended	No. of Meetings Held
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Human Resource & Remuneration Committee

The composition, strength, objectives & responsibilities of the Human Resource and Remuneration Committee [illegible]

Number of Meetings: [illegible]

Composition:

1. Number of Members: [illegible]
2. Committee will meet at least once in a quarter
3. Quorum will be three members
4. The Members of the Human Resource & Remuneration Committee will consider 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 Committee will be responsible for making recommendations to the Board for consideration:

1. Structure and review Management policies.
2. Effective employee development policies.
3. Sound compensation and benefit policies and practices designed to attract and retain talented employees to manage the business effectively.
4. Review organisation structure periodically.
5. Evaluate performance for approval of changes in organisation structure, remuneration and affecting Management positions adjudged as important to have on the Management control effective.
6. Determine appropriateness of a strong and rigorous process with performance matters requiring exposure to different areas of Management.
7. Review the employee development and growth programmes.
8. Finalise the Company's Senior Management requirement.
9. Succession policy for Senior Management positions.
10. Training and development policies.
11. Compensation and Benefits to employees retention.
12. Review data of competitive compensation practices and duties and recommend policies and programs through which the corporation's company compensation to employees.
13. Review salary ranges, remuneration for MD/CEO and Senior Management reporting to the MD/CEO.
14. To recommend to the Board the remuneration and appointment of performance of the Board as a whole and its committees either directly or by engaging external independent consultants only if an opportunity is warranted to that effect and the service of the Board's report disclosing [illegible] of [illegible] to be appointed.
15. To recommend to the Board the selection, evaluation, development, compensation including retirement benefits of MD/CEO and Senior Management officers, [illegible] and [illegible] up to CEO.
16. To consider and review appointments or recommendations of MD/CEO and executive officer or such changes to key management positions who report directly to MD/CEO and executive officer at first reporting officer.
17. [illegible]

The composition of the Human Resource & Remuneration Committee, [illegible] are given below:

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Risk Management & UFC Control Committee

The composition and quorum, duties and responsibilities of the Risk Management and UFC Control Committee should be as follows:

Composition:

1. There shall be a minimum of two (2) and a maximum eight (8) Committee members of the Risk Management and UFC Control Committee.
2. Women will be three members.
3. The Commercial Head be frequently invited.
4. The Secretary of the Risk Management and UFC Control Committee shall include the agenda and relevant supporting papers, minimum seven days before the meeting and all functional units of the meeting to the Board members within fourteen days of the meeting.

Duties & Responsibilities:

A. **The Risk Management should responsibilities:**

The Committee is concerned to carry out a review of effectiveness of risk management procedures and prepare a report to the Board. The report shall cover the matters.

1. To review and approve the procedures and focus in the Management Manual on 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 Identified Risks.
3. To identify potential and material risk issues and recommendations and to consider reports on the nature and extent of the risks being faced by the Company in relation to their risk appetite and

their individual and cumulative impact on the Company's short performance criteria.

4. To assess whether the Company's human resources in the risks affects is acceptable and, if not, the ability to refuse such exposure by withdrawal to risk treatment and mitigation actions.
5. To review and approve the disclosures made in the Company's annual report and accounts in relation to the Company's "Principal risks and uncertainties" and the overall control and risk control in place in relation to the Company's financial statements and the operation and implementation of risk.
6. To review the Board on the Company's overall risk appetite and tolerance within and outside Principal Risk Categories, taking account of the current and future goals of the Company and the macroeconomic, financial, political, regulatory and social environments.
7. To review 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 review and approve the disclosures of the contents of company's risk framework and internal control system in Shareholders report.
9. Where there is a deemed breach of risk tolerance policies (that has confirmation of the Board, the report to contain Statement that risk exposure is against tolerance and the Committee is fully aware of it).

B. **The UFC Control Committee responsibilities:**

The scope shall cover the following:

1. Review the Management's plan to implement the UFC control and periodic Management Fraud report to the Board for approval along with its recommendations.
2. Review the performance of Management in relation of UFC.
3. Review status of UFC of the Company.
4. Recommend Contract to practice risk and Compliance and the Safety and regarding different Works.

5. Recommend the policy of fraud prevention for consideration of UFC.
6. To review issues pertaining to UFC and key monitoring assessment (KRIs) as by CEO, and guide the Management.

The composition of the Risk Management & UFC Control Committee, number of meetings and attendance schedule are given below:

S. No.	Name	Position	Status	Total No. of Meetings	No. of Meetings Attended
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Nomination Committee

The composition, strength, responsibilities & responsibilities of the Nomination Committee would be as follows:

Composition:

1. There shall be six members of the Nomination Committee.
2. The Committee shall meet as frequently as required.
3. Quorum will be three members.
4. The Secretary of the Nomination Committee will circulate the agenda, who between subsisting, data, information which data before the meeting and will furnish requirement of the meeting to the Board members within fourteen days of the meeting.

Objective & Responsibilities:

The Nomination Committee shall be responsible for:

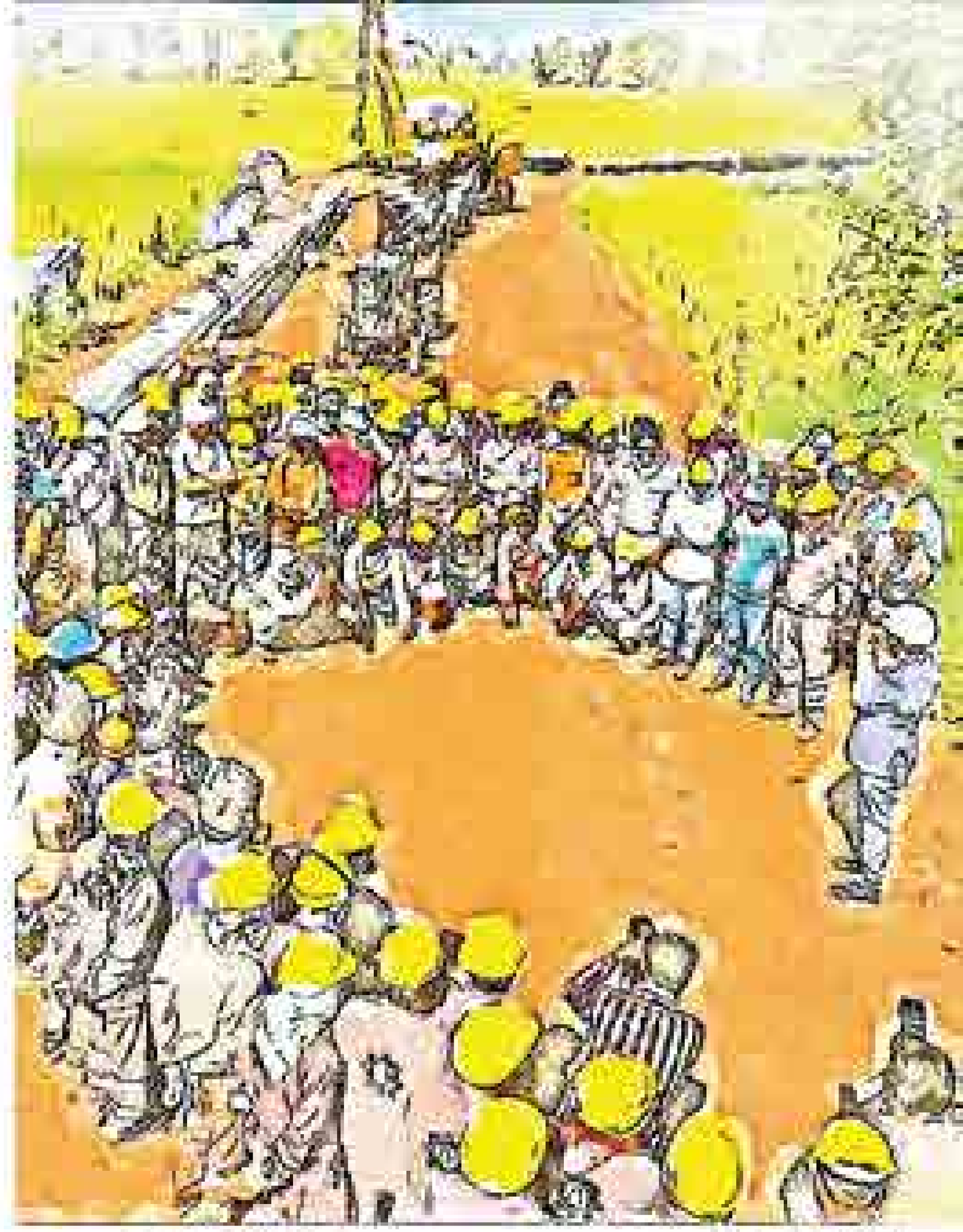
1. Formulating and making recommendations to the Board in respect of the Board's Committees and the effectiveness of the Board's Committees and keeping the structure, size and composition of the Board under regular review and formulating recommendations to the Board with regard to any other pertinent matters.
2. To identify, screen and recommend candidates for consideration, including external sources, for the Board, including the candidates recommended by the Government for consideration of directorships or in case of mutual consent by the Board of directors after considering their skills and characteristics that are needed in such candidates.

   Provided that the Nomination Committee shall submit its proposal within 21(ty) days of a vacancy arising or for a recommendation regarding the appointment as the case may be.
3. To facilitate the Board in making appointment of the Chief Executive Officer/Managing Director in accordance with rule 7 of the NSZ Rules 2012; and
4. Where there is a subsidiary company of Nationwide Insurance (Nepal) Limited, the Nomination Committee and Remuneration Committee of the Nationwide Commission Chairman shall have the mandate to agree the same appropriate Committee to fulfill any obligation.

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

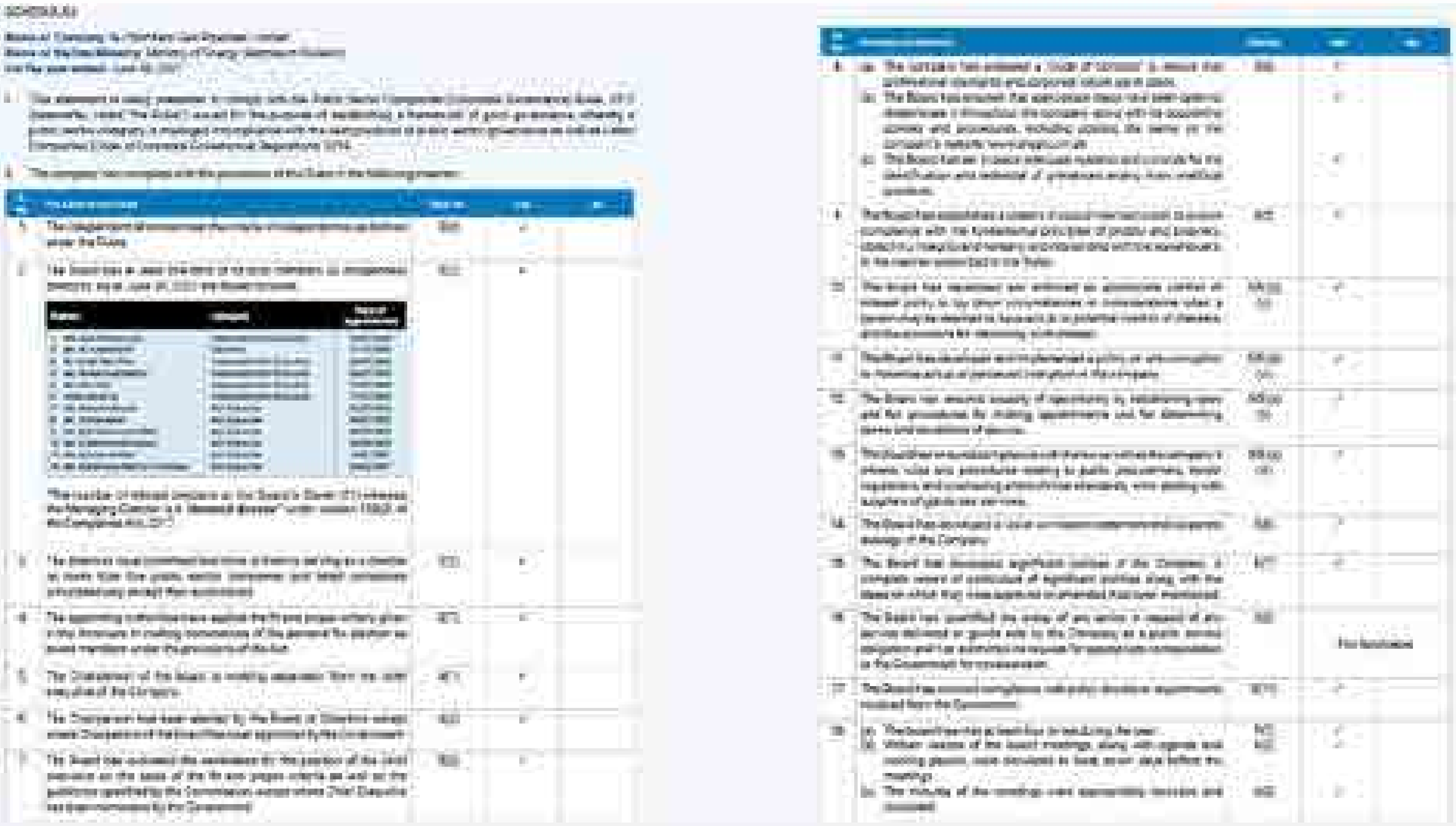
S.No.	Name	Designation	Category	Total No. of Meetings	No. of Meetings Attended
[illegible]	[illegible]	Chairman	Non Executive	[illegible]	[illegible]
[illegible]	[illegible]	Member	Independent Non Executive	[illegible]	[illegible]
[illegible]	[illegible]	Member	Nominee	[illegible]	[illegible]
[illegible]	[illegible]	Member	Independent Non Executive	[illegible]	[illegible]
[illegible]	[illegible]	Member	Independent Non Executive	[illegible]	[illegible]
[illegible]	[illegible]	Member	Non Executive	[illegible]	[illegible]

[illegible]



Statement of Compliance

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



19.	The Board has evaluated the performance of senior management, on annual basis, and they are accountable for accomplishing objectives, goals and tasks as defined for holders within the company.	4(c)	✓	
20.	The Board has reviewed and approved the related party transactions placed before it after recommendations of the audit committee. A quarterly view report of the transactions entered into with the related parties during the year has been presented.	9	✓	
21.	a) The Board has approved the profit or loss accounts, the cash flow statement of Financial Position as on the end of the first, second and third quarter of the year as well as the annual accounts.	3	✓	
	b) In case of Listed Public Sector Company the Board has approved half yearly accounts and condensed interim review by the auditors.		✓	
	c) The Board has placed the annual financial statements on the Company's website.		✓	
22.	a) The Board has approved appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor with full commitment and terms and conditions of employment.	11	✓	
23.	a) The Board has formed the following committees as determined by the Board: b) The committees have provided with written terms 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 headed by the following non-executive directors:	12	✓ ✓ ✓ ✓	

Committee	Number of Members	Name of Chair
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

24.	The Board has approved the appointment of Chief Financial Officer, Company Secretary and Chief Internal Auditor with full commitment and terms and conditions of employment.	11	✓	
25.	The chief internal auditor and the company secretary have access to the Board.	9	✓	

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.	3	✓	
27.	The directors report fairly and adequately complied with compliance with the requirements of the Act and the notified Accounting Standards. The report highlights adjustments in the statement.	27	✓	
28.	The directors, CEO and executives, or their relatives are not directly or indirectly interested in any contracts or transactions with the company except those disclosed in the company.	29	✓	
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.	10	✓	
	(b) The annual report of the company contains criteria and details of remuneration of each director.		✓	
30.	The financial statements of the company were duly endorsed by the chief executive and chief financial officer before commitment and approval of the Board and Committees and the Board.	28	✓	
31.	The Company has constituted Audit Committee with relevant and written terms of reference and having the following members:	12(1) and 12(2)	✓	

Audit Committee	Category	Qualification
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

The chief executive and chairperson of the Board are not members of the Board audit committee.

32.	(a) The chief financial officer, the chief internal auditor and a representative of the external auditors attended all meetings of the audit committee (or another Board meeting to discuss the audit report thereof).	31(d)	✓	
	(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.		✓	

MINIMALLY

Explanation for Non-Compliance

with the Public Sector Companies (Corporate Governance) Rules, 2013

We confirm that no other material departures envisaged in the Rules have been complied with except for the following points which need more emphasis in being mentioned by the company to seek shareholders' consent. Reasons for non-compliance are:

Additional disclosures are envisaged in the Companies Code as amended Governance regulations 2020

a. The total number of directors are 13 including Chief Executive Officer as per the following specimen and Female directors:

1. Male: 11 (eleven) 2. Female: 1 (one)

b. All the powers of the Board have been duly exercised and decisions on material matters have been taken in accordance with the relevant laws 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 in advance by giving prior to approval of agenda and their minutes of the Company and as required by the PCC. The dates of meetings of the Committees have been fixed and advised to the Committee for compliance.

e. The meetings of the Board were presided over by the Chairperson and in his 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 Directors have served minor deficiencies in statutory payments.

1. The Company is in the process of complying with the requirements.

g. The Pattern of Shareholding and Chairman's Review report have been as under:

Audit Committee	4
Human Resource & Remuneration Committee	1
Procurement Committee	1
Risk Management & HSE Control Committee	1
Nomination Committee	1

h. The statutory auditors of the company have confirmed that they have given a satisfactory rating under the quality control review program of the ICAP and agreed with Audit Strength Team of Pakistan that they are aware of the provisions of the Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan (ICAP) 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 of the company have confirmed that they have not been engaged in any other assignments which are inconsistent with the Audit Strength Regulations or any other regulatory requirements and the auditors have confirmed that they have taken IFAC guidelines in this regard.

j. We confirm that all other material principles contained in the CCG have been complied with.

Managing Director/CEO

Chairperson

Islamabad
July 2, 2021

Notice of 57th Annual General Meeting

The Notice is hereby given that the 57th Annual General Meeting of the Company will be held on July 29, 2022 at 10:30 a.m. at Pearl Continental Hotel, Panora Hall, Lahore for the purpose of transacting the following business:

[illegible]

1. To confirm the minutes of the 56th annual General Meeting held on [illegible] 28, 2021.

2. To receive, consider and adopt the financial statements of the Company for the year ended June 30, 2021 together with the Directors and auditors' Reports thereon.

3. To consider and approve payment of cash dividend to the shareholders at the rate of Rs. 1.00 per share of Rs. 10/- each i.e. 10% for the year ended June 30, 2021 as recommended by the Board of Directors. This is in addition to interim cash dividend at the rate of Rs. 1.00 per share of Rs. 10/- each i.e. 10% already paid during FY 2021-22.

4. To appoint External Auditors for the year ended June 30, 2022 and fix their remuneration.

5. To transact any other ordinary business in the Company with the permission of the Chairman.

The share transfer books of the Company will remain closed from Friday, July 22, 2022 to Friday, July 29, 2022 (both days inclusive). The necessary share transfers in the hands of members as at the close of business on Monday, July 21, 2022 will qualify for the purpose of dividend.

By order of the Board

[illegible]
July 22, 2022

[illegible]
Company Secretary

[illegible]

1. Participation in General Meeting

i. Through Electronic Means (Video Link or Conferencing) [illegible]

[illegible]

The member shareholders whose name appear in the books of the Company to close of business on Monday, July 22, 2022 will be eligible to participate in the business of attending the meeting and cast their representative are requested to provide the information as per the table below:

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

The details of the relevant security will be sent to the Shareholders via email and details provided in the form. The login facility will be opened at 10:00 a.m. on July 29, 2022 enabling the participants to join the proceedings of the meeting and video-conferencing proceedings which will begin at 10:30 a.m. sharp.

ii. Attending Meeting in Person or through Proxies

a. All members entitled to attend and vote at the General Meeting are entitled to appoint any person as their proxy to attend and vote on their behalf. A person who is not a member may also appoint any person as their proxy. However, in case of legal entities, a resolution of the board of directors / mandate or authority with specimen signature of the person nominated to participate 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.

b. 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.

c. Every member appointing more than one proxy, for any one meeting and have their proxy 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

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 authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.

ii. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been previously seen by the Company) 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:

i. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

ii. Attested copies of CNIC or the Passport of the beneficial owners and of the proxy shall be furnished with the proxy form.

iii. The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.

iv. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen

[illegible]

[illegible] Company.

7. **Submission of copy of CNIC/NTN to our Shares Registrar**

Please provide each copy of CNIC/NTN to our Shares Registrar in case of physical shareholding and in case of CDC participants, to the participant/Investor Account Services.

In case of non-availability of CNIC/NTN of shareholders, the Company will withhold payment of dividend to shareholders as per Section 243 of the Companies Act, 2017 and Regulation No. 5 of the Companies (Distribution of Dividend) Regulations, 2017.

Physical shareholders are also requested to provide copies of their valid CNIC/NTN, bank mandate, contact details, e-mail address, residential addresses etc. respectively to the Company.

8. **Redemption of Income Tax from Dividend**

Pursuant to the provisions of Finance Act 2019 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 concerned may attach their latest Filer's Certificate issued by FBR authority.

Please note that the Shares Registrar will adopt based on the shareholders' Filer or Non Filer status from the active Tax Payers list available on FBR website.

In case of non-availability of CNIC/NTN of shareholders, the Company will withhold payment of dividend to shareholders as per Section 243 of the Companies Act, 2017 and Regulation No. 5 of the Companies (Distribution of Dividend) Regulations, 2017.

Physical shareholders are also requested to provide copies of their valid CNIC/NTN, bank mandate, contact details, e-mail address, residential addresses etc. respectively to the Company.

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All concerned may attach their latest Filer's Certificate issued by FBR authority.

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[illegible] Company.

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All concerned may attach their latest Filer's Certificate issued by FBR authority.

Please note that the Shares Registrar will adopt based on the shareholders' Filer or Non Filer status from the active Tax Payers list available on FBR website.

9. **Mandatory requirement of Bank Account Details for Electronic Credit of Cash Dividend Payments**

Section 242 of the Companies Act, 2017 stipulates that in case of a listed company, any cash dividends to be paid 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 and to our Shares Registrar, in case of Physical Form at the earliest.

Name of Shareholder	
Folio / CDC A/c No.	
Complete Address	
Cell No.	
Bank Name	
Branch Name	
Branch Address	
Account Title	
Account Number	
IBAN	
Attach a copy of cancelled cheque	

This form is also available on the company's website: www.ahg.com.pk

10. **Transmission of Annual Audited Financial Statements and Notice of Annual General Meeting through CD/USB/DVD**

Pursuant to the provisions of the Companies Act, 2017 the audited financial statements of the Company for the year ended June 30, 2021 are available on the Company's website i.e. www.ahg.com.pk

11. **Transmission of Annual Audited Financial Statements and Notice of Annual General Meeting through e-mail (optional)**

In pursuance of the directives issued by Securities and Exchange Commission of Pakistan (SECP) vide SRO 787 (I)/2014 dated September 8, 2014, those shareholders who desire to receive the Company's Annual Audited Financial Statements and Notice of Annual General Meeting through e-mail are requested to fill the requisite form available on Company's website i.e. www.ahg.com.pk

12. **Computerized National Identity Cards (CNIC) on Book Entry Form**

Securities and Exchange Commission of Pakistan has issued directives vide letter No. 7(2)/2010/Misc. (2010) 620-847 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 two years from the commencement of the Act i.e. May 30, 2021. In order to ensure compliance with the aforesaid provision and to benefit members of the holding of shares in Book Entry Form, all shareholders attended Yearly meeting in physical form are requested to open CDC sub-accounts with any of brokers or Participant associated directly with CDC to convert their shares in Book Entry Form. This will facilitate the various shareholders in many ways, including with routinely online trading of shares, easy transfer of ownership, no risk of damage/loss/counterfeit shares, [illegible]

13. **Unclaimed Dividends and Shares**

As per the provisions of Section 244 of the Companies Act, 2017, any dividend which is outstanding and unclaimed for a period of three years shall be deposited in the Fund established by the Federal Government pursuant to the provisions of Section [illegible] of the Companies Act, 2017.

Shareholders are advised to contact their respective brokers/Participants and CDC Investor Account Services to claim their dividends/shares and to update their contact details, CNIC/NTN, bank mandate, etc. in order to avoid the hassle of claiming unclaimed dividends/shares from the Fund.

Registered Office
[illegible]
Tel: [illegible]
Fax: [illegible]
Website: www.ahg.com.pk

Shares Registrar
CDC Shares Registrar Services Limited

Lahore Office
[illegible]
Tel No. [illegible]
Fax No. [illegible]

Karachi Office
[illegible]
Tel No. [illegible]
Fax No. [illegible]
Website: [illegible]

Transmission System and Network

Chairperson's Review and Directors' Report

The Board of Directors presents the 58th Annual Report and the Audited Financial Statements of your Company for the Financial Year ended June 30, 2021 along with the Auditors' Report thereon.

Change Overview

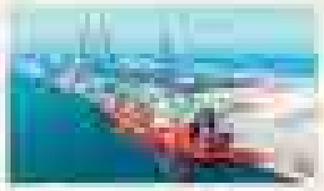
[illegible]

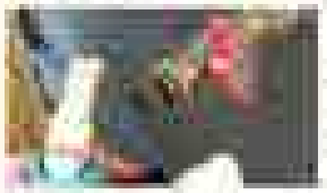
Financial Overview

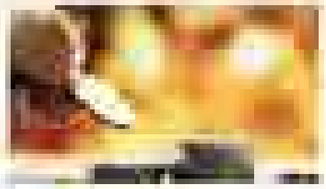
[illegible]

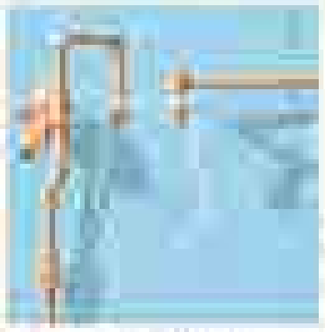
	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]
[illegible]	[illegible]

[illegible]









Customer Satisfaction

Customer satisfaction has always been a cornerstone of MGGL policies and decision making, which is amply reflected in our Vision and Mission. MGGL has 10 Regional Offices, 30 Sub regional Offices, 16 Customer Service Centers and 47 Complaint Centers across Punjab, 10 pay Partnerships, Internet Digital Territory and Kiosk Jazzes & Cashier to receive and notify the complaints. Numerous ways of communication. Our Complaint Centers operate round the clock on 365 days of the year to handle emergent gas. Besides these offices, MGGL has made arrangements for Call Center to receive in open, all complaints and to provide best service-oriented offices to assessed. The Call Center can be accessed through a short code number. The toll-free number (Call Center) is aware of complaints. To improve service offers Company SMS feedback from all the consumers in case satisfied. Furthermore complaintwise data is helpful round the clock 365 days of the year as following.

- Walk-in customers at Complaint Centers (CCs)
- Landline number dedicated for the "Call Center" exclusively (24/7)
- Company website "www.mggl.com.pk"
- Company's Facebook account "www.facebook.com/MGGL.official"
- Company's Twitter account "www.twitter.com/MGGL_official"
- Company's YouTube account "www.youtube.com/MGGL.official"
- Company's Instagram account "www.instagram.com/mggl.official"
- Mobile application "MGGL BILL" available on Google Play Store for Android Gas Consumers
- Online Complaint Portal on CNG Stations

The customer complaints are routed to responsible officers through some of the on Oracle Siebel Customer Care & Billing (CC&B) software. The complaints history and database of each customer is maintained in this software. For complaints reconciliation reports with Compliance Officers are developed with proper tools, equipment and transport for prompt action as per standards and norms by Oil & Gas Regulatory Authority (OGRA).

Projects

Your Company has laid 142.55 Kilo Transmission Lines with diameters ranging from 8" to 24" in addition to Transmission Lines, 992.31 Kilo of Distribution Lines were laid during the financial year 2022-23 for increasing pressure and bridging gap in many areas and the customer satisfaction with.

Implementation of Environment Management

In order to mitigate the gas quality and amount problems faced by existing gas, your Company has undertaken a comprehensive project for implementation of gas networks in various cities.

Employee Data Management

Your Company is engaged in various pipeline rehabilitation projects with national and international companies. Number of the contractors and performance of the Company's a number of organizations are working with MGGL to develop business relationship and improvement of HSE work. While utility jobs have been awarded to DHDFL on negotiations on single bid basis which proves that is the high standards of work culture maintained by us. The Company has proved its expertise and established them to be around the work in the mind.

Nothing be compromised and work quality. The challenges in the market continue but we look at them as opportunity to make customers better.

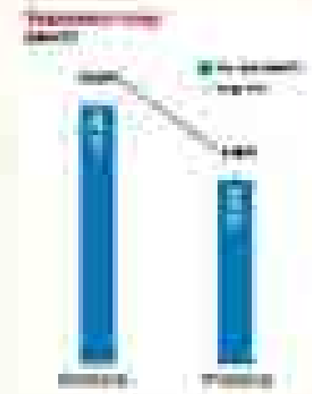
Environmental Gas Gas Control

Your Company is pursuing 3 Point UFG Reduction Plan in all FY (2018-23 to FY (2021-22). Kilo equipment by company's Board and submitted to OGRA under macroeconomic considerations of GDP and UFG. The Plan comprises of two components:

- **Component 1:** Accumulated reduction in gas volumetric unbalanced by 50 bcf Distribution Regions through reduction of 20 Time Key Remedying Indicators (KRIs) approved by OGRA.
- **Component 2:** Reduction in "NG Losses in High UFG Areas of CPC/Bhaugh" done before and methodically aligned administrative support of law enforcement agencies.

In addition to the FOC approved UFG reduction targets, the Board assigned additional UFG reduction targets following cities based reduction targets in 12.01% BAGT and Total reduction target in 2.7% Accordingly assigned targets are assigned to all Distribution Regions and Transmission Department for achieving overall UFG reduction.

Since resulted guidelines, instructions and efforts are fully and are reviewed for the Management and working efforts to field staff. The company has exceeded the annual UFG reduction targets assigned by Board. The overall reduction achieved is relatively reduction from 8.12% (FY2018-19) to 7.17% (FY2022-23) which is 0.95% compared to past year. The reduction is equivalent to gas saved and financial saving of one Rs 1.2 billion. The results achieved by company have been acknowledged and appreciated by all stakeholders including Board as well as Ministry of Energy (Petroleum Division) as of Review.



Following efforts were made during FY 2022-23:

- **CNG Stations Efforts in 10 Distribution Regions after Gas Shortage:** Gas Supply Plan for the Company's efforts in Peak. UFG has been reduced in all regions of the Company.
- **Increased Focus on Gas Theft Control:** The objective is meeting enforcement and monitoring plan gathered for which following measures have been taken:
  - Real Time monitoring of 1,000 industrial consumers through Supervisory Control and Data Acquisition (SCADA) and generation of alarms against accordingly for prompt detection of gas theft, measurement errors and meter tampering issues.
  - Physical Vigilance of
    - 8,000 Industrial consumers on monthly basis
    - 41,000 commercial consumers on quarterly basis
    - regularized 70% domestic consumers i.e. 1.5 million.
  - Physical checking of suspicious consumers.
  - Special checking of every receiving that are prone for illegal gas connection and illegal gas consumption unauthorized connections.
  - Approximately one gas meters, regularized 20,000 meters and replaced old meters connected to gas technologically advanced meters.
  - Theft cases (civil and FIRs)
  - Totaled booked
    - 1,000 cases
    - Totaled Recovered
    - 1,200 cases
    - Amount booked
    - 1.06 billion
    - Amount Recovered
    - 1.2 billion
- **Developed Focus on Leakages Control:** The objective is to reduce leakages of leakage rate for which following measures have been taken:
  1. Deployed surveillance of 20% of total distribution network i.e. 20,000 km for real time monitoring and reduction of 20% leakages.
  2. Gas Theft Scanning of network of Lahore & Peshawar Regions i.e. 11,000 km for identification and rectification of leakages.
  3. Installation of pressure sensors for changing gas leakage monitoring on the

- Executed regional tie-ups (private) with government sub-ancillary use fuel. And for network has been built connections.
- As far 4.07 lakh domestic and low network for provision of gas connections and 3.07 gas connections have been installed in primarily based against deployment Business Revenue.

The new product is organising gatherings public that they will get liquid gas connections.

Efforts made to connect the Remote to Rural Areas, Areas of EPE Purchase:

- Seeking support of public representatives in encouraging the Piped design of gas
- Distributes LPG cylinders, gives affordably connect of transmission channels deployment in KYC connection channels (gas cylinders)
- In view of SATC Regulations

have been installed against gas (photo)

- In addition to above, establishment of 75 automated Selling Stations in appointed gas affordable and Rural Designs
- As a result of efforts against Piped gas usage, the views of people are, Lines have been delivered from 32.7 in Lakhs in FY 2019-20 to 13.048 Lakhs in FY 2020-21 i.e. 39% reduction.

- **Phase II of Project**
  - Lots of efforts have continued has been continuously followed up for provision of connection/ development of gas network channels connecting of Indian houses producing in the 1 (which has been included).
  - Phase 2 has been approved by [illegible] and [illegible] and verified by the Petroleum Digitals.
  - Execution process of the Phase 2 will be commencing shortly.

Liquefied Petroleum Gas: Over the Company is maintaining [illegible] Liquefied Petroleum Gas in Tamilnadu. The capacity of the plant is 500 metric and it will supply LPG to rest of Tamilnadu. Natural Gas (PNG) is the cost effective and safe fuel. It is the first choice. Here efforts are not only help increasing the energy requirements of the people of Tamilnadu but it will also reduce the pollution which is the best design of simple change in new industry creating in new finding and fuel, more than saving design to the people.

Competitiveness of Gas

Your Company claims the largest type of gas supplier of the region operating the Public importance passenger vehicles. Based on the [illegible] comparison with 1) competent [illegible] 2) lower [illegible] and [illegible] 3) [illegible] [illegible] the company converted from the 1,000 [illegible] [illegible] indigenous use of different consumption sources through [illegible] [illegible] project follow competence [illegible] in order to [illegible] the [illegible] [illegible] from different

[illegible] Company's Transmission [illegible] and [illegible] [illegible] [illegible]

maintain accuracy of measurement gadgets through laboratory based test activities such as inspection, leak proving, calibration of meters / EVCs and configuration of measurement parameters in EVCs in accordance with international practices. The Company is issuing technical reporting / inspection of Domestic, Commercial & Industrial meters / EVCs, where inspection of these meters / EVCs for detection of tampering by the consumers.

During the year under review Domestic Meter Inspection Shops Multan, Faisalabad, Sahiwal and Lahore have been certified against the latest Quality Management System (QMS) i.e. ISO 9001:2015. Furthermore, accreditation of Central Meter Shop, Lahore & Regional Meter Shops Islamabad, Faisalabad and Multan for Testing and Inspection based on ISO 17025:2017 & ISO 17020:2012 through Pakistan National Accreditation Council (PNAC) is under process.

Meter Shops are also complying with Occupational Health, Safety and Environmental Management Systems and have got certifications of OHSAS 45001:2018 & ISO 14001:2015 respectively.

Your Company is committed to implementation of gas metering through utilization of latest international techniques, complying to latest standards and also by improving specifications of measurement gadgets through continuous research and development. During fiscal year 2020-21, we have introduced following state of the art equipment to improve productivity / quality of work for various activities carried out at Central / Regional Meter Shops:

- Installation and commissioning of Heavy Duty Robot Operated Drill Machine for smashing of Industrial High Pressure Commercial Meters at Central Meter Shop Lahore.
- Installation of Under Pressure test Test Benches for Domestic flow meters at Lahore Regional Meter Shop Islamabad.
- Power tools have been procured and are being used for meter repairing at Central Meter Shop Lahore.

Meter Inspection Report (MIR) amending module for issuing of approved reports of MIRs as well as all documents attached with MIRs have been successfully developed in coordination with ITRAS. It will help to maintain web records of MIRs. Moreover, the module has been developed by ITRAS in domain of approved EVC data logs.

At present, 70% industrial consumers with GPRS based communication system have been integrated with SCADA system. During the FY 2020-21, approximately 1000 New Gas meters were provided to Distribution Regions for automation of the said task. Communication of industrial consumers through SCADA system for efficient and effective metering and monitoring. In addition to aforesaid, EVCs with built-in GPRS modems have been introduced in the Company for the first time and 4000 No. Gas Meters equipped with EVCs having built-in GPRS solutions were provided to Distribution Regions for installation at Sites. Trainings are being imparted by the Company on regular basis to relevant field staff of Regions on different topics, for better understanding of measurement techniques / gadgets.

In addition to above, 18 Nos. Domestic Meter Inspection Shops (DMISs) established in Regions are operational. Development of required buildings for Domestic Meter Inspection Shop Multan, Gujranwala & Peshawar is also under process.

Quality Assurance

Your Company is ISO 9001:2015 certified for Quality Assurance which generally covers implementation of relevant standards/codes like ASME and API Standards, National and International codes and Standards, relevant Operational and Safety approved procedures, and specifications in all engineering departments for construction, operations and maintenance of transmission and distribution gas network. Assuring and qualification of materials purchased for the Company's installation. During FY 2020-21, a total of 2738 Kms of main line of HDPE and PE was inspected.

The integrity of weld joints is checked by using Non-Destructive Testing techniques i.e. Radiography, Ultrasonic Testing & Dye Penetration Testing by Third Party NDT firms. Moreover, 100% visual inspection of all the welded joints is also being carried out to ensure pipeline integrity. During FY 2020-21, 100744 Nos. of weld joints were inspected out of which 97050 were radiographed along with visual examination were checked by radiography.

The process of "Three Layer Polyethylene coating of Mild Steel line pipe conducted at Coating Plant, SGC Sheikhupura" is closely monitored and inspected along with application of internal coating as well as on site. During the last fiscal year a total of 77057 Nos. of steel pipes along with 89400 Nos. of coated steel pipes checked out of which 409 were rejected and 376 pipes were repaired. Total rejection of the M.S line pipe stood at 0.05% is acceptable as Regional coating plant.

Regional Quality Assurance teams are performing Quality Inspection.

Studies QA Audit of Customer Service Material Insurance Shop & Romance Radio Inspection Blog was also in place for stringent monitoring of implementation of applicable resources.

Billing

Your Company is committed to its mission regarding timely provision of gas bills on all categories of consumers ensuring transparency in billing. Special emphasis is being given on expeditious redressal of grievances of non-issue consumers in online & first-time installations.

The Company is taking into consideration all possible steps on time issue chain above below of gas. Efforts are ongoing in making internal mechanism for their expeditious remedial measures. This has not only reduced consumer complaints but also contributed to revenue protection to LPG of the Company through timely regularisation activities and timely of installations of any.

Automatically, all consumers are being carried out in remote processing of their registration requests and BOD/DD activation requests are finalized in FY 2020-21. All tasks requiring manual intervention are processed in a positively and same are incorporated in system so that actual recovery could be ensured. Your Company has achieved 97% of payment targets against IOA based PPC benchmark. Initiatives by CGDA especially disconnection notices from consumers involves in effective shift of gas.

Exercises of reconciliating dues from defaulting consumers is another vital aspect and accordingly affect the gas revenue recovery. Campaign has been launched against cases and support consumers in expunge non-series against outstanding dues. In order to expunge recovery from delinquent defaulted consumers, high value consumers are given priority and special emphasis is on these cases to detect some effective mechanism on this remained against these consumers mostly commercials. The elevated cases are being referred to Inspection Technical Authorities under Section 27 (2) of Gas (Theft Control and Recovery) Act, 2016. Accordingly, for resolution of cases of defaulter domestic consumers are had consequent Grievance Redressal, in domestic cases sending

[illegible] Infosys and receipt of CNG through IOCL/GCT after making selections of Remote, pre-checking & activation.

Your Company is committed for timely delivery of essential gas pile of diversities of every consumer by employing mode of the art technologies in generation of digital imaging (DRC) meter reading has been spread across the Company in all categories of consumers which has contributed towards reduction in consumer complaints and improving quality of billing.

Digitalising the Processes

Digitization is changing the way an organization operates. Your Company is transforming the business processes, workflows and culture by introducing digitization across the company.

Delivering a strategic roadmap for fostering creative and innovative use of technology in achieving the Organisation's objectives in fulfilment of your Company BPCOL provides efficient working process of information access and provides a secure, highly reliable technology infrastructure along with high quality customer oriented services and support, so as to meet the ever changing needs of the business users.

COVID 19 has questions challenges us to do more. And the pandemic accelerated last year. Your Company envisioned concept of continuance IT services in the business departments as well as the consumer during the challenging times of the pandemic. Some of the accomplishments during the last year include:

- Enterprise Systems
  - Enterprise Systems i.e. CGDB and ERP digitize and integrate the core business processes of SGGPL. These systems are being continuously enhanced by your Company in order for managing requirements of the business.
- Automatic Processes in CGDB and ERP
  - Introduction of SMS Alerts and Feedback from consumers
  - Service Automation in Billing Processes such as CGC Installment, Disconnection Calculation and Subsidy, Inventory and Handlingmen etc.
  - Implementation of Vendor Portal for Compliance
- Automatic Processes in Web / Mobile Apps
  - Implementation of Automatic for Consumer Insurance in Gas applications
  - Traditional Services for Industrial and Commercial consumers applications & Service connections, Tax Computation, Load Enhancements, etc.
  - Transfer of Gas Connection Facility through company website
  - Mobile App availability on Google Play Store and Apple App Store
- ISO 27001 Certification
  ISO/IEC 27001 is an international standard for information security, it defines security specifications for an Information Security Management System (ISMS).

  Your Company has implemented various and best practices to secure its IT assets and has initiated the process for ISO 27001 certification and is heading to achieve the certification this year.

  Implementation Roadmap following processes in pipeline:
  - GDPR and HIPAA Compliance
  - Enhancement of Infrastructure
  - Continuous improvement in information security Email Migration

Election of the Board of Directors

[illegible]

Composition of the Board

[illegible]

Chairman of the Board

[illegible]

Independent Directors Declaration for the Board

The directors are appointed directors in compliance following the plan on the business, operations and structure of the Company as well as other subsequent policies.

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

In accordance with the requirements of the Pakistan Stock Exchange Corporate Governance Rules, 2019 and the Listed Companies Code of Corporate Governance Regulations, 2019, the evaluation of performance of the Board and its Committees was passed out under well-calculated study through the policy via Pakistan Institute of Corporate Governance (PICG), an accredited institution by Securities & Exchange Commission of Pakistan (SECP) covering an active questionnaire to be administered at regular the Board members for the assessment of their performance. The evaluation exercise is undertaken on annual basis to enhance effectiveness and better understanding of the roles and responsibilities of the Board.

Directors' Remuneration

The board of directors has a transparent procedure for the remuneration of directors in accordance with the act and regulations. The aforesaid fees amounting to Rs. 135,000 pertaining expense to the non-executive directors resort from attendance of board meetings duly approved in Meeting for the record of the meeting to the remuneration of directors is Chairman along with travelling, boarding and lodging facilities. In addition to the aforesaid, the Chairperson is also entitled a monthly remuneration of Rs. 120,000/- with Company maintenance car with fuel and free medical cover for self and spouse. The details of Remuneration to the Directors and the remuneration of the CEO are disclosed in note 38 to the financial statements.

Post Balance Sheet Events

The Directors have recommended on the July 1, 2020 being the date on which the financial statements were approved, any information concerning significant transactions or incidence of 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 various principles of corporate governance as envisaged in the Listed Companies (Code of Corporate Governance) Rules, 2019 and Listed Companies (Code of Corporate Governance) Regulations, 2019.

Responsibility of Company and the Financial Reporting Framework

The Board of Directors hereby declares that for the year ended June 30, 2020:

a. The Financial statements together with the notes thereto have been prepared in conformity with the Fourth Schedule of the Companies Act, 2017. These statements accurately reflect 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 from the same, if material, disclosed and explained.

e. The system of internal control is sound in design and has been effectively implemented and monitored.

f. The appointment of Chairperson and other members of Board and the terms of their appointment along with the remuneration policy adopted and the best interests of the Company as well as in line with the best practices.

[illegible]

[illegible]

[illegible]

[illegible]

	[illegible]
1 [illegible]	[illegible]
2 [illegible]	[illegible]
3 [illegible]	[illegible]
4 [illegible]	[illegible]
5 [illegible]	[illegible]
6 [illegible]	[illegible]
7 [illegible]	[illegible]
8 [illegible]	[illegible]
9 [illegible]	[illegible]
10 [illegible]	[illegible]
11 [illegible]	[illegible]
12 [illegible]	[illegible]
Total	[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Auditors

M/s. Yousuf Adil Chartered Accountants were appointed as External Auditors of the Company for conducting audit for Financial Year 2021-22 in the Annual General Meeting held on July 28, 2021. They have also given their consent to act as the Auditors of the Company for financial year 2021-22. The Board endorses the appointment of M/s. Yousuf Adil Chartered Accountants as Auditors for the Financial Year 2021-22 on the recommendation of the Audit Committee.

Share Buyback

The Company's share buyback of up to 10,000,000 (0.25%) ordinary shares at Rs. [illegible] per share for a period under review, the highest price of the share was Rs. [illegible] and the lowest was Rs. [illegible]. The market capitalization as on June 30, 2021 was Rs. [illegible] million.

Future Outlook

Your Company is taking numbers of steps to improve results of general this consumed by taking stakeholders steps as under:

- Circumstances to be taking above the [illegible] as an [illegible] for diversification, targeting growth of high LPG [illegible] and functionality.
- Actively pursue other avenues of profitability, including cost-line engineering and consumption wise, for CAP companies. Management of your Company is confident with this action plan to all effort to secure above your Company will be able to show promising results in the future.
- Your Company is working on the process of developing digital model of Transmission and Distribution systems through utilization of Geographic Information System (GIS) technology. SSP team are testing the management and control, Operation network and customers related information through Computer Aided Application (CAA) Technologies. So far Sukkur region network of SP [illegible] of the entire whole Transmission system consists of customer location, substation complexes, network [illegible] control and [illegible] are completed and available through [illegible] network [illegible].
- SNGPL is working towards the Third party access connection to ensure fair access to maximum number of consumers.

Acknowledgement

We wish to offer the members of the Board our profound gratitude for their [illegible] and [illegible] which contributed towards [illegible] of our Company.

Your Directors [illegible] appreciation for the continuous support and patronage received from shareholders and [illegible] Regulatory authorities. We also wish to pay tribute to the dedication and commitment of all the employees who constituted [illegible] to contribute [illegible] of the Company.

We also [illegible] the continuous guidance and support received from the Government of Pakistan, Ministry of Energy (Petroleum Division) and Oil & Gas Regulatory Authority (OGRA).

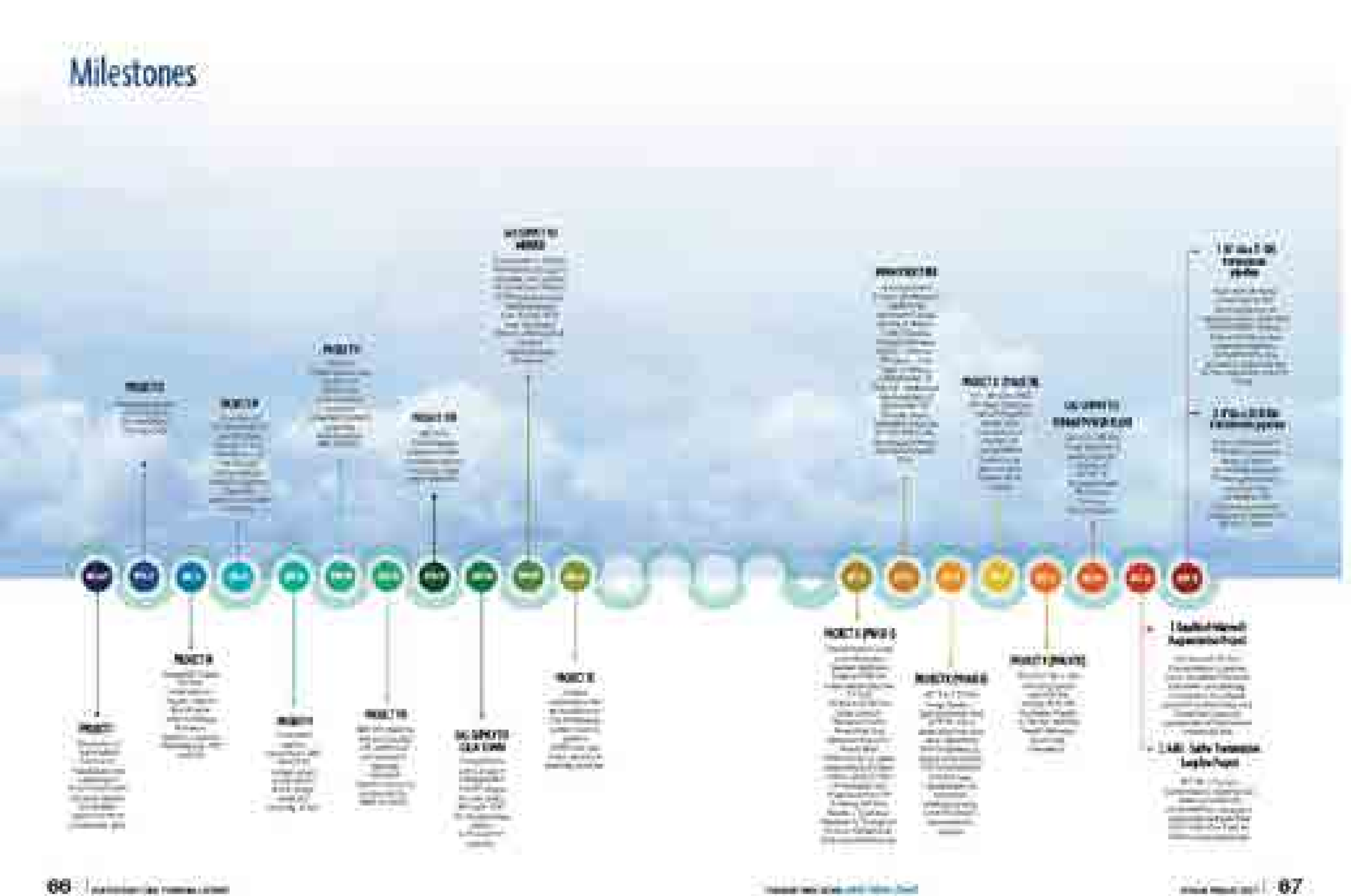
On behalf of the Board

Nizam Ahmed
Managing Director

Rashid Rahim Khan
Chairman BOD

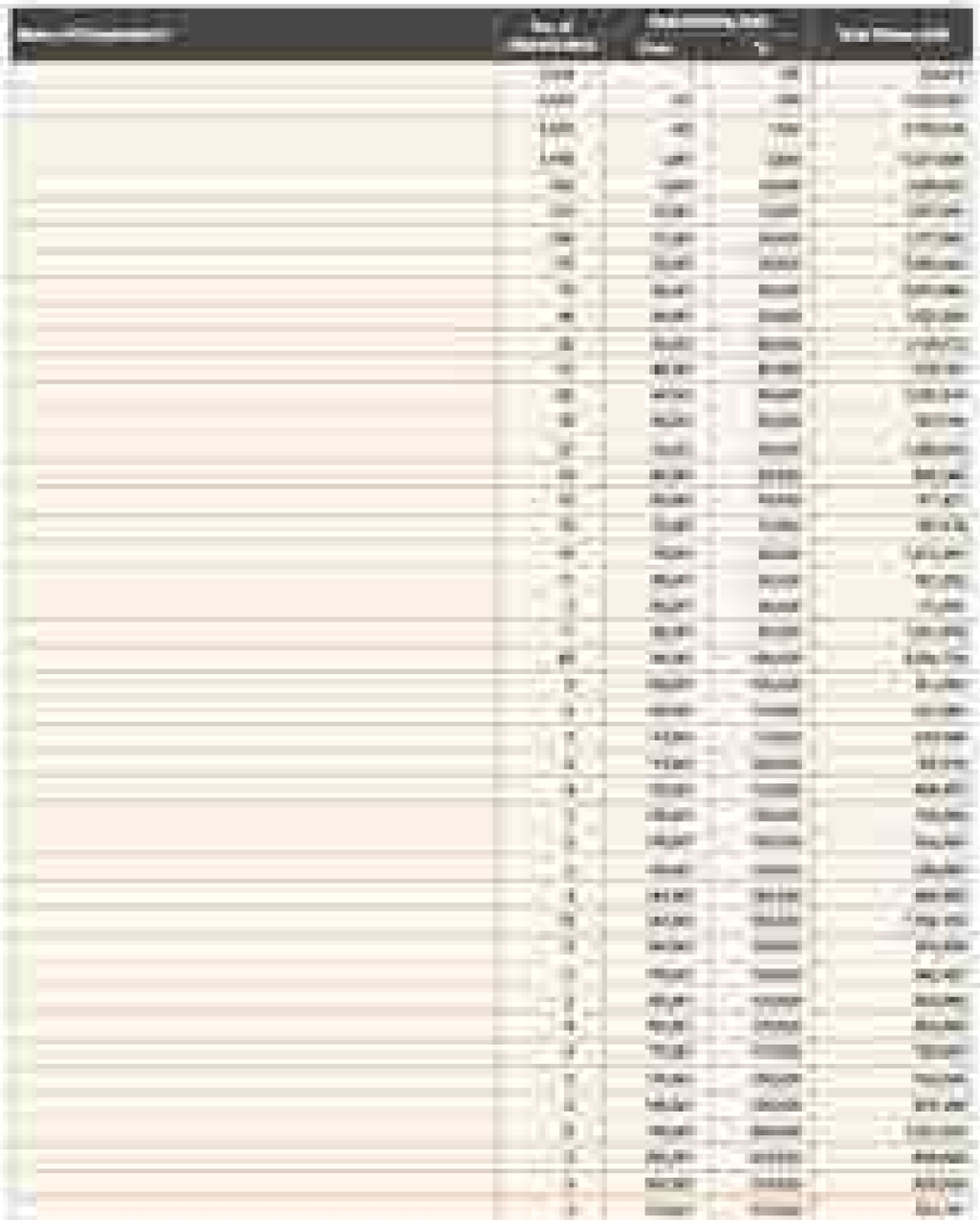
Islamabad
July 2, 2021

Milestones



Pattern of Shareholding

As at June 30, 2021



[illegible]	No. of shareholders	Shareholding range		Total shares held
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Categories of Shareholders

As at June 30, 2021

[illegible]	[illegible]	[illegible]	[illegible]
[illegible]			
[illegible]		[illegible]	[illegible]
[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]
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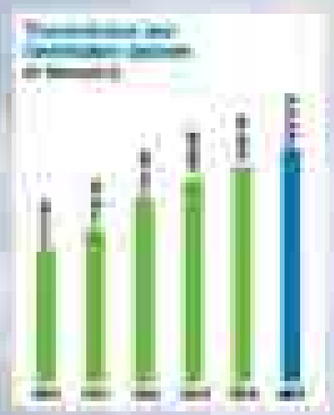
[illegible]	[illegible]	[illegible]	[illegible]

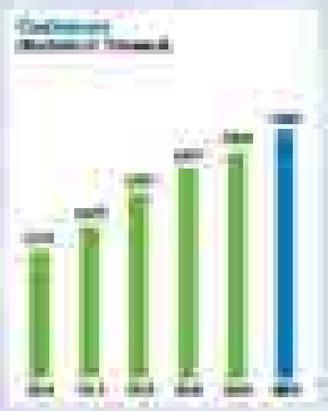
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

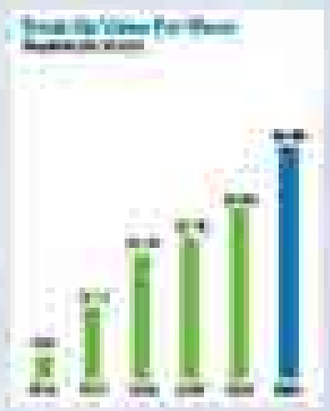
[illegible]	[illegible]
[illegible]	[illegible]

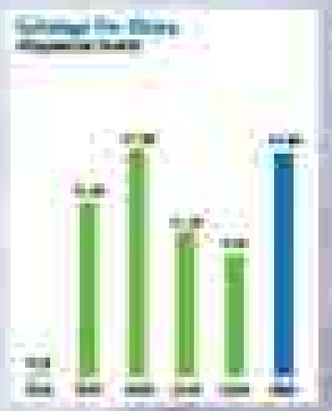
Summary of Six Years

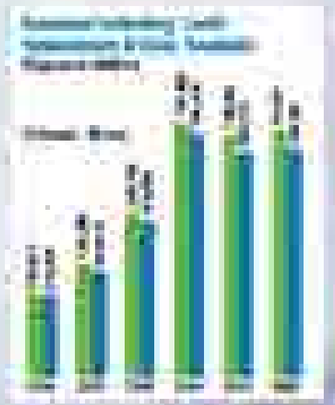
Graphical Presentation

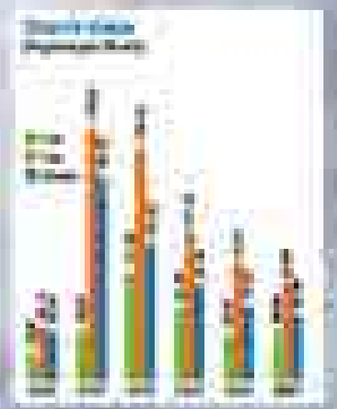








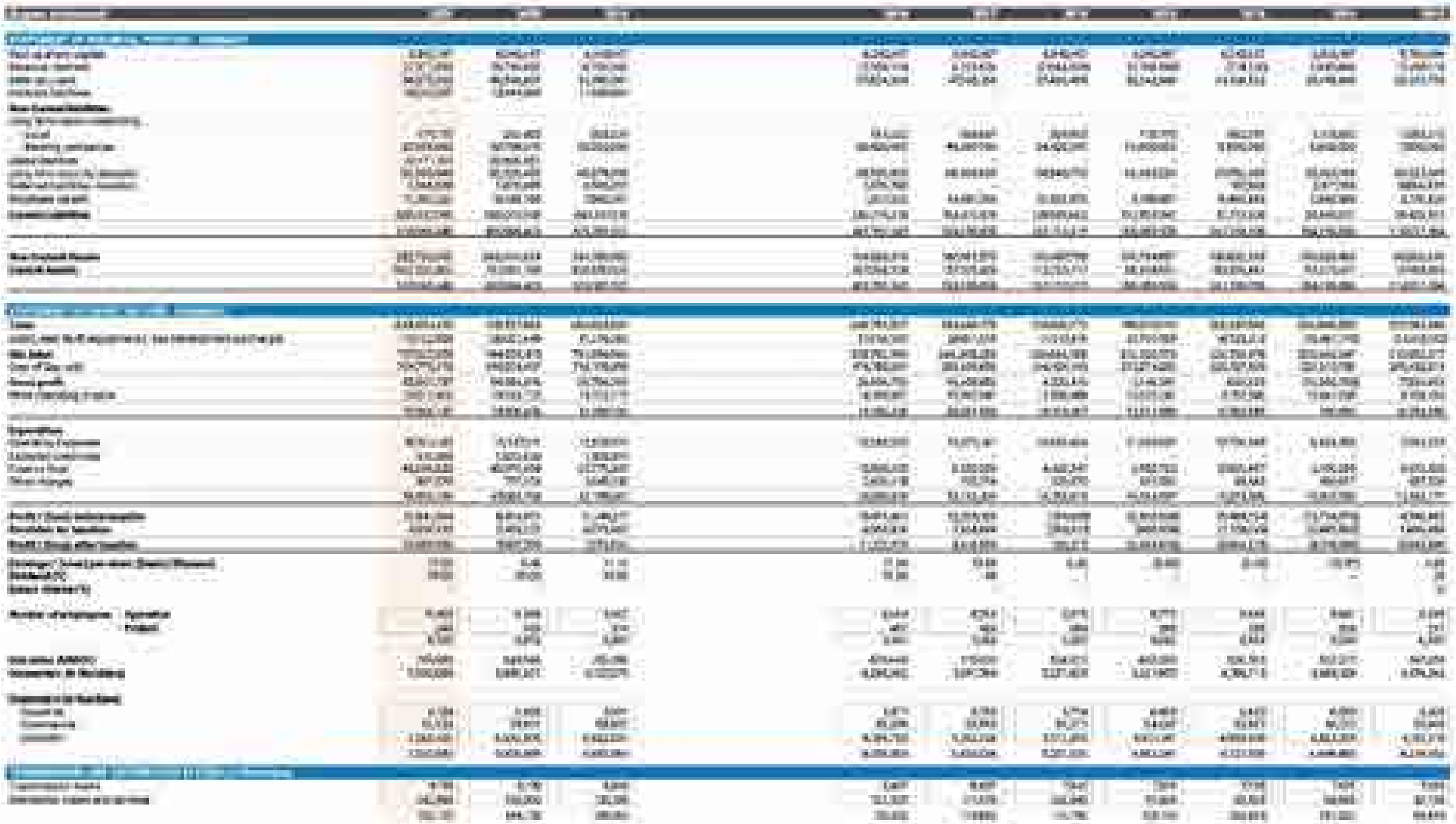




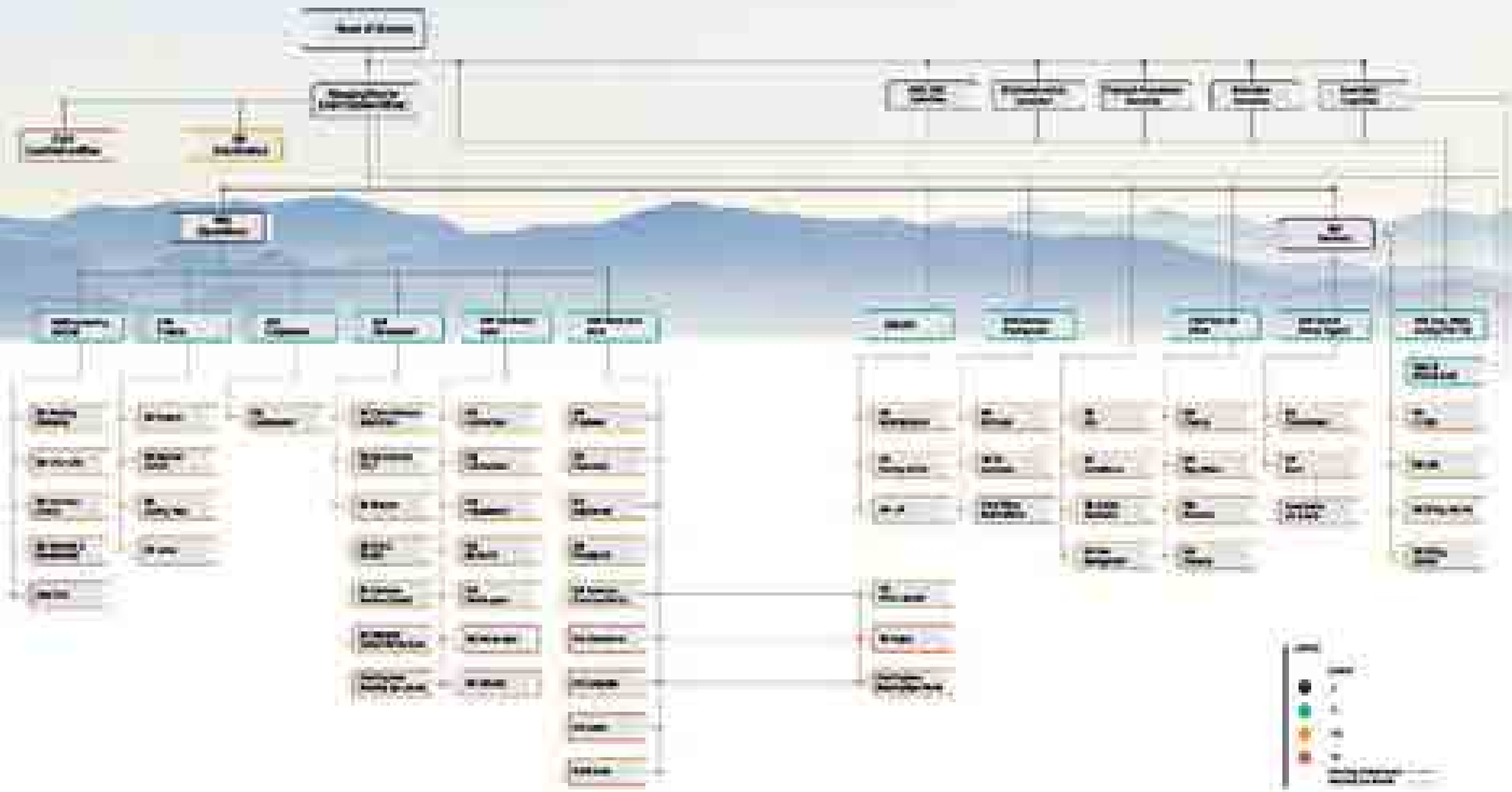
Horizontal Analysis

Vertical Analysis

Ten Years at a Glance



Organizational Structure



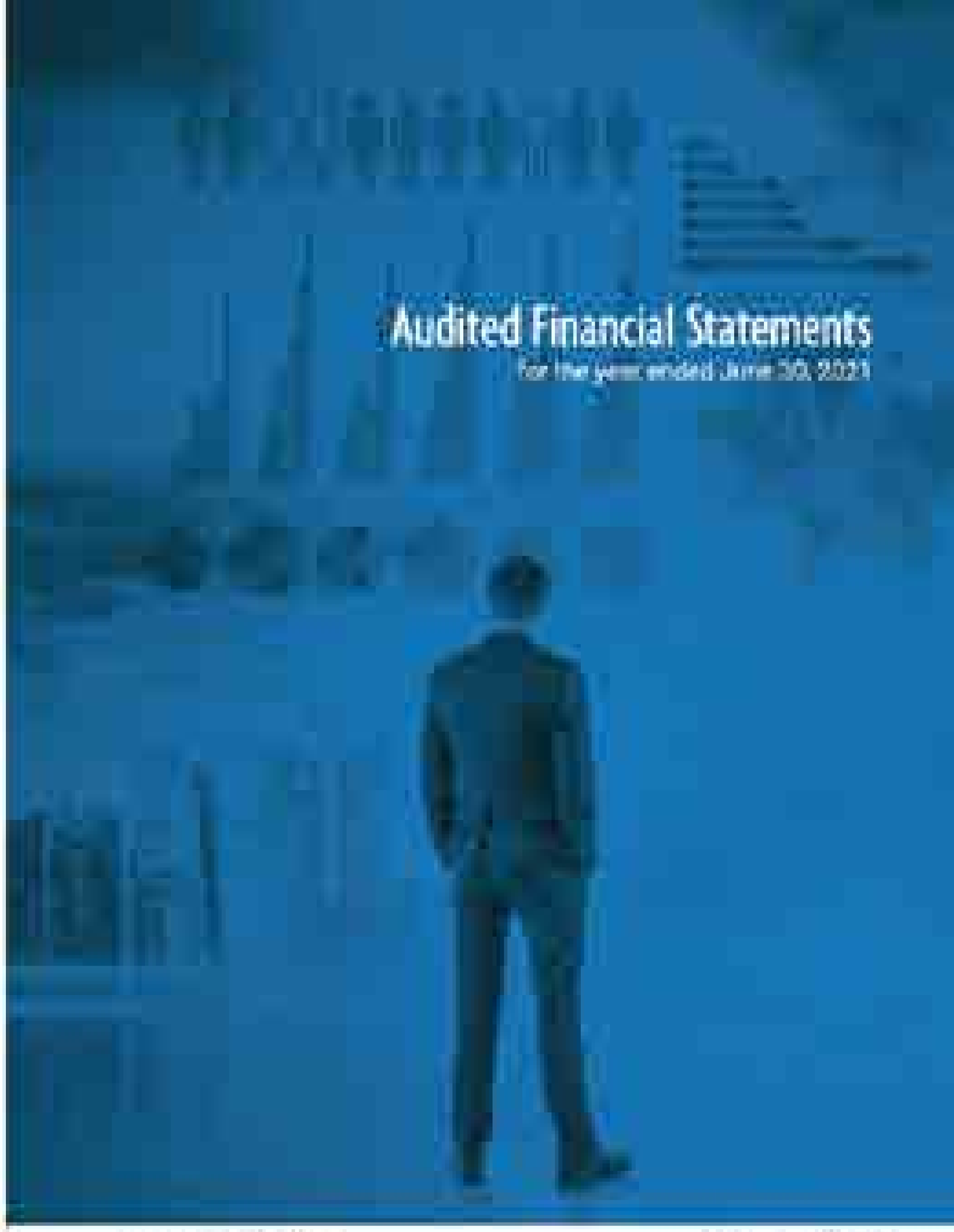
SNGPL Head Office & Regional Offices

Head Office

Regional Offices

Audited Financial Statements

For the year ended June 30, 2021



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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance and Public Sector Companies (Corporate Governance) Rules, 2013 (both herein referred to as the Codes) prepared by the Board of Directors of **Sui Northern Gas Pipelines Limited** for the year ended June 30, 2021 in compliance with the requirements of Pakistan Stock Exchange where the Company is listed.

The responsibility for compliance with the Codes 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 Regulations 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 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 all aspects of the Board's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such controls nor ensure 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 its related party transactions. Accordingly, we have reviewed the Company's related party transactions and have found no exceptional transactions. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or form an opinion on the effectiveness of such controls, nor ensure 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 its related party transactions. Accordingly, we have reviewed the Company's related party transactions and have found no exceptional transactions. We are not required to consider whether the related party transactions were conducted at arm's length basis 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 Regulations and Codes as applicable to the Company for the year ended June 30, 2021.

Chartered Accountants

Engagement Partner:
Waqar Ali Chohan (Pvt) Ltd.

Lahore

Dated: July 28, 2021

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, 2021, and the statements of profit or loss and other 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 significant 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, 2021 and of its profit, 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. Particularly, we state that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to Note 10.1 in the notes to the financial statements which explains that the settlement of receivable dues, including tariff adjustment (refer Note 8), and units 3&4 is dependent upon transactions of receivables/payables by the Government of Pakistan with independent gas power producers including the Government of Pakistan in their capacity.

Our opinion is not modified in respect of this 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.

Accounting and Tariff Adjustment

Key Audit Matters	How our audit addressed the key audit matters
As referred to in note 10 to the financial statements, the Company has recognized tariff adjustments on indigenous gas and RLNG aggregating to Rs. 8,429 million (2020: Rs. 7,325 million and Rs. 18,847 million (2020: 4,088 million), respectively, for the year ended June 30, 2021 in the statement of profit or loss and Rs. 373 million (2020: Rs. 833 million) in the statement of comprehensive income. The significant adjustment on indigenous gas includes an amount of Rs. 16,832 million on account of various tariff adjustments which have either been deferred or disallowed by the OGRA in different previous years. The aggregate amounts deferred / disallowed by the OGRA in the relevant years, 2017-18 million and Rs. 8,832 million for indigenous gas and 40.40, respectively as at June 30, 2021. The aggregate balance includes Rs. 16,793 million on account of interest/ markup on delayed payments to Government owned entities for gas purchases which has been penalized by OGRA in the subsequent payment / settlement of receivable dues by Government of Pakistan. However the Company has recognized tariff adjustment on such deferments/ disallowances in its financial statements as the management believes that such deferments / disallowances are against the law and rules and the income of the company are legitimate. The Company is also in the process of filing a review appeal against the tariff determination with Appellate Tribunal Decision to the OGRA and of minimum of financial institutions. Considering the significance of the amounts involved and judgments made by the management, we have identified it as a key audit matter.	Our audit procedures in relation to the following: - Developed an understanding of the Company's regulatory environment being governed by Petroleum (Law) Rules 2016. - Reviewed the decision in OGRA on tariff for the year 2020-21 and assess the revenue recognized in relevance to understanding of the company's revenue recognition and related disclosures in financial statements. - Discussed the basis of the adjustment taken by the management for recognition and deferments / disallowances in the tariff adjustments amount and discussed the basis of the revenue applied in the Company's financial statements with the OGRA. - Considered prior period OGRA decisions issued by the OGRA, relating to the Company, in order the appropriateness of management's judgments and - Reviewed the appropriateness of the disclosures made in accord of the applicable matter in the financial statements and assessed the adequacy of the disclosures with the IAS.

Key Audit Matter	How the matter was addressed in our audit
1. Revenue recognition under Ind AS 115 (Revenue from Contracts with Customers)	
The Company has recognized revenue of Rs. 1,742 crores during the year under "Take or Pay" ("ToP") arrangement with M/s Lucknow-Lucknow Metrolink Power Limited ("LLMPL") and M/s Mumbai Power Hans Management Company Limited ("MPHMC") (collectively referred to as "Government Power Producers ("GPPs")) whereby the GPPs shall receive recognition of the energy from July 01, 2017 to June 30, 2021 amounts to Rs. 22,500 crores, as mentioned in Note 2(1) to the financial statements. The GPPs discharge the invoice under ToP arrangement on a quarterly basis and then a unit section with the nominated utilities (Nigam Gram (UNO)). The UNO on June 22, 2018 directed that the disputed invoices should be dealt with in accordance with the dispute resolution mechanism available in the Sub Tariff agreements (UNO) in light of Section 11 of the GPPs matrix and efforts made to settle the dispute by mutual discussions but the matter remained unsettled as required under section 19.2 of the GPPs, the Parties and thereafter referred to an Expert, after mutual consent of the parties in terms on October 29, 2018. After the Expert recommendations issued September 14, 2019 in favour of the Company, the two GPPs have disputed the matter and referred to "London Court of International Arbitration" ("LCIA"), and the matter is currently pending adjudication. Subsequent to pronouncement on December 12, 2021, the sole arbitrator has decided the MPHMCL ToP receivables against the Company. However the matter of LLCPL is still pending for adjudication. Owing to the uncertainty related to the outcome of the arbitration proceedings, the Company has preferred an appeal in the High Court of Justice, London on January 20, 2022. Now, the cases against MPHMCL are pending in High Court of Justice, London for adjudication. Due to the significance of amounts involved, element of uncertainty because of ongoing arbitration proceedings and there complexities involved recognition under ToP arrangements as a Key Audit Matter.	Our audit procedures included, but were not limited to, the following: Obtained and reviewed the agreements entered with GPPs and MPHMCL with respect to take or pay and unbundling clauses. Reviewed the invoices raised by the Company to the customers under ToP arrangements and assessed whether the same are in accordance with the requirements of Ind AS. Reviewed the Ind AS 115 and the opinions obtained by the Company's legal advisor in the Expert proceeding in the arbitral decision to understand the position taken by the Company in support of the matter. Discussed the representations, determination of the Expert to understand the basis of the Expert's determination in arriving at our assessment of the reasonableness of the Company's position for revenue recognition and assessed the impact on the audit report. Obtained and reviewed the legal opinion from the Company's legal advisor defending the case in LCIA/ High Court of Justice, London. Obtained and reviewed the arbitration award of LCIA. Obtained and reviewed the opinion issued in the High Court of Justice, London and Reviewed and understood the adequacy of the disclosure made in the financial statements.

Key Audit Matter	How the matter was addressed in our audit
2. Contingent liabilities	
As disclosed in Note 34.1.1 to the accompanying financial statements, the Company has significant contingent liabilities in respect of various income tax cases as mentioned, which are pending adjudication at various levels with tax authorities. Tax matters are important for stakeholders (Board of management to make judgments and estimates in relation to the interpretation of laws, statutory rules, regulations and the probability of outcome and financial impact. Thus, on the Company for disclosure, recognition and measurement of any provision that may be required against such contingencies. Due to significance of the amounts involved, complexities involved in assessing the outcome of the matters and the use of significant management judgments and estimates in relation to the tax including related financial impacts and disclosures, we consider this matter as a Key Audit Matter.	Our audit and assessment details of the pending tax matters and discussed the same with the Company's management. Obtained confirmations from the Company's external legal and tax advisors for their views on open tax assessments and the matters under adjudication. Reviewed correspondence of the Company with the relevant authorities including significant judgments or orders received by the relevant authorities in relation to the issues involved. Involved our tax specialists to assess 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 tax advisors engaged by the Company and Reviewed appropriateness of the disclosures made in the financial statements in respect of such contingent liabilities.

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 conclusion 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.

Responsibility of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under the Companies (Ind AS) Rules, 2015 and other accounting principles generally accepted in India. This responsibility includes the preparation of financial statements that give a true and fair view and 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 Bahrain 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 economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Bahrain, we exercise professional judgment and maintain professional scepticism 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 relevant 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 the 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.

Other Information Included in the Company's Regulatory Reports/Statements

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

a) proper books of account have been kept by the Company so far as appears from our examination of those books;

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 thereto, have been prepared in accordance with the Companies Act 2021 (CA 2021) and give a true and fair view of the Company's financial position, results of its operations and its cash flows;

c) the financial information contained in the directors' report is consistent with the year end financial statements of the Company's to be filed with the Ministry of Commerce and Industry;

d) the Company has complied with the Takaful and Retakaful Business Law (Law No. (13) of 2018) and its executive regulations, as amended, and the Company's Articles of Association, as amended, in relation to the business of the Company during the year ended December 31, 2022;

e) the engagement partner responsible for the audit resulting in this independent auditor's report is Ibrahim Jalal (IPB No. 120).

Ernst & Young
Chartered Accountants

Jalal Ibrahim
Dated: July 26, 2023

Statement of Financial Position

As at June 30, 2021

	Note	2021	2020
		(Rupees in thousands)	
EQUITY AND COMMITTEE			
Share capital and reserves			
Share capital	6	[illegible]	[illegible]
Reserves reserves	8	[illegible]	[illegible]
		[illegible]	[illegible]
Non-current liabilities			
Long-term financing			
Secured	7	[illegible]	[illegible]
Unsecured	8	[illegible]	[illegible]
Lease liabilities	9	[illegible]	[illegible]
Security deposits	10	[illegible]	[illegible]
Deferred grant	11	[illegible]	[illegible]
Contract liabilities	12	[illegible]	[illegible]
Deferred taxation	13	[illegible]	[illegible]
Employee benefits	14	[illegible]	[illegible]
		[illegible]	[illegible]
Current liabilities			
Trade and other payables	15	[illegible]	[illegible]
Current portion of contract liabilities	16	[illegible]	[illegible]
Unclaimed dividends		[illegible]	[illegible]
Interest / markup accrued on loans and other payables	18	[illegible]	[illegible]
Short term borrowing - secured	17	[illegible]	[illegible]
Current portion of lease liabilities	9	[illegible]	[illegible]
Current portion of long term financing	18	[illegible]	[illegible]
		[illegible]	[illegible]
Contingencies and commitments	19	-	
		[illegible]	[illegible]

The annexed notes 1 to 25 form an integral part of these financial statements.

	Note	2021	2020
		(Rupees in thousands)	
ASSETS			
Non Current Assets			
Property plant and equipment	20	[illegible]	[illegible]
Intangible assets	21	[illegible]	[illegible]
Right of use assets	22	[illegible]	[illegible]
Long term loans	23	[illegible]	[illegible]
Employee benefits	24	[illegible]	[illegible]
Long term deposits and prepayments	25	[illegible]	[illegible]
		[illegible]	[illegible]
Current assets			
Stores and spare parts	26	[illegible]	[illegible]
Stock in trade	27	[illegible]	[illegible]
Trade debts	28	[illegible]	[illegible]
Loans and advances	29	[illegible]	[illegible]
Trade deposits and short term prepayments	30	[illegible]	[illegible]
Accrued interest		[illegible]	[illegible]
Other receivables	31	[illegible]	[illegible]
Contract assets	32	[illegible]	-
Sales tax receivable		[illegible]	[illegible]
Worldwide receivable		[illegible]	[illegible]
Investments	33	-	[illegible]
Cash and bank balances	34	[illegible]	[illegible]
		[illegible]	[illegible]
		[illegible]	[illegible]

Faisal Iqbal
Chief Financial Officer

Ali J. Damdeni
Managing Director / CEO

Fonda Rayna Khan
Chairperson

Statement of Profit or Loss

For the year ended June 30, 2021

	Note	2021	2020
		(Rupees in thousands)	
Revenue from contracts with customers - gas sales	20	[illegible]	[illegible]
Add: Tariff adjustment	30	[illegible]	[illegible]
		[illegible]	[illegible]
Less: Cost of gas sales	37	[illegible]	[illegible]
Gross profit		[illegible]	[illegible]
Add: Other operating income	38	[illegible]	[illegible]
		[illegible]	[illegible]
Less: Operating expenses			
Selling cost	39	[illegible]	[illegible]
Administrative expenses	40	[illegible]	[illegible]
Other operating expenses	41	[illegible]	[illegible]
Impairment of financial assets		[illegible]	[illegible]
		[illegible]	[illegible]
Operating profit		[illegible]	[illegible]
Less: Finance cost	42	[illegible]	[illegible]
Profit before taxation		[illegible]	[illegible]
Less: Taxation	43	[illegible]	[illegible]
Profit for the year		[illegible]	[illegible]
Earnings per share - basic and diluted - (Rs.)	44	[illegible]	[illegible]

The annexed notes 1 to 55 form an integral part of these financial statements.

Faisal Iqbal
Chief Financial Officer

Ali J. Hamdani
Managing Director / CEO

Rooda Rama Khan
Chairperson

Statement of Comprehensive Income

For the year ended June 30, 2021

	2021	2020
	(Rupees in thousands)	
Profit for the year	[illegible]	[illegible]
Other comprehensive income for the year		
Items that will be reclassified to profit or loss in subsequent periods		
Remeasurement of balance tariff plans - net	[illegible]	[illegible]
Tariff adjustment with respect to remeasurement of (A)/(B) by the GOGC	[illegible]	[illegible]
	[illegible]	[illegible]
Tax effects	[illegible]	[illegible]
	[illegible]	[illegible]
Items that are reclassified to profit or loss in subsequent periods		
Total comprehensive income for the year	[illegible]	[illegible]

The annexed notes 1 to 55 form an integral part of these financial statements.

Faisal Iqbal
Chief Financial Officer

Ali J. Hamdani
Managing Director / CEO

Rooda Rama Khan
Chairperson

Statement of Changes in Equity

For the year ended June 30, 2021

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Balance as at July 01, 2019	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]				[illegible]	[illegible]	[illegible]
[illegible]				[illegible]	[illegible]	[illegible]
[illegible]				[illegible]	[illegible]	[illegible]
Balance as at June 30, 2020	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]				[illegible]	[illegible]	[illegible]
[illegible]				[illegible]	[illegible]	[illegible]
[illegible]				[illegible]	[illegible]	[illegible]
[illegible]				[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Chief Financial Officer

Managing Director / CEO

Chairman

Statement of Cash Flows

For the year ended June 30, 2021

	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	[illegible]	[illegible]	[illegible]
Finance cost paid		[illegible]	[illegible]
Taxes paid		[illegible]	[illegible]
Employee benefits / contributions paid		[illegible]	[illegible]
Increase in security deposits		[illegible]	[illegible]
Receipts against government grants and consumer contributions		[illegible]	[illegible]
Increase in long term loans		[illegible]	[illegible]
(Increase) / decrease in long term deposits and prepayments		[illegible]	[illegible]
Net cash generated from operating activities		[illegible]	[illegible]
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment		[illegible]	[illegible]
Expenditure on intangible assets		[illegible]	[illegible]
Proceeds from sale of property, plant and equipment		[illegible]	[illegible]
Proceeds from sale of short term investments		[illegible]	
Return on bank deposits		[illegible]	[illegible]
Net cash used in investing activities		[illegible]	[illegible]
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from long term financing - secured		[illegible]	[illegible]
Repayment of long term financing - secured		[illegible]	[illegible]
Repayment of long term financing - unsecured		[illegible]	[illegible]
Repayment of lease liability		[illegible]	[illegible]
Dividend paid		[illegible]	[illegible]
Net cash used in financing activities		[illegible]	[illegible]
Net increase in cash and cash equivalents		[illegible]	[illegible]
Cash and cash equivalents at the beginning of the year		[illegible]	[illegible]
Cash and cash equivalents at the end of the year	[illegible]	[illegible]	[illegible]

[illegible]

Chief Financial Officer

Managing Director / CEO

Chairman

Notes to the Financial Statements

For the year ended June 30, 2023

1. THE COMPANY AND ITS OPERATIONS

[illegible]

Region	Authority
Administration	[illegible]
Administration	[illegible]
Administration	[illegible]
Administration	[illegible]
Business	[illegible]
Supply	[illegible]
Administration	[illegible]
Investment	[illegible]
Company secretary (and)	[illegible]
Director	[illegible]
Administration	[illegible]
Administration	[illegible]
Administration	[illegible]
Shareholders	[illegible]
Mail	[illegible]

2. [illegible]

2.1 Statement of Compliance

[illegible]

a) International Financial Reporting Standards (IFRS Standards), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

b) [illegible]

Wherever 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

[illegible]

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

[illegible]

- IAS 1 (Amendments) "Presentation of Financial Statements" and IAS 8 (Amendments) "Accounting Policies, Changes in Accounting Estimates and Errors".
- International Accounting Standards Board's revised Conceptual Framework – (Revised IC 1)

- IFRS 16 (Amendments) "Leases".
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9 "Financial Instruments", IAS 39 "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures")

[illegible]

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 will respond to the approved accounting standards as applicable in future, except as affected from the date 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 accounting have been added in further clarify, when a liability is classified as current. The amendments also amend the guidance on classification of liabilities as current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of a liability for at least twelve months after the reporting period. An entity shall apply these amendments retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".
- Amendments to IAS 1 "Presentation of Financial Statements" – Non-current Liabilities with Covenants (effective for annual periods beginning on or after January 01, 2023). These amendments clarify that only those covenants with which an entity must comply on or before the reporting date affect the classification of a liability as current. Disclosures are required in order to enable users of financial statements to understand the risk that non-current liabilities with covenants may become repayable within twelve months after the reporting period. The amendments also specify that the right to defer settlement of a liability for at least twelve months after the reporting period is not affected if a covenant is breached only after the reporting period. An entity shall apply these amendments retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".
- Amendments to IAS 16 "Property, Plant and Equipment" (effective for annual periods beginning on or after January 01, 2022). These amendments clarify that sale proceeds and cost of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (e.g. when testing it), are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2 "Inventories". The standard also clarifies the requirement of disclosing the net sales proceeds from sale of testing, as every plant, right, these amendments retrospectively but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.
- Disclosure of Accounting Policies (amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2 "Making Materiality Judgements") 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 requires companies to disclose their significant accounting policies in their financial statements. These amendments are intended to require the entities to disclose their material accounting policies in their financial statements.
- Costs to Fulfill a Contract (amendments to IAS 37 "Provisions") effective for annual reporting periods beginning on or after 01 April 2021. These amendments permit a broader to apply the financial statement

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]	[illegible]	[illegible]
	[illegible]	
Effect on statement of profit or loss		
(Decrease) / increase in		
Tariff adjustment	[illegible]	[illegible]
Net movement in regulatory deferral account balances	[illegible]	[illegible]
Loss for the year before tax impact in regulatory deferral accounts	[illegible]	[illegible]
Effect on earnings / (loss) per share - (Rs.)		
Basic and diluted	[illegible]	[illegible]
Basic and diluted excluding impact in regulatory deferral account	[illegible]	[illegible]
Effect on statement of financial position		
(Decrease) / increase in		
Other receivables	[illegible]	[illegible]
Regulatory deferral account	[illegible]	[illegible]

[illegible]

2.1 Functional and functional currency

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

2.2 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 benefits at present value. The Company's significant accounting policies are stated in note 4. Use of these significant estimates requires the management to make difficult, subjective or complex judgments of information. The following is intended to provide an understanding of the policies management considers critical because of their complexity, judgment in application involved in their application and their impact. In cases it is not practicable to disclose the estimates and judgments are continually evaluated and are based on historical experience, including expectations 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 judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

i. Deferred taxation - note 4.8, 7.4.5 and 24.3
ii. Provision for taxation - note 5.6 and 40
iii. Useful life and residual values of property, plant and equipment - note 4.9 and 20.1
iv. Right of use assets and corresponding lease liability - note 4.10, 9 and 22
v. Impairment of financial assets - note 4.11, 22 and 33
vi. Impairment of non financial assets - note 4.12, 4.13, 20 and 21
vii. Tariff adjustment - recognition of revenue as determined by the DISCO - note 4.23, 31 and 39

i. Employee benefits

The Company operates various defined benefit plans for its executive and non executive employees and recognizes defined benefits 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 underlying assumptions include assumptions about demographic variables and the discount rate used to convert future cash flows to current values. The assumptions used vary for the different plans as they are based on management's best estimates and are reviewed on an annual basis for material changes in the underlying assumptions. The valuations are based on assumptions as mentioned in note 4.15 to 4.18 and 38.3.

ii. Provision for taxation

The Company takes into account the current income tax laws and tax decisions made 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 view on items of income or expenditure is likely to be accepted under appeal, the Company considers that no provision is required in the financial statements.

Deferred tax is calculated at the rates that are expected to apply to the period when the difference reverses, based on tax rates that have been enacted or substantially 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 is mainly based upon forecasting generation and production of hydroelectric electricity, and a corresponding effect on deferred tax liabilities, if any, for the period.

iii. Useful lives 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

[illegible]

Finance costs are recognized for all borrowings and are stated net of any accrued finance cost in the month 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. Considering of deferred credit commences upon commencement of the related sales service, which may be estimated reading date.

4.3 Revenue Recognition

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 consideration towards the cost of supplying and laying transmission, service and main lines. Revenue recognition specific accounting policies (revenue and commission) is disclosed and is in Customer Receipts etc.

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 (either in other comprehensive income or directly in equity), in which case it is also recognized outside profit or loss.

Current

Provision for current tax is based on taxable income for the year determined in accordance with the prevailing tax rules in Kenya. The charge for current tax is calculated using applicable tax rates in the Kenya Income Tax Act. Income tax payable is recognized when it becomes due. The charge for current tax is based on assessment which considers uncertainties, if any, in relation to tax matters in previous years arising from assessments raised during the year for earlier years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of all temporary timing differences arising from differences 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. Deferred tax assets are recognized for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which those can be utilized.

Deferred tax is calculated at the tax rates that are expected to apply in 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 other comprehensive income. Deferred tax assets and liabilities are not discounted to reflect their present value.

4.5 Employee Benefits

Salaries, wages and benefits are accrued in the period in which the associated services are rendered by employees of the Company. The major 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 at June 30, 2011 using the projected unit credit method. Significant assumptions used for valuation of these schemes are disclosed in note 5.4.1 and 5.4.2. The future minimum lease payments are accounted as finance lease and are

4.5.1.1 Pensions and gratuity funds

The Company operates a defined contribution pension scheme and an approved defined contribution gratuity scheme for eligible employees. A maximum of gratuity scheme qualifying salary is capped at [illegible] and normal retirement age of five years also ten years respectively. Contributions to the schemes are payable on the commencement of the scheme. The fund contribution rates in these schemes are fixed allowances for both fund and scheme.

An employee who qualifies for pension as the result of retirement from the Company and who has served for the previous, shall be entitled to gratuity at the rate of 22 days basic salary for each completed year of service. An employee who qualifies for pension at the time of retirement from the Company and who has served for pension shall be entitled to gratuity at the rate of 15 days basic salary for each completed year of service. Significant assumptions used for valuation of these schemes are mentioned in note 5.4.1 and 5.4.2.

4.5.1.2 Medical and free gas facility schemes

The Company provides free gas facility to its employees and medical facility to its employees and their dependants after their retirement. However, all employees retired up to December 31, 2007 are duly entitled to avail free gas facility. Significant assumptions used for valuation of these schemes are mentioned in note 5.4.1 and 5.4.2.

4.5.1.3 Accumulating compensated absences

The Company provides annual, sick and maternity leave. The expected cost of accumulating compensated absences are based on the basis of actuarial valuation. However, management of the Company does not anticipate to grant these benefits after December 31, 2009.

Executives and senior executives of the Company are entitled to accumulate the unutilized privilege leave up to 60 and 30 days respectively. Such accumulation is acceptable only at the time of retirement or taking the leave in lieu of the facility.

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 10% (2012: 10%) for the employees and 10% (2012: 10%) for the 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. These 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 trade payables are initially recognized at cost and thereafter the fair value of the consideration to be paid in future for goods and / or services received, whether or not billed to the Company and subsequently measured at amortised 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, 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 is stated for financial reasons from the capital work in progress are stated at cost less accumulated depreciation and impairment loss. If any, financial and equipment loss 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 financial costs and borrowing cost statements in note 4.11.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as deemed to 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 to cost or amount into business to be to write off the cost of an asset over its estimated useful life at the rates given in note 4.11 to these financial statements. Depreciation on additions is charged from the month in which it is in the use and no depreciation is charged in 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 been of any adjustment as far as it 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.

Revenue verified during the year are depreciation from operating fixed assets, 50% to 95% of the value, taken value of the verified expenses representing cost of expenses and fittings is transferred to expect each in progress after constructing fixed assets capability. The balance of the verified amount after 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 consistent purchase price, non-refundable purchase taxes and other directly attributable expenditures bearing to their implementation and in-attributable, after being recognition of intangible assets is carried at cost less accumulated amortization at the rates given in note 11 and impairment loss if any. Intangible assets are amortized from the month value. These assets are available for risk 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. Recovery the end amortization method is reviewed and adjusted, if appropriate, at each working date.

4.10 Right-of-use assets (the corresponding lease liability)

At inception of a contract, the Company assesses whether a contract is, or contains, a lease pursuant 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 this rate cannot be easily determined, which is generally the case for leases of the Company, the lessee's incremental borrowing rate is used, being the best 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 as more or less change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. The corresponding adjustment is done in the carrying amount of the right-of-use asset, or is recorded in the statement of profit or loss in 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 borrowing are represented for the period up to the date of commencement of the respective assets acquired out of the proceeds of such borrowings considering the requirements of Ind. Ac. Ac. other mark-up interest, which is in 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 lower consistent disposal are carried at at lower, lower of cost and net value in such completing income value plus other charges paid thereon off the reporting date. The Company retains items and spare parts for possible treatment on an annual basis and provision is made for construction, based on management's expectations.

4.13 Stock in trade

Stock of gas is valued at the lower of cost determined as annual average process transferable value. Net realisable 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 recognises impairment against these financial assets using Expected Credit Loss model as explained in note 3.2 (a). Debts considered unrecoverable are written off.

4.15 Contract assets

Contract assets 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 recognises impairment against these contract assets using Expected Credit Loss model as explained in note 3.2 (a). Amounts considered unrecoverable 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 all cash in hand, cash at bankers, current, saving and deposit

[illegible]

5.13 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 contracts 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 and the contract terms and conditions.

Step 2: Identify performance obligations. Performance obligations are promises in a contract 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 entire 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/as the Company satisfies a performance obligation.

Revenue comprises the fair value of the consideration received or receivable from contracts with customers 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 future economic benefits will flow to the Company and specific criteria have 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). Accounts are made on account for the estimated gas supplied between the date of last meter reading and the year end. The revenue of the Company is recognized in profit or loss as the consumers feel determined that there is a single performance obligation in respect of the supply of gas.

ii) Meter rents are recognized on a monthly basis as specified rates by the OGRA for various categories of consumers. As the revenue for the Company in this category is recognized over time since based as the Company has determined that there is a single performance obligation in respect of meters to the customers.

iii) Late payment surcharge on gas sales arrears is calculated from the date the total amount is overdue and recognized when it is probable that economic benefits will flow to the entity. As the revenue for the Company in this category is recognized over time the total basis.

iv) Take or Pay revenue is recognized when the consumers are unable to consume the committed volume of gas for the agreed date as per the terms of Gas Supply Agreement (GSA) with the customers. As the revenue for the Company in this category is recognized at point in time basis.

v) Income on the modification consumer 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 stage of performance because the Company in this category is recognized over time the total basis.

vi) Income on the amortized cost is recognized when the contractual interest accrues. Revenue for the Company in this category is recognized on point in time basis.

vii) Income on gas transportation to region in which transportation agreement is recognized when the consumer consumed capacity is more available for the shipper income on the gas transportation is subject of enforceable transportation agreements at recognized which the gas is transported from the delivery point specified mentioned by the Oil and Gas Regulatory Authority (OGRA) relevant for company in this category is recognized on point in time basis.

5.14 Foreign currency transactions

Transactions in foreign currencies during the year are initially translated into 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 the prevailing exchange rate at the reporting date. All differences arising on the statement of profit or loss. All non-monetary items are translated into functional currency at the rate of transaction or at the date when the valuations determined.

5.15 Financial instruments

Financial instruments are 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, and subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI), 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 at FVOCI, 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 the 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 generally established by regulation or convention in the marketplace (regular way trades) are recognized on trade date, i.e. the date that the Company commits to purchase or sell the asset.

iii) Subsequent measurement

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

- Financial assets at amortised 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 amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the Effective Interest Rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, 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 recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised 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 irrevocably classify 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 never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Company benefits from such proceeds as a recovery of cost 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 recognised in profit or loss.

This category includes derivative financial instruments that are not designated as hedging instruments and other financial instruments which the Company has not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised 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 carried for as a separate derivative if the economic characteristics and risks are not 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 recognised 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.

iv) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (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 recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises 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.

v) Impairment

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss as explained in note 2.2.1(c) to these financial statements, excluding financial assets due from Government of Pakistan but as exempted particularly the SECP as more fully explained in note 2.2.1(e) to these financial statements.

d) Bank and cash deposits

Bank and cash deposits is accounted on a cost presentation basis on reference to the principle, interest thereon and applicable rate of return. All the interest for the Company in this category is accounted on the timeline.

Financial liabilities

i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, payables, or as derivatives at fair value through profit or loss. Financial liabilities are recognised initially on the date they are originated. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised 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 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 amortised cost (borrowings)

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised 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 amortisation process.

Amortised 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 amortisation is included as finance costs in profit or loss.

(d) 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 current enforceable right to offset, the transaction is settled on a net basis or realize the assets and settle the liabilities simultaneously.

4.20 Non-appropriate coverage / Tariff adjustments

Under the provisions of licenses for transmission and distribution of natural gas granted to the Company by the DCRA, the Company is required to earn an annual return of not less than the sum of weighted cost of capital (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 other outstanding interest, dividends and other non operating income and before incorporating the effect of efficiency concurrence procedure by the DCRA. Any shortfall in 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 payables to the Government of Pakistan (GOP) as tariff adjustment or gas development surcharge.

4.21 IESCO tariff adjustments and gas charging deferred account

As per the policy guideline issued by the Honourable Federal Ombudsman Secretariat of the Federal (FOS) on behalf of NEPRA, the Company is allowed to earn an annual return on a percentage of the value of its average fixed assets in IESCO operation to be determined by the FOSB. Any deficit or surplus on account of this or recoverable from or payable to the IESCO consumers through adjustments in future IESCO prices. The provision for the shortfall, if any are included in "trade and other payables" or "other receivables" respectively with the corresponding charge or credit representing as income in the statement of profit or loss.

However, a gas charging mechanism was allowed by the FTO and approved by the NEPRA with their decision dated July 2014 of the Company for financial year 2011-12 for adjusting of natural gas and KUNG for the purpose of gas cost management. However, subsequent to the year end, Federal Cabinet has approved the adjustment mechanism in respect of prior to approach through future tariff, price adjustments. The difference of average tariff of KUNG and the average sale price of surplus gas of the channel 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 receivables" or "other receivables" as the case may be.

4.22 Dividend and bonus 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 those are approved by the Board of Directors.

4.23 Earnings per share

Earnings per share is calculated by dividing the profit or loss attributable to the parent by the weighted average number of shares outstanding during the year.

4.24 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new shares and share options are shown in equity as a deduction, net of tax, from the proceeds.

5 [illegible]

5.1 Authorized share capital

2015	2014		2015	2014
(Number of shares)			(Rupees in thousand)	
[illegible]	[illegible]	Ordinary shares of Rs. 10 each	[illegible]	[illegible]

5.2 Issued, subscribed and paid-up capital

2015	2014		2015	2014
(Number of shares)			(Rupees in thousand)	
121,148,000	121,148,000	Ordinary shares of Rs. 10 each issued as fully paid for cash	1,211,480	1,211,480
[illegible]	[illegible]	Ordinary shares of Rs. 10 each issued as fully paid bonus shares issued when share split	[illegible]	[illegible]
[illegible]	[illegible]	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	[illegible]	[illegible]
[illegible]	[illegible]		[illegible]	[illegible]

3.3 Ordinary shares of the Company held by associated undertaking by virtue of common directorship and as follows:

	2023	2022
	(Number of shares)	
Sui Southern Gas Company Limited		2,492,174
Attempts Life Insurance Company Limited	150	4,036,800
Stations Investment Trust Limited	23,931,873	25,902,373
	23,934,873	26,701,147

3.4 During the years 1984 and 1985, Company promoted Commission system and their upside face. Their Statutory Indicated Management Corporation and the sale shares for consideration after that month.

3.5 Unsecured yield indicatively should carry one unit per share and right to dividend.

	Note	2023	2022
		(Thousand of thousands)	
4. Advances to Contract			
Gratuity Interest	4.1	4,522,982	4,522,982
Dividend Equalization Interest	4.2	600,000	600,000
Unexpected Profit	4.3	20,275,017	14,167,010
		25,877,999	19,754,000

4.1 The representative level of unrestricted funds available for general shares of distribution of money for the shareholders.

4.2 The representative proportion of profits is paid yearly to Intel Future Investigations.

	Note	2023	2022
		(Thousand of thousands)	
5. Other Financial Liabilities - Unsecured			
Conventional Financing			
Syndication Finance	11.1	2,640,000	4,640,000
Syndication Finance II	11.2	17,620,000	21,105,000
Syndication Finance	11.3	2,250,000	
Term Finance	11.4	700,000	
		28,214,000	25,835,000
Islamic mode of financing			
Islamic finance under Musharaka arrangement for LNG Project (Phase I)	12.1	1,000,000	2,450,000
Islamic finance arrangement for LNG Project (Phase II)	12.2	5,200,000	11,095,177
Islamic finance under Musharaka arrangement	12.3	289,500	597,500
		27,777,000	15,810,000
Less: Transaction cost		59,977	-
Less: Current portion shown under current liabilities	16	6,000,000	6,000,000
		21,555,000	20,795,000

5.1 Conventional Financing

Lender	Note	Amount of Loan	Rate of Interest	Maintenance Commitment Date	Date of Maturity
Syndication of Banks	11.1	Six months KIBOR + 0.75% per annum	10 half yearly installments	December 15, 2017	May 18, 2020
Syndication of Banks	11.2	Six months KIBOR + 1.75% per annum	10 half yearly installments	December 8, 2019	June 3, 2020
Syndication of Banks	11.3	Six months KIBOR + 0.75% per annum	10 half yearly installments	May 4, 2020	November 04, 2020
Allied Bank Limited	11.4	Six months KIBOR + 0.75% per annum	4 half yearly installments	February 4, 2021	August 30, 2023

5.2 This loan facility of Rs. 11,700,000 thousand has been obtained from a syndicate of Banks with Bank Limited acting as the agent and United Bank Limited acting as the Security Trustee 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 (including plant and building) to the extent of Rs. 15,600,000 thousand (2020: Rs. 15,600,000 thousand). The effective mark up charged during the year ranges from 0.09% to 0.19% per annum (2020: 0.79% to 14.53% per annum).

5.3 This loan facility of Rs. 28,273,097 thousand has been obtained from a syndicate of Banks (with 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 (Segmented Liquified Natural Gas (SLNG) assets of the Company to the extent of Rs. 25,870,000 thousand (2020: Rs. 25,870,000 thousand) relating to the project and a sovereign guarantee of the Government of Pakistan. The effective mark up charged during the year ranges from 0.41% to 0.07% per annum (2020: 0.07% to 14.43% per annum).

5.4 This loan facility of Rs. 5,280,000 thousand has been obtained from syndicate of Banks with Bank Limited acting as the agent and of total loan facility of Rs. 5,600,000 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 Sailing Charge) including the assets of Segmented Liquified Natural Gas (SLNG) project to the extent of Rs. 11,111,210 thousand. The effective mark up charged during the year ranges from 0% to 0.10% per annum.

5.5 This loan of Rs. 90,000 thousand has been obtained from Islamic Bank Limited out of total loan facility of Rs. 1,111,201 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 Sailing Charge) including the assets of Segmented Liquified Natural Gas (SLNG) project to the extent of Rs. 1,400,000 thousand. The effective mark up charged during the year ranges from 1.58% to 0.07% per annum.

7.5 Arrangements under Islamic Financing

Lender	Note	Effective rate	No. of installments	Repayment commencement date	Maturity date
Syndicate of banks	7.5.1	Six month KIBOR + 0.15% per annum	10 half yearly installments	December 18, 2017	May 14, 2021
Syndicate of banks	7.5.2	Six month KIBOR + 1.4% per annum	10 half yearly installments	December 8, 2018	June 8, 2023
Allied Bank Limited	7.5.3	Six month KIBOR + 0.50% per annum	4 half yearly installments	March 28, 2020	September 28, 2022

7.5.1 The mudaraba facility of Rs. 4,000,000 thousand has been obtained from a consortium of banks with Bank Alfalah acting as the Lead Arranger and is secured by a first pari passu charge created by way of hypothecation over movable fixed assets of the Company, excluding land and buildings, to the extent of Rs. 5,333,333 thousand (2020: Rs. 5,000,333 thousand) amounts to note 20.1.4. The profit on mark up charged during the year ranges from 6.00% to 6.79% per annum (2020: 6.75% to 14.23% per annum).

7.5.2 The mudaraba facility of Rs. 14,794,000 thousand has been obtained from a consortium of banks and 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 assets of the Company including stocks of RLNG. Property, plant and equipment to the extent of Rs. 19,725,333 thousand (2020: Rs. 19,725,333 thousand). The profit on mark up charged during the year ranges from 7.16% to 11.23% per annum (2020: 11.23% to 13.08% per annum).

7.5.3 This mudaraba facility of Rs. 2,000,000 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 stocks of RLNG. Property, plant and equipment to the extent of Rs. 2,666,667 thousand (2020: Rs. 2,666,667 thousand). The profit on mark up charged during the year ranges from 7.16% to 11.23% per annum (2020: 11.23% to 13.08% per annum).

	Note	2021 (Rupees in thousand)	2020
8. [illegible]			
Lease liability (Ijara)	8.1	[illegible]	[illegible]
Current portion shown under current liabilities	10	[illegible]	[illegible]
		[illegible]	[illegible]
8.1 Lease liability (Ijara)			
From government - development loans	8.1.1	186,836	[illegible]
From financial institutions	8.1.2	528,728	[illegible]
		715,564	[illegible]

8.1.1 These have been obtained from the Provincial Government of Punjab and Khyber Pakhtunkhwa (KPK) for supply of gas to their tubewells. Leases aggregating to Rs. 177,836 thousand (2020: Rs. 247,594 thousand) carry a markup at the rate of 7% (2020: 7%) per annum and Rs. 23,878 thousand (2020: Rs. 36,541 thousand) carry a markup at the rate of six month State Bank of Pakistan's (SBP) Ijara's Islamic plus 1.5% (2020: six month SBP Ijara's Islamic plus 1.5%) on the outstanding balance of gas tubewell. The lease of Rs. [illegible] from Provincial Government has been

computed by discounting future cash flows using Pakistan Investment Bonds (PIBs) rate prevailing at the date of initial recognition of respective loans.

8.1.2 These loan have obtained from various industrial consumers for laying of gas pipelines and carry markup at the rate of 1.5% (2020: 1.5%) per annum on the outstanding balance or part thereof but are repayable over a period of 10 years with a grace period of 2 years. Lease from Industrial consumers are computed by present value of all future lease rentals using 1.5% (2020: 1.5%) above State Bank of Pakistan's cut off yield rates prevailing at the time of initial recognition of these leases.

	Note	2021	2020
8.1.3 The effective markup rates are as follows:			
From government - development loans		[illegible]	[illegible]
From financial institutions		[illegible]	[illegible]

	Note	2021 (Rupees in thousand)	2020
9. [illegible]			
Balance beginning of the year		[illegible]	
Recognized during the year		[illegible]	[illegible]
Charged/(reversed) for the year	37	[illegible]	[illegible]
Payments / adjustments made during the year		[illegible]	[illegible]
Balance at end of the year	9.1	[illegible]	[illegible]
Less: current maturity		[illegible]	[illegible]
		[illegible]	[illegible]

9.2 The Company has [illegible] amounting to Rs. [illegible] thousand payable during [illegible] years in one to three equal installments.

9.3 The expected payments by [illegible] of unfunded defined benefit plan are as follows:

	Note	2021 (Rupees in thousand)	2020
within one year		[illegible]	[illegible]
Between 2 to 5 years		[illegible]	[illegible]
after 5 years		[illegible]	[illegible]
		[illegible]	[illegible]

10. [illegible]

	Note	2021	2020
Consumers	10.1, 10.2.1	[illegible]	[illegible]
Consumers - [illegible]	10.2	[illegible]	[illegible]
	10.4	[illegible]	[illegible]

10.1 Consumers deposit represent security received against amounts due from consumers on account of gas sales. These are regulated as consumers of SNGPL for supply of gas in the businesses of bank guarantee / security.

		2021	2020
		(Rupees in thousand)	
10.2	These include amounts deposited from following related parties		
	Northern Power Generation Company Limited	[illegible]	
	Gas Transmission Company Limited	[illegible]	[illegible]
	State Life Insurance Corporation of Pakistan	[illegible]	[illegible]
	Oil and Gas Development Company Limited	-	-
	Sindh EPA	[illegible]	[illegible]
	Rahat Mills Limited	[illegible]	[illegible]
	Guddu Cotspin Limited	[illegible]	[illegible]
	Sunan Sons Limited	-	
	Pharmevo Pharma Industries Limited	-	
	Tata Bank of Pakistan	[illegible]	
		[illegible]	[illegible]

10.3 No interest is payable on the deposits from the distribution companies. These are refundable on cancellation of contract or terminating agreement.

10.4 These security deposits are being utilized for business of business in accordance with the terms of contract with consumers and bear interest at accounting rate which is a reasonable approximation.

		2021	2020
	Note	(Rupees in thousand)	
11	[illegible]		
	Government grants against:		
	- Completed jobs	[illegible]	[illegible]
	- Work-in-progress	[illegible]	[illegible]
		[illegible]	[illegible]
	Less: Accumulated amortization		
	Opening balance	[illegible]	[illegible]
	Less: Transferred to Government	[illegible]	[illegible]
	Amortization for the year	11 [illegible]	[illegible]
		[illegible]	[illegible]
		[illegible]	[illegible]

		2021	2020
	Note	(Rupees in thousand)	
11	[illegible]		
	Opening balance	[illegible]	[illegible]
	Add: Subsidies received during the year	[illegible]	[illegible]
	Amortization for the year	[illegible]	[illegible]
		[illegible]	[illegible]
	Less: Current portion shown under current liabilities	[illegible]	[illegible]
		[illegible]	[illegible]
11.1	Government grants against:		
	- Completed jobs	[illegible]	[illegible]
	- Work-in-progress	[illegible]	[illegible]
		[illegible]	[illegible]
	Less: Accumulated amortization		
	Opening balance	[illegible]	[illegible]
	Amortization for the year	11 [illegible]	[illegible]
		[illegible]	[illegible]
		11.1.1 [illegible]	[illegible]

11.1.1 Movement of consumer contributions

Opening balance	[illegible]	[illegible]
Additions during the year	[illegible]	[illegible]
Amortization for the year	[illegible]	[illegible]
	11.1.2 [illegible]	[illegible]

11.1.2 The Company has recognized the carrying liabilities in respect of the amounts received from the customers as contributions towards the cost of supplying and laying transformers, service and mains lines. These contributions were being treated as deferred credit previously under IFRIC 18 from the year ended June 30, 2013 to June 30, 2019 and the revenue was being recognized when the trade were due and commissioned based on the interpretations of IFRIC 18. Moreover, the energy contributions from customers prior to the year ended June 30, 2020 and then July 01, 2018 amounts are being amortized over 10 years (i.e. the useful lives of the assets).

		2023	2022
		(Rupees in thousands)	
12	DEFERRED TAXATION		
	The net deferred taxation liability can be analysed as follows, after taking into account the		
	Taxable temporary differences		
	Accelerated tax depreciation	[illegible]	[illegible]
	Deductible temporary differences		
	Expected credit losses	[illegible]	[illegible]
	Unused tax losses	[illegible]	[illegible]
	Right of use assets	[illegible]	[illegible]
	Remeasurement of defined benefit obligation	[illegible]	[illegible]
	Unrealized loss on revaluation of investments at fair value	[illegible]	[illegible]
		[illegible]	[illegible]
		[illegible]	[illegible]

	Note	2023	2022
		(Rupees in thousands)	
	The gross movement in net deferred tax liability during the year is as follows:		
	Opening balance	[illegible]	[illegible]
	Charge to profit and loss account	[illegible]	[illegible]
	Charge to surplus on revaluation	[illegible]	[illegible]
	Closing balance	[illegible]	[illegible]
13	**[illegible]**		
	Pension fund - Non Executive staff	[illegible]	[illegible]
	Gratuity fund - Executive staff	[illegible]	[illegible]
	Gratuity fund - Non Executive staff	[illegible]	[illegible]
	Free gas facility fund - Non Executive staff	[illegible]	[illegible]
	Accumulated compensated absences - Non Executive staff		[illegible]
		[illegible]	[illegible]

[illegible]

	Note	Financial Liabilities at Fair Value through Profit or Loss		Financial Liabilities at Amortised Cost		Total	
		2021	2020	2021	2020	2021	2020
		(Rupees in thousand)					
Long-term loans		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Long-term deposits				[illegible]	-	[illegible]	-
Trade and other payables						[illegible]	[illegible]
Accrued markup	14.1	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
Short-term borrowings (Repurchase agreement)		[illegible]	[illegible]			[illegible]	[illegible]
Unpaid dividend						[illegible]	
Unclaimed dividend		[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]			[illegible]	[illegible]

14.2 **Income statement impact of profit and loss accounts**

	Note	Financial Liabilities at Fair Value through Profit or Loss		Financial Liabilities at Amortised Cost		Total	
		2021	2020	2021	2020	2021	2020
		(Rupees in thousand)					
Interest expense		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Interest on deposits		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Interest on borrowings		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Interest on lease liabilities		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Note	Financial Liabilities at Fair Value through Profit or Loss		Financial Liabilities at Amortised Cost		Total	
		2021	2020	2021	2020	2021	2020
		(Rupees in thousand)					
Current liabilities		[illegible]	[illegible]	[illegible]		[illegible]	[illegible]
Interest on deposits		[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
Interest on borrowings		[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
Unpaid short-term borrowings		[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
Unpaid dividend					[illegible]		[illegible]
Unclaimed dividend		[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]		[illegible]	[illegible]	[illegible]

14.3 **Income statement impact of other comprehensive income**

	Note	Financial Liabilities at Fair Value through Profit or Loss		Financial Liabilities at Amortised Cost		Total	
		2021	2020	2021	2020	2021	2020
		(Rupees in thousand)					
Remeasurement of post-employment	14.4	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Remeasurement of [illegible]	14.5	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Note	Financial Liabilities at Fair Value through Profit or Loss		Financial Liabilities at Amortised Cost		Total	
		2021	2020	2021	2020	2021	2020
		(Rupees in thousand)					
Remeasurement of post-employment	14.4	[illegible]	[illegible]			[illegible]	[illegible]
Remeasurement of [illegible]	14.5	[illegible]	[illegible]			[illegible]	[illegible]
		[illegible]	[illegible]			[illegible]	[illegible]

14.4 **Changes to the present value of defined benefit obligation**

	Pension Fund Non-contributory Scheme		Gratuity Fund Recognized Plan		Medical Fund Non-contributory Scheme	
	2021	2020	2021	2020	2021	2020
			(Rupees in thousand)			
Opening defined benefit obligation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Expense recognized						
Current service cost	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Interest cost	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Interest income on plan assets	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Remeasurements						
Actuarial losses						
Demographic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Closing defined benefit obligation	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Financial Instruments Not Designated		Accounting Hedge Instruments Not Designated		Total	
	2015	2014	2015	2014	2015	2014
			Amounts in thousands			
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]			[illegible]		[illegible]	
[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
[illegible]				[illegible]		[illegible]
[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]

14.4 **Changes in the fair value of plan assets:**

	Available-for-sale Non-Derivative Assets		Accounting Hedge Derivative Assets		Total Non-Derivative Assets	
	2015	2014	2015	2014	2015	2014
2015			Amounts in thousands			
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]						
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]			[illegible]			
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Financial Instruments Not Designated		Accounting Hedge Instruments Not Designated		Total	
	2015	2014	2015	2014	2015	2014
Note			Amounts in thousands			
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]			[illegible]		[illegible]	
[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]			[illegible]	[illegible]
[illegible]				[illegible]		[illegible]
[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]
[illegible]					[illegible]	
[illegible]	[illegible]	[illegible]		[illegible]	[illegible]	[illegible]

14.7 **Plan assets comprise:**

	Pension fund - Non-commercial profit			
	2021		2020	
	Fair value (Rupees in thousand)	%	Fair value (Rupees in thousand)	%
Certificates of deposits	[illegible]	[illegible]	[illegible]	[illegible]
MTI units	[illegible]	[illegible]	[illegible]	[illegible]
Pakistan Investment Bonds	[illegible]	[illegible]	[illegible]	[illegible]
Cash at bank	[illegible]	[illegible]	[illegible]	[illegible]
Others			[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]

	Gratuity fund - Non-commercial profit			
	2021		2020	
	Fair value (Rupees in thousand)	%	Fair value (Rupees in thousand)	%
Certificates of deposits	[illegible]	[illegible]	[illegible]	[illegible]
Pakistan Investment Bonds	[illegible]	[illegible]	[illegible]	[illegible]
Cash at bank	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]

	Gratuity fund - Non-commercial profit			
	2021		2020	
	Fair value (Rupees in thousand)	%	Fair value (Rupees in thousand)	%
Certificates of deposits	[illegible]	[illegible]	[illegible]	[illegible]
Pakistan Investment Bonds	[illegible]	[illegible]	[illegible]	[illegible]
Cash at bank	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]

	Gratuity fund - Non-commercial profit			
	2021		2020	
	Fair value (Rupees in thousand)	%	Fair value (Rupees in thousand)	%
Certificates of deposits	[illegible]	[illegible]	[illegible]	[illegible]
Pakistan Investment Bonds	[illegible]	[illegible]	[illegible]	[illegible]
MTI units	[illegible]	[illegible]	[illegible]	[illegible]
Cash at bank	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]

	Gratuity fund - Non-commercial profit			
	2021		2020	
	Fair value (Rupees in thousand)	%	Fair value (Rupees in thousand)	%
Certificates of deposits	[illegible]	[illegible]	[illegible]	[illegible]
Pakistan Investment Bonds	[illegible]	[illegible]	[illegible]	[illegible]
MTI units	[illegible]	[illegible]	[illegible]	[illegible]
Cash at bank	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]

	Gratuity fund - Non-commercial profit			
	2021		2020	
	Fair value (Rupees in thousand)	%	Fair value (Rupees in thousand)	%
Certificates of deposits	[illegible]	[illegible]	[illegible]	[illegible]
Pakistan Investment Bonds	[illegible]	[illegible]	[illegible]	[illegible]
Cash at bank	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]

	Gratuity fund - Non-commercial profit			
	2021		2020	
	Fair value (Rupees in thousand)	%	Fair value (Rupees in thousand)	%
Certificates of deposits	[illegible]	[illegible]	[illegible]	[illegible]
Pakistan Investment Bonds	[illegible]	[illegible]	[illegible]	[illegible]
Cash at bank	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]

14.8 **Principal assumptions [illegible]**

	Pension fund			
	2021		2020	
	Pensioner	Non-pensioner	Pensioner	Non-pensioner
Expected increase in salaries	[illegible]	[illegible]	[illegible]	[illegible]
Discount rate	[illegible]	[illegible]	[illegible]	[illegible]
Expected rate of return per annum on plan assets	[illegible]	[illegible]	[illegible]	[illegible]
Rate of growth in pensions				
- Employees with retirement up to November 11, 2017	[illegible]	[illegible]	[illegible]	[illegible]
- Employees with retirement after November 11, 2017	[illegible]	[illegible]	[illegible]	[illegible]

During the financial year 2017/18, Company revised its policy of fitting pension increase with the pension entitlements announced by the government to fixed rate of 5% for employees retiring after November 11, 2017. Resultantly, pension increase assumption of 5.00% per annum was used for pensioners who retired before November 11, 2017 and 5% for pensioners who resume pensioners after November 11, 2017.

	Pension fund			
	2021		2020	
	Pensioner	Non-pensioner	Pensioner	Non-pensioner
Expected increase in salaries	[illegible]	[illegible]	[illegible]	[illegible]
Discount rate	[illegible]	[illegible]	[illegible]	[illegible]
Expected rate of return per annum on plan assets	[illegible]	[illegible]	[illegible]	[illegible]

	Pension fund			
	2021		2020	
	Pensioner	Non-pensioner	Pensioner	Non-pensioner
Discount rate	[illegible]	[illegible]	[illegible]	[illegible]
Expected rate of growth per annum on average cost of benefits	[illegible]	[illegible]	[illegible]	[illegible]
Expected rate of return per annum on plan assets	[illegible]	[illegible]	[illegible]	[illegible]

14.7 [illegible]

14.8 [illegible]

	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]
Pension Fund - Non Executive staff	[illegible]	[illegible]	[illegible]	[illegible]
Gratuity Fund - Executive staff	[illegible]	[illegible]	[illegible]	[illegible]
Gratuity Fund - Non Executive staff	[illegible]	[illegible]	[illegible]	[illegible]
Post-retirement Medical Benefit Fund - Non Executive staff	[illegible]	[illegible]	[illegible]	[illegible]

14.9.1 The average duration of the defined benefit obligation is

	[illegible]	[illegible]
Pension Fund - Non Executive staff	[illegible] years	[illegible] years
Gratuity Fund - Executive staff	[illegible] years	[illegible] years
Gratuity Fund - Non Executive staff	[illegible] years	[illegible] years
Post-retirement Medical Benefit Fund - Non Executive staff	[illegible] years	[illegible] years

14.10 **Estimated future contributions**

	[illegible]	[illegible]
Pension Fund - Non Executive staff	[illegible]	[illegible]
Gratuity Fund - Executive staff	[illegible]	[illegible]
Gratuity Fund - Non Executive staff	[illegible]	[illegible]
Post-retirement Medical Benefit Fund - Non Executive staff	[illegible]	[illegible]
Annual Healthcare Contribution - Non Executive staff	-	[illegible]
	[illegible]	[illegible]

14.11 The charge for the year has been calculated by following

	[illegible]	[illegible]
Discount rate	[illegible]	[illegible]
Salary growth	[illegible]	[illegible]
Administrative expenses	[illegible]	[illegible]
Rupee rate to sterling	[illegible]	[illegible]

14.12 **Risk associated with schemes**

Final salary risk (linked to inflation rate)

The risk is that the final salary of the time of cessation of service is greater than assumed. As far the benefit is calculated on the final salary (short and Gratuity Which effects and the Post-retirement Benefits), 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 affects a more pronounced increase where the age and service distribution is of the higher side.

Withdrawal risk

The risk of actual withdrawal experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age and service and the vested benefits of the Gratuity Fund.

Investment risk

The risk of the Government's asset or corresponding purchasing power is sufficient to meet the liabilities.

	Note	[illegible]	[illegible]
14 [illegible]			
Creditors:			
[illegible]	[illegible]	[illegible]	[illegible]
Accruals	[illegible]	[illegible]	[illegible]
Accrued liabilities		[illegible]	[illegible]
Provident Fund payable	[illegible]	-	-
Gas Infrastructure Development Cess (GIDC)	[illegible]	[illegible]	[illegible]
Unclaimed Pay receipts payable on demand	[illegible]	[illegible]	[illegible]
General Insurance Non contributory		[illegible]	[illegible]
Unpaid Profit Participation Funds (UPPF)	[illegible]	[illegible]	[illegible]
Workers' welfare fund	[illegible]		[illegible]
		[illegible]	[illegible]

14.1 These include amounts payable to the following related parties:

	[illegible]	[illegible]
Sui Southern Gas Company Limited	[illegible]	[illegible]
Pakistan State Oil Company Limited	[illegible]	[illegible]
Pakistan LNG Limited	[illegible]	[illegible]
Government holdings (Pvt) Ltd	[illegible]	[illegible]
National Transmission Limited	[illegible]	[illegible]
Oil and Gas Development Limited	[illegible]	[illegible]
Mari Petroleum Company Limited	[illegible]	[illegible]
	[illegible]	[illegible]

14.2 Included in trade payables is an amount of Rs. [illegible] (2022: Rs. [illegible]) [illegible] and Rs. [illegible] [illegible] (2022: Rs. [illegible]) [illegible] Limited (PJL) [illegible] representing payable against Liquified Natural Gas (LNG) [illegible] Liquified Natural Gas (LNG) is currently [illegible] in the August line agreement for the supply of LNG on [illegible] the period have not yet been finalized and is under negotiation. Additional liability or adjustment, if any, that may arise upon the finalization of the agreement.

10.6	These include amounts payable to the following related parties:	
	The General Tyre & Rubber Company of Pakistan Limited	[illegible]
	Pakistan Railway Limited	[illegible]
	[illegible]	[illegible]
	Pakistan Telecommunication Company Limited	[illegible]
	Pakistan State Oil Company Limited	[illegible]
	Sui Southern Gas Company Limited	[illegible]
	Sukhi Textiles Limited	[illegible]
		[illegible]

10.7 Unclaimed dividends of previous years have been made in accordance with the provisions of section 244 of the Companies Act, 2017.

10.8	**Gas Infrastructure Development Cess (GIDC)**	
	Opening balance	[illegible]
	Add: GIDC collected during the year	[illegible]
	Less: Payments made to Government Treasury	[illegible]
	Closing balance	[illegible]

The Honorable Sindh High Court, vide its decision dated January 8, 2015, declared Gas Infrastructure Development Cess (GIDC) Act, 2015 as ultra vires to the Constitution and directed the Company to refund the amount collected on the account in the future bills of the petitioners. However, the Honorable Sindh High Court vide its decision dated March 18, 2015, directed that neither the appellant shall recover the disputed amount from the respondents nor the amount which has become payable on the respondents on the basis of impugned judgment shall be paid back to the respondents.

An appeal on the subject matter was also pended at the Honorable High Court of Sindh against which, on 12, 2015 whereby the Court declared the GIDC Act, 2015 pending only to the Constitution. An appeal was filed in the Honorable Supreme Court of Pakistan against the judgment of Honorable High Court of Sindh, which was to hear Civil Petition No. [illegible] of 2015 against the judgment of Honorable High Court of Sindh. On December 21, 2015, the Hon'ble Supreme Court of Pakistan dismissed the petition.

In September 2014, a GIDC Ordinance was issued by President of Pakistan, pursuant to which, an amendment in the GIDA, 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 nullified the preceding GIDC Act, 2015 and GIDC Ordinance 2014 and its provisions. However, a special provision has been introduced by the Parliament to decide on previous arrears of GIDC due from customers and to make recommendations for the removal of any anomalies in the GIDC Act. Based on the gist of the draft amendments of the special parliamentary committee on GIDC Act, 2015 that already been tabled in the Senate through GIDC Amendment Bill and the same was referred to the Senate Standing Committee on Energy, Hence a number of consumers of the Company contested and have obtained stay orders from various courts against recovery of GIDC. Later, Parliament promulgated many amendments in GIDC vide 2015 through GIDC (Amendment) Act, 2016, which inter alia includes changes in effective date for applicability of mark up on delayed payments of GIDC and a settlement option for GIDC payables pertaining to the period January 1, 2015 to May 31, 2016. Accordingly, agreement with the Company.

During the year ended June 30, 2017, the Honorable Supreme Court of Pakistan has ordered the recovery of accumulated 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 pertaining to the period [illegible] is recoverable from some plans and programs Government of Pakistan. Hence financial statements do not include the said amount which the provisions of the GIDC Act require the Company to pay GIDC receipts when the same is received from consumers. Furthermore, some consumers have contested the levy of GIDC and consequently, in view of the agreements of the company, the Company is not able to pay such amounts with the same are recorded. Both the principal amount and sales tax on GIDC shall be deducted when these balances are collected from the consumers.

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

10.10	**Workers' Profit Participation Fund**		
	Balance when beginning of the year	[illegible]	[illegible]
	Allocation for the year	[illegible]	[illegible]
	Payments to WPP Fund	[illegible]	
		[illegible]	[illegible]

10.10.1 After promulgation of 18th amendment, the Workers' Profit Participation Act, 1968 was repealed which resulted the abolishment of power to constitute or make of amendments relating to labour laws. However, the said act is not applicable on the trans-provincial entities and the matter of allocation of WPP among the employees and the Federal Government is yet to be resolved. The Company has created a Workers' Profit Participation Fund and disclosed the outstanding amount pertaining to previous years.

11. [illegible]

	Note		
	Accounts receivable / receivables		
	Long term financing - secured	[illegible]	[illegible]
	Long term financing - unsecured	[illegible]	[illegible]
	Short term financing - secured	[illegible]	[illegible]
	Security from customers	[illegible]	[illegible]
	Contribution of gas infrastructure and gas development cess purchase	[illegible]	[illegible]
		[illegible]	[illegible]

11.1 These include amounts receivable from following related parties:

Sui Southern Gas Company Limited	[illegible]	[illegible]
Government Holdings (Private) Limited	[illegible]	[illegible]
Pakistan Petroleum Limited	[illegible]	[illegible]
Oil and Gas Development Company Limited	[illegible]	[illegible]
Mari Petroleum Company Limited	[illegible]	[illegible]
	[illegible]	[illegible]

	Note	2013	2012
		(Rupees in thousands)	
[illegible]			
Allied Bank Limited	[illegible]	[illegible]	[illegible]
Bank Alfalah Limited	[illegible]	[illegible]	[illegible]
Habib Bank Limited	[illegible]	[illegible]	[illegible]
National Bank of Pakistan	[illegible]	[illegible]	[illegible]
Standard Chartered Bank (Pakistan) Limited	[illegible]	[illegible]	[illegible]
Total		[illegible]	[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

(iv) During the year ended June 30, 2018, Sales Tax authorities raised demands of Rs. [illegible] thousand and Rs. [illegible] thousand for the tax periods July 2010 to June 2014 and tax periods July 2014 to March 2017 by invoking provision of section 37 of Sales Tax Act 1990 on November 19, 2018. The Company has filed an appeal on December 13, 2018 against the demands raised by the Tax Authorities with AFR which is pending adjudication. Provisions have 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.

(v) During the year ended June 30, 2014, Sales Tax authorities raised a demand of Rs. [illegible] thousand for the tax year 2010 on account of non-compliance of selection on regular monthly basis/adjustment of gas losses due to exclusive zero payments of sales tax on exports against deferred credit / current liabilities mismatches of 4% sales tax on account of gas supplied to CNG stations/industries input tax u/s 8(1) tax, inter-state input tax u/s 8(2) and short payments of sale tax on behalf stores on April 30, 2014. In this regard, an appeal was filed on Company's behalf 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, 2018 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.

(vi) During the year ended 2007, Sales Tax authorities raised a demand of Rs. [illegible] thousand for the tax year 2006 on account of input inadmissible sales tax in respect of certain documents and non-payment of ST on input tax on July 10, 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 on October 02, 2018 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.

(vii) During the year ended 2007, Sales Tax authorities raised a demand of Rs. [illegible] thousand for the tax year 2006 on account of input inadmissible sales tax in respect of certain documents and non-payment of ST on input tax on July 10, 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 on October 02, 2018 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.

(viii) During the year ended June 30, 2018, Punjab Revenue Authority raised a demand of Rs. [illegible] thousand in respect of non-compliance audit for the year 2015. The Company has filed 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.

(ix) Subsequent to the year ended June 30, 2018, Sindh Revenue Authority raised a demand of Rs. [illegible] thousand for the year 2018 by disallowing input adjustment, brought forward expenses, [illegible] input adjustment, [illegible] and [illegible] under section 14 of Income Tax Ordinance, 2001. The Company has filed an appeal with CIR (Appeals) which is pending adjudication. No provision has been made in these financial statements as Company's management is confident of favourable outcome based on the opinion of legal counsel of the Company.

(x) During the Tax Year 2019, Income Tax Authorities raised a demand of Rs. [illegible] thousand for the year 2018 by disallowing inter adjustment adjustment, brought forward expenses, [illegible] input adjustment, [illegible] and [illegible] under section 14 of Income Tax Ordinance, 2001 and tax penalty amounts under section 182 of the Income Tax Ordinance, 2001. The Company has filed an appeal with CIR (Appeals) which is pending adjudication. No provision has been made in these financial statements as Company's management is confident of favourable outcome based on the opinion of legal counsel of the Company.

(xi) During the year ended 2017, Income Tax Authorities raised a demand of Rs. [illegible] thousand for the year 2009 on account of minimum Tax, disallowance of IGFRS, amortization of deferred revenue, [illegible] and [illegible] on remeasurement of employee benefits 2001. The Company has filed an appeal with CIR (A) which is pending adjudication. No provision has been made in these financial statements as Company's management and internal tax advisor is confident of favourable outcome of the appeal.

(xii) Subsequent to the year end, Income Tax Authorities raised a demand of Rs. [illegible] thousand for tax year 2010 by disallowing gross receivable under section 148 of Income Ordinance 2001. The Company has filed an appeal with CIR (A) 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.

14.1.2 Others

[illegible] against the Company but acknowledged as debts amounts Rs. [illegible] thousand (2018: Rs. [illegible] thousand)

(i) Included in claims against the Company but acknowledged as debt are claims of employees, suppliers and consultants aggregating Rs. [illegible] thousand (2018: Rs. [illegible] thousand). The sum includes a penalty of Rs. [illegible] thousand (2018: Rs. [illegible] thousand) imposed by NEPRA relating to disclosure of price sensitive information to KSE. The Company has filed an appeal in the Lahore High Court against the said decision. Pending the outcome of these matters, claims which are being contributed for provision has been made in these financial statements as the Company's management is confident of favourable outcome.

(ii) Included in claims against the Company but acknowledged as debt is the claim of employees union for bonus amounting to Rs. [illegible] thousand (2018: Rs. [illegible] thousand), which had been decided by National Industrial Relations Commission (NIRC) against the Company. The Labour 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 / deposit of the bonus amount. The Company had filed an appeal with the Honorable Supreme Court of Pakistan on September 15, 2017 on the grounds that order of NIRC is without jurisdiction and is therefore void. The appeal filed by the Company has been dismissed 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 is again confident of the case. Yet, there is a misstatement the chance that the case not 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 DGPR for claiming 3% cess of the same to the Company on its revenue sharing/share structure. Pending the same, the financial impact cannot be determined at the DGPR's end as it has been mention on the press.

(iii) The Company has been guaranteed to the Director of Customs as well the sales tax under SRO 575(1) Office for payment of custom duty at the rate of 5% on certain imported items amounting to Rs. [illegible] 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, no provision has been made in these financial statements as Company's management is confident of favourable outcome of the appeals. However, liability in respect of bank guarantees if any will be treated as part of the cost of such items.

(iv) The Company entered into two supply agreements (SSA) with Sitara Hydropower Limited, Sapphire Electric Company Limited and Orient Power Company (Private) Limited (hereinafter referred to as "the Customers") for the supply of power and the obligations of executing a firm company partner in a Gas Lease for their projects i.e. to remember 50% equity stake. During certain periods of the year 2011, the Company could not supply the contracted quantity of gas to the Customers due to force majeure events such as explosions in the pipeline and other sabotage activities in various gas wells. Such force majeure events were notified to the aforementioned companies. Yet, they did not fall under the definition "force majeure" as per the SSAs. The assessment of all contingencies including penalty claims is for [illegible] thousand (2018: Rs. [illegible] thousand)

[illegible]

16.1 Commitments

16.1.1 Capital commitments

Commitments for capital expenditure are as follows:

	2021	2020
	(Rupees in thousands)	
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

16.1.2 Letters of credit and bank guarantees

Facilities of Rs. 734,000 thousand (2020: Rs. 100,000 thousand) for opening letters of credit and guarantees are available with the Company as a sub-limit of facilities offered by [illegible]. This facility has not been availed during the year ended June 30, 2021. The facility for opening of letters of credit is secured by [illegible] and the facility for guarantees is secured by way of [illegible] and future fixed assets in place of machinery of the Company in the amount of Rs. [illegible] thousand (2020: Rs. [illegible] thousand).

The Company has additional facilities for opening letters of credit amounting to Rs. [illegible] thousand (2020: Rs. [illegible] thousand) out of which Rs. [illegible] thousand (2020: Rs. [illegible] thousand) remained unutilized at the end of the year. These are secured by [illegible].

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

	Note	2021	2020
		(Rupees in thousands)	
17.	[illegible]		
	Opening fixed assets	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]

[illegible]

[illegible]

[illegible]

	Note	2021	2020
		(Rupees in thousands)	
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]

[illegible]

Marketable Investments	2021		2020	
	Cost	Market value	Cost	Market value
	(Rupees in thousands)			
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]		[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]		[illegible]	
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

30.1.4 [illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Note	2023	2022
		(Rupees in thousands)	
11	INTANGIBLE ASSETS		
	"Tax, accounting, computer software and ERP system"		
	Balance net at beginning of the year		
	Cost	[illegible]	[illegible]
	Accumulated amortization	[illegible]	[illegible]
	Net book value	[illegible]	[illegible]
	Movement during the year		
	Additions	[illegible]	[illegible]
	Amortization charge for the year	11.1.1.1 [illegible]	[illegible]
	Balance as at year end		
	Cost	[illegible]	[illegible]
	Accumulated amortization	[illegible]	[illegible]
	Net book value	[illegible]	[illegible]
	Rate of amortization	[illegible]	[illegible]

11.1 [illegible]

11.2 [illegible]

	Computer software	Licenses	Total
	(Rupees in thousands)		
As at July 01, 2022			
Cost	[illegible]	[illegible]	[illegible]
Accumulated amortization	[illegible]	[illegible]	[illegible]
Net book value	[illegible]	[illegible]	[illegible]
Movement during the year			
Additions		[illegible]	[illegible]
Amortization charge for the year	[illegible]	[illegible]	[illegible]
Balance as at June 30, 2023			
Cost	[illegible]	[illegible]	[illegible]
Accumulated amortization	[illegible]	[illegible]	[illegible]
Net book value	[illegible]	[illegible]	[illegible]
As at July 01, 2023			
Net book value after initial application of IFRS 16	[illegible]	[illegible]	[illegible]
Accumulated amortization			
Net book value	[illegible]	[illegible]	[illegible]
Movement during the year			
Additions	[illegible]	[illegible]	[illegible]
Amortization charge for the year	[illegible]	[illegible]	[illegible]
Balance as at June 30, 2024			
Cost	[illegible]	[illegible]	[illegible]
Accumulated amortization	[illegible]	[illegible]	[illegible]
Net book value	[illegible]	[illegible]	[illegible]

11.3 [illegible]

	Note	2023	2022
		(Rupees in thousands)	
11.3.1	Cost of amortization charge for the year has been allocated as follows:		
	Cost of sales	27.3	[illegible]
	Administrative expenses	40	[illegible]
			[illegible]

11.3.2 [illegible]

11.3.3 [illegible]

12 [illegible]

	Note	Leasehold land	Buildings	Plant and machinery	Total
		(Rupees in thousands)			
Cost:					
Balance	12.1	[illegible]	[illegible]	[illegible]	[illegible]
Write-offs		[illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]	[illegible]	[illegible]
Depreciation / Amortization:					
Balance	12.1	[illegible]	[illegible]	[illegible]	[illegible]
Write-offs	12.1	[illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]	[illegible]	[illegible]

12.1 [illegible]

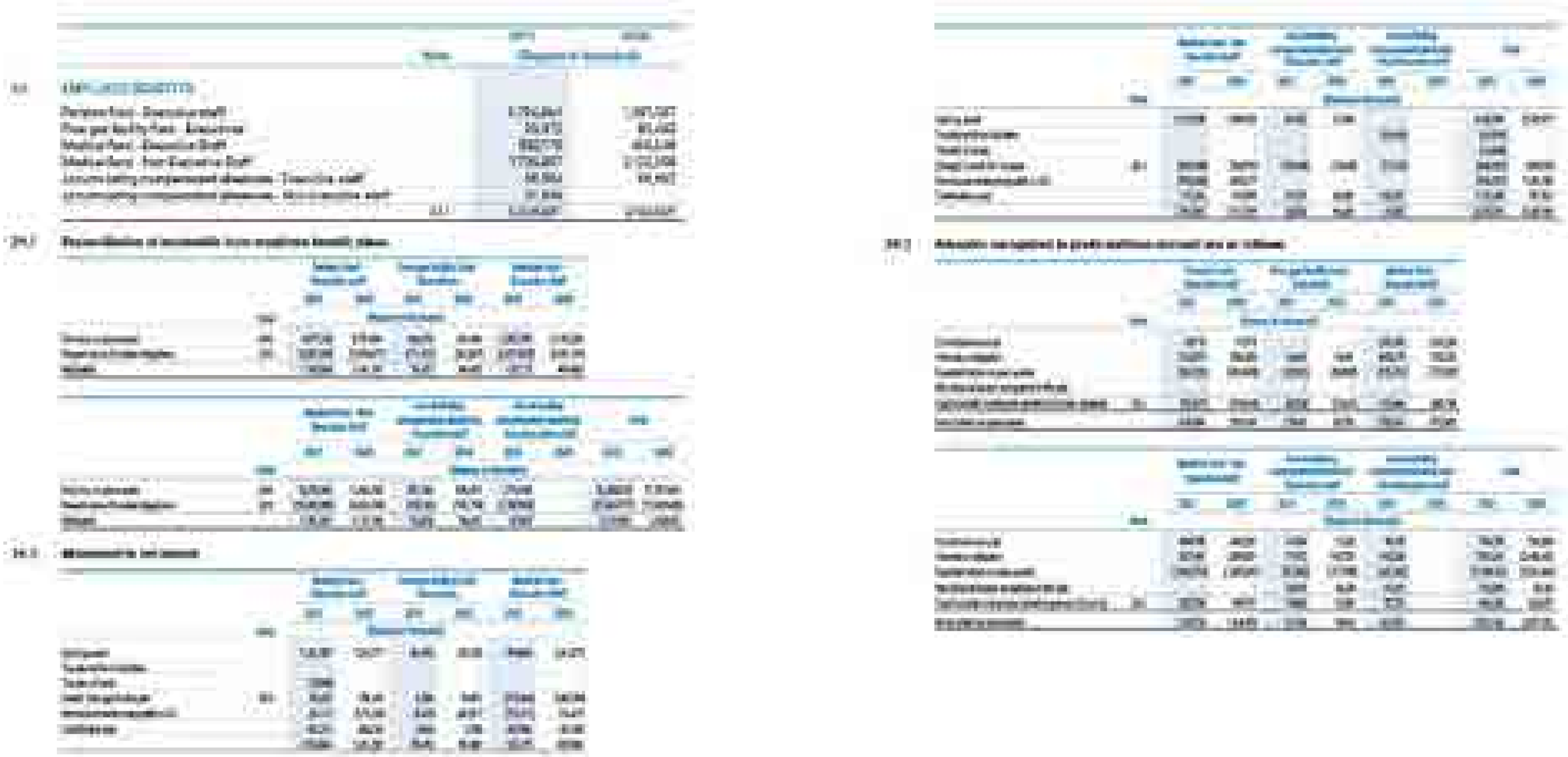
12.2 [illegible]

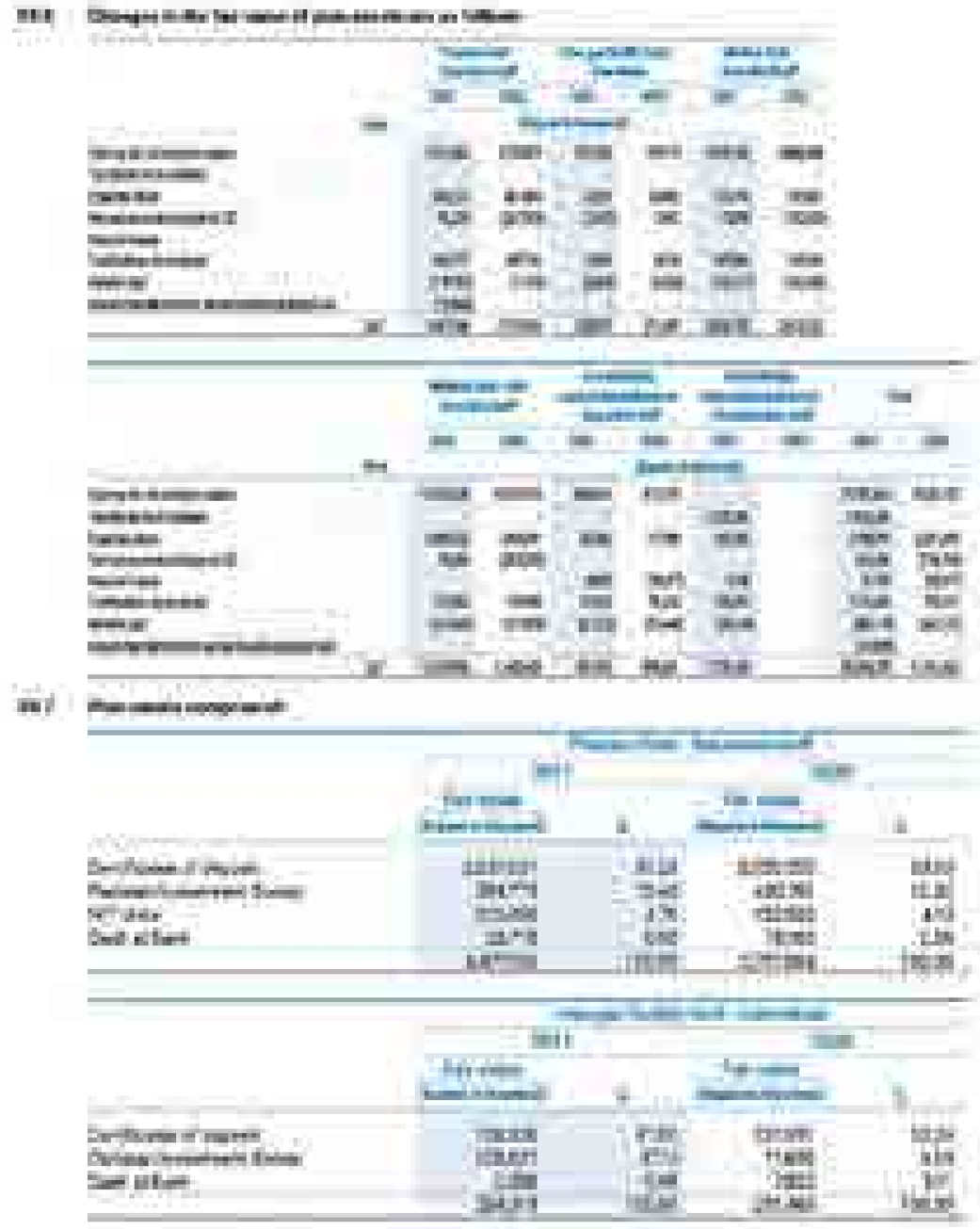
12.3 [illegible]

12.4 [illegible]

12.5 [illegible]

Notes to the Financial Statements





Expected increase in salaries	[illegible]	[illegible]
Discount rate	[illegible]	[illegible]
Expected rate of return on plan assets	[illegible]	[illegible]

[illegible] The actuarial expected rate of return on assets is determined based on the market prices prevailing on that date applicable to the period over which the obligation is to be settled.

[illegible] The effect of 1% movement in assumed medical cost trend rate would have the following effects:

	2015		2014	
	1% Increase	1% Decrease	1% Increase	1% Decrease
	(Figures in thousands)			
Effect on the aggregate of the service and interest cost	[illegible]	[illegible]	[illegible]	[illegible]
Effect on defined benefit obligation	[illegible]	[illegible]	[illegible]	[illegible]

[illegible] The effect of 1% increase in assumed rate on defined benefits obligation is overall [illegible] the following effects:

	2015		2014	
	1% Increase	1% Decrease	1% Increase	1% Decrease
	(Figures in thousands)			
Medical fund - Executive staff	[illegible]	[illegible]	[illegible]	[illegible]
Gratuity fund - Executive staff	[illegible]	[illegible]	[illegible]	[illegible]
Medical fund - Executive staff	[illegible]	[illegible]	[illegible]	[illegible]
Medical fund - Non Executive staff	[illegible]	[illegible]	[illegible]	[illegible]
Accumulating compensated absences - Executive staff	[illegible]	[illegible]	[illegible]	[illegible]
Accumulating compensated absences - Non Executive staff	[illegible]	[illegible]	[illegible]	[illegible]

[illegible] The average duration of the defined benefits obligation is:

	2015	2014
Medical fund - Executive staff	[illegible] years	[illegible] years
Gratuity fund - Executive	[illegible] years	[illegible] years
Medical fund - Executive staff	[illegible] years	[illegible] years
Medical fund - Non Executive staff	[illegible] years	[illegible] years
Accumulating compensated absences - Executive staff	[illegible] years	[illegible] years
Accumulating compensated absences - Non Executive staff	[illegible] years	[illegible] years

	Note	2015	2014
		(Figures in thousands)	
[illegible] The charge for the year has been allocated as follows:			
Cost of sales		[illegible]	[illegible]
Selling cost		[illegible]	[illegible]
Administrative expenses		[illegible]	[illegible]
Capitalized in capital work in progress		[illegible]	[illegible]
		[illegible]	[illegible]
[illegible] LONG TERM DEPOSITS AND PREPAYMENTS			
Security and other deposits		[illegible]	[illegible]
Prepayments		[illegible]	[illegible]
		[illegible]	[illegible]
Less: Prepaid against prepayments		[illegible]	[illegible]
		[illegible]	[illegible]
[illegible] STORES AND SPARE PARTS			
Stores (including in transit Rs. [illegible] thousand [illegible])		[illegible]	[illegible]
Spare (including in transit Rs. [illegible] thousand [illegible])		[illegible]	[illegible]
		[illegible]	[illegible]
Less: Provision for obsolescence	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]
[illegible] Provision for obsolescence			
Balance as at July 01,		[illegible]	[illegible]
(Reversal) / Charge for the year		[illegible]	[illegible]
Balance as at June 30,		[illegible]	[illegible]
[illegible] These include contract/balance / gains on loans from the following related parties:			
Sui Southern Gas Company Limited		[illegible]	[illegible]
Pakistan Petroleum Limited		[illegible]	[illegible]
Sui Northern Gas Pipelines Limited			[illegible]
		[illegible]	[illegible]
[illegible] TRADE DEBTS			
- Gas sales receivable		[illegible]	[illegible]
- Gas sales receivable against regularization	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]

[illegible] [illegible] Limited (SSGC).

[illegible]

	Note	2023	2022
		(Rupees in thousand)	
[illegible]		[illegible]	[illegible]
[illegible]		[illegible]	[illegible]
[illegible]		[illegible]	[illegible]

	Note	2023	2022
		(Rupees in thousand)	
19.1.8 Aging of related party balances			
Due in six months		[illegible]	[illegible]
More than six months		[illegible]	[illegible]
		[illegible]	[illegible]
19.2 TRADE DEPOSITS AND SHORT TERM PREPAYMENTS			
Trade deposits and short term prepayments		[illegible]	[illegible]
Provision for doubtful deposits		[illegible]	[illegible]
		[illegible]	[illegible]
19.3 OTHER RECEIVABLES			
Sui Southern receivable		[illegible]	[illegible]
Less: Provision against receivable		[illegible]	[illegible]
Tariff adjustment receivable	19.3.1	[illegible]	[illegible]
Tariff adjustment (PLNG)	19.3.2, 19.3.3	[illegible]	[illegible]
Receivable against Sui Southern Gas Company pensioners	19.3.4	[illegible]	[illegible]
Receivable against International Gas Company (Pvt) Limited	19.3.5	[illegible]	[illegible]
Others		[illegible]	[illegible]
		[illegible]	[illegible]
19.3.1 Tariff adjustment (receivable)			
Opening Balance		[illegible]	[illegible]
Difference in gas sales determined by the gas transmission company			
- recognized in statement of profit or loss	19.3.1.1	[illegible]	[illegible]
- derecognized in OCI		[illegible]	[illegible]
Closing Balance		[illegible]	[illegible]

19.3.1 The receivable as disclosed 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 in such statements / disclosures in these financial statements as the Company believes that the OGRA in its various determinations in the past years have consistently allowed such expenses and is expected to approve the same under the Prudent Government Accounting. Accordingly, the Company is in the process of filing a review application against the mentioned determinations. Post decision by the OGRA and is confident of favourable outcome. Detailed breakup of the deferred and / or disallowed expenses is as follows:

	Note	2023	2022
		(Rupees in thousand)	
Late payment surcharge in gas sales to	19.3.2	[illegible]	[illegible]
Other operating costs	19.3.3	[illegible]	[illegible]
		[illegible]	[illegible]

19.3.1 The management has paid such charge/payable to various gas suppliers deferred by the OGRA in various payments. The Company is confident that the amount not recovered or disallowed needs to be recognized in accordance with Prudent Government.

19.3.2 The management consider capacity costs and other disallowed / excess allowed by the OGRA in various tariffs which have been consistently disallowed / allowed by the OGRA in past years and hence the Company is confident that the same will be allowed upon the review of appeal in the filing with the OGRA.

	Note	2023	2022
		(Rupees in thousand)	
19.3 Tariff adjustment (PLNG)			
Opening balance		[illegible]	[illegible]
Recognized for the year	19.3.1.1	[illegible]	[illegible]
		[illegible]	[illegible]
Gas Transmission Company allowance in [illegible]	19.3.3	-	[illegible]
Closing Balance		[illegible]	[illegible]

19.3.1 The balance of Tariff adjustment represents the accumulated difference between the margin charged by the Company in the purchase and sale of the PLNG based on the notified rates and the 2.5% margin guaranteed to the Company at June 30, 2023. The significant drop in the balance is attributed to the change in calculation in the month of June 2023 amounting to Rs.[illegible] as claimed by Government. [illegible]

The balance represents the difference of average cost of PLNG and the average sale price of system gas in the amount PLNG volumes to system gas customers. During the year, [illegible] PLNG [illegible] of PLNG were diverted and sold as system gas. The tariff adjustment receivable resulting from PLNG sold as system gas will be adjusted upon determination of margin in tariff adjustments in future periods to be determined by the OGRA. Finance Division has approved the adjustment mechanism in respect of cost of Russian Natural Gas PLNG price adjustments as notified by Government of Pakistan.

19.3.3 OGRA vide its decision dated December 28, 2021 which was further clarified by the OGRA dated February 09, 2022 has disallowed further stock of PLNG held with SSGC to be sold to Rhein at Rs.[illegible] weighted average cost. Therefore, SSGC determined price as per relevant approved OGRA modified rates. The gain / loss arising in the difference between the current and historical rates shall be passed on to the Company within a month of sale of PLNG resulting the SSGC and is accounted / adjusted in the OGRA's determined future price adjustments to the Company's PLNG consumers.

19.3.4 This receivable as disclosed 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 statements / disclosures 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 breakup of the deferred and / or disallowed expenses is as follows:

	Note	2023	2022
		(Rupees in thousand)	
Capacity based cost of supply	19.4.1	[illegible]	[illegible]
Gas internally consumed / transmission	19.4.2	[illegible]	
Late payment surcharge in gas sale and Transmission	19.4.3	[illegible]	
Other			[illegible]
		[illegible]	[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

		2023	2022
		(Rupees in thousand)	
30.0	**Disaggregated revenue information**		
	Type of goods:		
	Indigenous gas	[illegible]	[illegible]
	CO2	[illegible]	[illegible]
		[illegible]	[illegible]
	Timing of revenue recognition:		
	Revenue recognised at point in time	[illegible]	[illegible]
	Region-wise revenue:		
	Dhulian	[illegible]	[illegible]
	Bahawalpur	[illegible]	[illegible]
	Kangnilla	[illegible]	[illegible]
	Fazilpur	[illegible]	[illegible]
	Sukhnai	[illegible]	[illegible]
	Mehtingpur	[illegible]	[illegible]
	Lahore	[illegible]	[illegible]
	Dhaka	[illegible]	[illegible]
	Gujranwala	[illegible]	[illegible]
	Gujrat	[illegible]	[illegible]
	Jhanghar and Jhanghar	[illegible]	[illegible]
	Islamabad	[illegible]	[illegible]
	Kashmir	[illegible]	[illegible]
	Jaisalmer	[illegible]	[illegible]
	Head office	[illegible]	[illegible]
		[illegible]	[illegible]
	Revenue as per customer type:		
	Domestic	[illegible]	[illegible]
	Commercial	[illegible]	[illegible]
	Ground industry	[illegible]	[illegible]
	Fertilizers	[illegible]	[illegible]
	Power stations	[illegible]	[illegible]
	CNG	[illegible]	[illegible]
	Cement stations	[illegible]	[illegible]
	SSGCL	[illegible]	[illegible]
	Captive power	[illegible]	[illegible]
	Textile	[illegible]	[illegible]
		[illegible]	[illegible]
	Trade debts	[illegible]	[illegible]
	Contract assets	[illegible]	-
	Contract liabilities	[illegible]	[illegible]

The main reason for increase in trade debts is due to increased trade debts as much half supplied in [illegible] in [illegible] financial [illegible].

The transaction price allocated to the remaining unsatisfied performance obligations as on June 30, 2021 is as follows:

	2021	2020*
	(Rupees in thousand)	
Within one year	[illegible]	[illegible]
Over one year	[illegible]	[illegible]

The performance obligation cost related to each category of revenue is mentioned in note 27.1 to these financial statements. The company does not have any further segments, accordingly the further disaggregation of ordinary revenue from contracts with customers has not been presented.

	Note	2021	2020*
		(Rupees in thousand)	
[illegible] (NET OF REVERSALS)			
Judgmental gas	[illegible]	[illegible]	[illegible]
RLNG	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]

[illegible] The receivable includes from Government of Pakistan (GOP) under the provisions of Section 6A transmission and distribution of natural gas planned 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 Stakeholders in the natural gas sector to revise the tariff regime including the rate of return in order to be based on Weighted Average Cost of Capital (WACC) from the financial year 2018-19. WACC was computed as 17.42% for financial year 2018-19 or 2020-21.

OGRA, in its decision dated August 11, 2021 due to one with the tariff regime in vogue, considered the data of shares on average that stands at [illegible] on the year 2018-19 and consulted at [illegible] as compared to the previous WACC rate of [illegible] determined on [illegible] however the same is commercially assumed to be refunded by 47%.

[illegible] the period in [illegible], OGRA has also adjusted the reduction in capacity rates of the various operating assets per Country transmission and distribution network of the company from present rate of nearly [illegible] per million to range from [illegible] to [illegible] per million.

[illegible] the tariff regime, the Company is subject to [illegible] on accrual basis in the year than [illegible], on the value in the average from [illegible] taxation [illegible] of deferred [illegible] income tax [illegible] accounting [illegible] on [illegible] and after excluding [illegible] of [illegible] and other non-recurring income and further incorporating the effect of [illegible] as [illegible] by OGRA.

During the year the Company could not meet the [illegible] prescribed by the OGRA and as a result the return for the year on the allowed [illegible] was [illegible] (2020: [illegible]) among other [illegible] made by the OGRA. The Company has also incorporated the effect of Unaccounted for Gas (UFG) which represents the volume differences of gas purchased and sales amounting to [illegible] (2020: [illegible]) which is in excess of the UFG benchmark of [illegible] (2020: [illegible]) as determined by the OGRA.

	Note	2021	2020
		(Rupees in thousand)	
[illegible] (...)			
Opening balance of [illegible]		[illegible]	[illegible]
Gas purchased			
Southern system		[illegible]	[illegible]
Fuel from [illegible]		[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]
		[illegible]	[illegible]
Less:			
• Gas [illegible] consumed		[illegible]	[illegible]
• Gas in pipelines	[illegible]	[illegible]	[illegible]
• Gas in [illegible]	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]
Distribution costs	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]

[illegible] Gas purchases - RLNG

Cost of [illegible]	[illegible]	[illegible]
Cost of regasification	[illegible]	[illegible]
Transportation and storage	[illegible]	[illegible]
	[illegible]	[illegible]

[illegible] LPG is the purchase of liquid petroleum and transmission company where the of Pakistan's [illegible] gas purchases in volume, gas is sold in volume and gas used internally by the Company for its operations. LPG receives from a number of Sources which are also comprises of gas [illegible] in KPK underground and over ground [illegible] equipment [illegible] stations, these gas is also with other use. Illegal connections are such other connections which bypass the meters installed. As a result of LPG, 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 the unaccounted gas for affected sales courses which were earlier estimated by the OGRA, now are based on actual figures. Fixed now the tariff rate of UFG. However the Kot Sabzi company compensated by an increase in UFG benchmark from [illegible] to [illegible] and a further [illegible] adjustment in accordance in the determining transition [illegible] as prescribed by the OGRA. LPG has also begun [illegible] of [illegible] transition in good balance in terms of income and percentage.

No.	Region / Area	Number of connections as on June 30, 2014	Billed	%
1	Multan	[illegible]	[illegible]	[illegible]
2	Bahawalpur	[illegible]	[illegible]	[illegible]
3	Sargodha	[illegible]	[illegible]	[illegible]
4	Faisalabad	[illegible]	[illegible]	[illegible]
5	Sahiwal	[illegible]	[illegible]	[illegible]
6	Lahore / Sheikhupura	[illegible]	[illegible]	[illegible]
7	Okara	[illegible]	[illegible]	[illegible]
8	Gujranwala	[illegible]	[illegible]	[illegible]
9	Sialkot	[illegible]	[illegible]	[illegible]
10	Rawalpindi / Islamabad	[illegible]	[illegible]	[illegible]
11	Mardan	[illegible]	[illegible]	[illegible]
12	Peshawar	[illegible]	[illegible]	[illegible]
13	Turbat	[illegible]	[illegible]	[illegible]
14	Hyderabad	[illegible]	[illegible]	[illegible]
Total distribution system		[illegible]	[illegible]	[illegible]
Transmission system		[illegible]	[illegible]	[illegible]
Total		[illegible]	[illegible]	[illegible]

No.	Region / Area	Number of connections as on June 30, 2013	Billed	%
1	Multan	[illegible]	[illegible]	[illegible]
2	Bahawalpur	[illegible]	[illegible]	[illegible]
3	Sargodha	[illegible]	[illegible]	[illegible]
4	Faisalabad	[illegible]	[illegible]	[illegible]
5	Sahiwal	[illegible]	[illegible]	[illegible]
6	Lahore / Sheikhupura	[illegible]	[illegible]	[illegible]
7	Okara	[illegible]	[illegible]	[illegible]
8	Gujranwala	[illegible]	[illegible]	[illegible]
9	Sialkot	[illegible]	[illegible]	[illegible]
10	Rawalpindi / Islamabad	[illegible]	[illegible]	[illegible]
11	Mardan	[illegible]	[illegible]	[illegible]
12	Peshawar	[illegible]	[illegible]	[illegible]
13	Turbat	[illegible]	[illegible]	[illegible]
14	Hyderabad	[illegible]	[illegible]	[illegible]
Total distribution system		[illegible]	[illegible]	[illegible]
Transmission system		[illegible]	[illegible]	[illegible]
Total		[illegible]	[illegible]	[illegible]

		Note	2015	2014
			Rupees in thousand	
30.9	Distribution cost			
	Salaries, wages and benefits	37.1.1	[illegible]	[illegible]
	Employee's medical and welfare		[illegible]	[illegible]
	Rents and spare parts consumed		[illegible]	[illegible]
	Fuel and power		[illegible]	[illegible]
	Repairs and maintenance		[illegible]	[illegible]
	Vehicle running and maintenance		[illegible]	[illegible]
	Insurance		[illegible]	[illegible]
	Travelling and conveyance		[illegible]	[illegible]
	Stationery and printing		[illegible]	[illegible]
	Telecommunication charges		[illegible]	[illegible]
	Consultancy services		[illegible]	[illegible]
	Security expenses		[illegible]	[illegible]
	Advertisement		[illegible]	[illegible]
	Depreciation	10.1.1	[illegible]	[illegible]
	Depreciation on right of use assets	21.1	[illegible]	[illegible]
	Others		[illegible]	[illegible]
			[illegible]	[illegible]
	Allocation to other capital expenditure		[illegible]	[illegible]
			[illegible]	[illegible]

30.9.1 [illegible] Company's contribution to the employee pension fund.

		Note	2015	2014
			Rupees in thousand	
32.	[illegible]			
	Income from financial assets			
	Interest on staff loans and advances		[illegible]	[illegible]
	Return on bank deposits		[illegible]	[illegible]
	Gain on fair value recognition of financial liabilities at fair value		[illegible]	[illegible]
			[illegible]	[illegible]
	Income / (loss) recognized on derivatives (cross currency swaps)			
	Cross currency swap and other payable to pension company	32.1	[illegible]	[illegible]
	Fair value gain / (loss) on derivatives		[illegible]	[illegible]
	Other components	32.1	[illegible]	[illegible]
			[illegible]	[illegible]
	Income from assets and liabilities classified			
	Net gain on sale of property, plant and equipment		[illegible]	[illegible]
	Foreign exchange gain / (loss)		[illegible]	[illegible]
	Amortization of deferred costs	[illegible]	[illegible]	[illegible]
	Insurance claim	32.2	[illegible]	[illegible]
			[illegible]	[illegible]

	Note	2013	2012
		(Rupees in thousands)	
Others			
Sale of tender documents		[illegible]	[illegible]
Sale of scrap		[illegible]	[illegible]
Unclaimed dividends/ liabilities written back		[illegible]	[illegible]
Gain on construction contracts		[illegible]	[illegible]
Bad debts recovered		[illegible]	[illegible]
Exchange gain		[illegible]	
Gas transportation revenue		[illegible]	[illegible]
Liabilities no longer payable written back		[illegible]	[illegible]
Miscellaneous		[illegible]	[illegible]
		[illegible]	[illegible]
		[illegible]	[illegible]

[illegible] Income on late payment of gas bills - after concession

Income on gas sales arrears	[illegible]	[illegible]	[illegible]
Surcharge on late payments	[illegible]	[illegible]	[illegible]
		[illegible]	[illegible]

[illegible] This represents income charged on gas sales arrears in the case of LPG [illegible] 7.5% per month and in case of other customers [illegible] 2% per month from other customers.

[illegible] Late payment surcharge charged to domestic consumers in one Gas Tariff [illegible] at the rate of 10% [illegible] 15% charged since.

[illegible] The [illegible] income represents amount of income of gas [illegible]

	Note	2013	2012
		(Rupees in thousands)	
[illegible]			
Salaries, wages and benefits	[illegible]	[illegible]	[illegible]
Employee Provident Fund [illegible]		[illegible]	[illegible]
Stores and spare parts consumed		[illegible]	[illegible]
Repairs and maintenance		[illegible]	[illegible]
Rent, rates, electricity and telephone		[illegible]	[illegible]
Insurance		[illegible]	[illegible]
Travelling and conveyance		[illegible]	[illegible]
Stationery and postage		[illegible]	[illegible]
Diesel oil consumed		[illegible]	[illegible]
Transportation charges		[illegible]	[illegible]
Professional services	[illegible]	[illegible]	[illegible]
Security expenses		[illegible]	[illegible]
GSPS fee and expenses		[illegible]	[illegible]
Advertisement		[illegible]	[illegible]
Depreciation	[illegible]	[illegible]	[illegible]
Amortization of right of use assets	[illegible]	[illegible]	[illegible]
Amortization of intangible assets	[illegible]	[illegible]	[illegible]
Others		[illegible]	[illegible]
		[illegible]	[illegible]
Allocated to fixed capital expenditure		[illegible]	[illegible]
		[illegible]	[illegible]

[illegible] Included in salaries, wages and benefits is Rs. 173,423 thousand (2012: Rs. 132,123 thousand) in respect of the Company's contribution to the employee provident fund.

		[illegible]		[illegible]	
	[illegible]	[illegible]	[illegible]	[illegible]
[illegible] Number of employees				
Operations	[illegible]	[illegible]	[illegible]	[illegible]
Projects	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]

	Note	2015	2014
		(Rupees in thousand)	
[illegible]	**Professional services**		
	The charges for professional services include the following:		
	In respect of auditors' services for:		
	Statutory audit	[illegible]	[illegible]
	Half yearly review and other certifications	[illegible]	[illegible]
	Out of pocket expenses	[illegible]	[illegible]
		[illegible]	[illegible]
[illegible]	**[illegible]**		
	Exchange loss - net		[illegible]
	Workers' Profit Participation Fund	[illegible]	[illegible]
	Workers' Welfare Fund	[illegible]	[illegible]
	Loss on other recognition of financial assets at fair value	[illegible]	[illegible]
		[illegible]	[illegible]

[illegible] The Company had recognized the provision of workers welfare fund under the Punjab Number Fifteen Fund after 2006 to 2007. However, the same was not applicable on the standalone financial statements and the Company been exempted under the provision of exemption order dating back the Workers Welfare Ordinance 1971 therefore, the earlier made provision has been reversed.

		2015	2014
		(Rupees in thousand)	
[illegible]	**[illegible]**		
	Interest and mark up including commitment charges on:		
	Long term financing - secured	[illegible]	[illegible]
	Long term financing - unsecured	[illegible]	[illegible]
	Short term borrowing	[illegible]	[illegible]
	Long payment for gas supplies	[illegible]	[illegible]
	Lease liabilities	[illegible]	[illegible]
	Security deposits	[illegible]	[illegible]
	Bank charges	[illegible]	[illegible]
		[illegible]	[illegible]
	Allocated to [illegible] expenditure	[illegible]	
		[illegible]	[illegible]
[illegible]	**[illegible]**		
	Current Tax		
	For current year	[illegible]	[illegible]
	Prior year	[illegible]	[illegible]
		[illegible]	[illegible]
	Deferred tax	[illegible]	[illegible]
		[illegible]	[illegible]

		2015	2014
		(Rupees in thousand)	
[illegible]	**Tax charge reconciliation**		
	Numerical reconciliation between the average effective tax rate and the applicable tax rate		
	Accounting profit before income tax [illegible]	[illegible]	[illegible]
	Tax effect of amounts that are:		
	- Effect of change in current tax of prior years	[illegible]	[illegible]
	- Others	[illegible]	[illegible]
		[illegible]	[illegible]
	Average effective income charge to income statement [illegible]	[illegible]	[illegible]
[illegible]	**[illegible]**		
	Profit for the year	Rupees in thousand	[illegible]
	Weighted average shares in issue	Number of shares	[illegible]
	Basic and diluted [illegible]	Rupees	[illegible]

The figures for comparative [illegible] have been restated due to the Company's bonus issue [illegible] the earnings per share would have [illegible] the basic earnings per share when presented.

		2015	2014
		(Rupees in thousand)	
[illegible]	**[illegible]**		
	Profit before taxation	[illegible]	[illegible]
	Adjustment for non cash charges and other items:		
	Depreciation on owned assets	[illegible]	[illegible]
	Depreciation on right of use assets	[illegible]	[illegible]
	Amortization on intangible assets	[illegible]	[illegible]
	Employee benefits	[illegible]	[illegible]
	Amortization of deferred cost	[illegible]	[illegible]
	Net gain on sale of fixed assets	[illegible]	[illegible]
	Finance cost	[illegible]	[illegible]
	Return on bank deposits	[illegible]	[illegible]
	Allowance for expected credit losses	[illegible]	[illegible]
	Loss on initial recognition of financial assets at fair value	[illegible]	[illegible]
	Gain on initial recognition of financial liabilities at fair value	[illegible]	[illegible]
	(Gain) / Loss on initial recognition of financial assets derivative [illegible] at fair value	[illegible]	[illegible]
	Net market expense due to the Peak of [illegible]	[illegible]	[illegible]
	Working capital changes	[illegible]	[illegible]
	Provision for [illegible]	[illegible]	[illegible]
		[illegible]	[illegible]

	Note	2021	2020
		(Rupees in thousands)	
45.1	**Working capital changes**		
	(Increase) / Decrease in current assets		
	Stores and spare parts	[illegible]	[illegible]
	Stock-in-trade	2,144,931	2,153,408
	Trade debts	[illegible]	(1,479,127)
	Loans and advances	326,777	(362,130)
	Trade deposits and short term prepayments	41,131	2,191
	Other receivables	[illegible]	[illegible]
		[illegible]	[illegible]
	Increase in current liabilities		
	Trade and other payables	[illegible]	[illegible]
	Contract liabilities	[illegible]	[illegible]
		[illegible]	[illegible]
45.2	**Cash and cash equivalents**		
	Cash and bank balances	34	[illegible]	[illegible]
	Short term borrowing		[illegible]	[illegible]
			[illegible]	[illegible]

45. [illegible]

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

	Managing Director		Executives	
	2021	2020	2021	2020
	(Rupees in thousands)			
Remuneration	[illegible]	[illegible]	[illegible]	[illegible]
Contribution to provident pension and gratuity fund	[illegible]	[illegible]	[illegible]	[illegible]
Housing and utilities	[illegible]	[illegible]	[illegible]	[illegible]
Medical reimbursement	[illegible]	[illegible]	[illegible]	[illegible]
Consultants and other allowances	-	-	[illegible]	[illegible]
Special allowance	[illegible]	[illegible]	-	-
Leave encashment	-	[illegible]	[illegible]	[illegible]
Club subscription	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]
Number of persons	[illegible]	[illegible]	[illegible]	[illegible]

45.1 [illegible]

45.2 The aggregate amount charged in the financial statements for fees of external auditors (Deloitte Yousuf Adil Chartered Accountants) amounted to Rs. [illegible] million (2020: Rs. [illegible] million) including the relevant sales tax and expenses thereon. Total number of Directors/Executives who have been paid Salaries (2020: [illegible]).

46.3 The aggregate amount charged in the financial statements in respect of Directors' meeting fees (2020: [illegible]) amounted to Rs. [illegible] million (2020: Rs. [illegible] million) including the relevant sales tax and expenses thereon. Total number of Directors/Executives who have been paid Salaries (2020: [illegible]).

46.4 The aggregate amount charged in the financial statements in respect of medical reimbursement is nil (2020: nil) (Rupees in thousands).

	Note	2021	2020
		(Rupees in thousands)	
46.	**Reconciliation of liabilities arising from financing activities**		
		Long term financing (Secured)	Short term borrowing (Unsecured)
	Net debt as at July 1, 2019 (including current portion of long term and current borrowings)	[illegible]	[illegible]
	Cash inflows	[illegible]	-
	Cash outflows	[illegible]	[illegible]
	Others	47.1	-	[illegible]
	Net debt as at June 30, 2020 (including current portion of long term and current borrowings)	[illegible]	[illegible]
	Cash inflows	[illegible]	-
	Cash outflows	[illegible]	[illegible]
	Others	47.1	-	[illegible]
	Net debt as at June 30, 2021 (including current portion of long term and current borrowings)	[illegible]	[illegible]

47.1 Other is mainly include non-cash movements and it is not practicable to identify cash flows in the statement of cash flows.

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 loans and advances and remuneration of Directors and executives including key management personnel is disclosed in note 45 to these financial statements.

	2013	2012
	(Rupees in thousand)	
Sale of goods		
Other related parties		
The Southern Gas Company Limited	[illegible]	[illegible]
Pakistan Petroleum Limited	[illegible]	[illegible]
Pakistan Petroleum Limited (Joint Operations)	[illegible]	[illegible]
Oil and Gas Development Company Limited	[illegible]	[illegible]
Northern Power Generation Company Limited	[illegible]	[illegible]
Quetta Electric Power Company Limited	[illegible]	[illegible]
National Power Parks Management Company (Private) Limited	[illegible]	[illegible]
Sindh Engineering Consultants of Pakistan	[illegible]	[illegible]
Jungle Wuzaiyan Limited Limited	[illegible]	[illegible]
Sheikh [illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	-
[illegible]	[illegible]	-
Sachal Energy Limited	[illegible]	[illegible]
A.J. Spinning Mills (Pvt) Limited	[illegible]	-
A.J. Textile Mills Limited	[illegible]	-
Middle Value Factory (Pvt) Limited	[illegible]	-
Lahore Knitting Mills Management Limited	[illegible]	-
State Bank of Pakistan	[illegible]	-
Directors and key management personnel		
Remuneration and allowances to directors	[illegible]	[illegible]
Remuneration and allowances to key management personnel	[illegible]	[illegible]
	[illegible]	[illegible]
Purchase of gas, materials and services and management services		
Sui Southern Gas Company Limited	[illegible]	[illegible]
Government Holdings (Private) Limited	[illegible]	[illegible]
Pakistan Petroleum Limited	[illegible]	[illegible]
Sui Northern Gas Pipelines Limited	[illegible]	[illegible]
Mari Petroleum Company Limited	[illegible]	[illegible]
Pakistan State Oil Company Limited	[illegible]	[illegible]
Pakistan LNG Limited	[illegible]	[illegible]
	[illegible]	[illegible]
Purchase of materials		
The General Tyre & Rubber Company of Pakistan Limited	[illegible]	[illegible]
Sui Southern Gas Company Limited	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]

	2013	2012
	(Rupees in thousand)	
Purchase of services		
Pakistan Telecommunication Company Limited	[illegible]	[illegible]
State Life Insurance Corporation of Pakistan	[illegible]	[illegible]
Pakistan Institute of Pakistan	[illegible]	[illegible]
	[illegible]	[illegible]
Finance cost		
Sui Southern Gas Company Limited	[illegible]	[illegible]
Government Holdings (Private) Limited	[illegible]	[illegible]
Pakistan (Pvt) Limited Limited	[illegible]	[illegible]
Oil and Gas Development Company Limited	[illegible]	[illegible]
Mari Petroleum Company Limited	[illegible]	[illegible]
	[illegible]	[illegible]
Mark-up/profit on bank deposits		
Askari Bank Limited	[illegible]	[illegible]
Faysal Bank Limited	[illegible]	[illegible]
	[illegible]	[illegible]
Dividend paid		
Sui Southern Gas Company Limited	[illegible]	-
National Investment Trust	[illegible]	-
Askari Bank Limited	[illegible]	-
National Life Insurance Company Limited	[illegible]	-
The Pakistan Oil Fields Limited Limited	[illegible]	-
[illegible] Employees Gratuity Fund	[illegible]	-
	[illegible]	-
Insurance premium		
National Insurance Company Limited	[illegible]	[illegible]
State Life Insurance Corporation of Pakistan	[illegible]	[illegible]
	[illegible]	[illegible]
Insurance claims received		
National Insurance Corporation	[illegible]	[illegible]
State Life Insurance Corporation of Pakistan	[illegible]	[illegible]
	[illegible]	[illegible]
Contribution to defined contribution plan	[illegible]	[illegible]
Contribution to defined benefit plans	[illegible]	[illegible]
Compensation to Budget - Pakistan International Limited	[illegible]	[illegible]
Payment against other Shared Services - Pakistan International Limited	[illegible]	[illegible]
Key management remuneration	[illegible]	[illegible]
Profits paid on Loan - Askari Bank Limited	[illegible]	[illegible]

[illegible]

[illegible]

	[illegible]	[illegible]
	(Rupees in thousand)	
Included in trade debts (after note [illegible])		
Oil and Gas Development Company Limited	[illegible]	[illegible]
Sui Southern Gas Company Limited	[illegible]	[illegible]
State Life Insurance Corporation of Pakistan	[illegible]	[illegible]
Fauji Cereals (Private) Limited	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
National Power Parks Management Company (Private) Limited	[illegible]	[illegible]
Saphire Power Generation Company Limited	[illegible]	[illegible]
Fauji Fertilizer Company Limited	[illegible]	[illegible]
Nishat Power Limited	[illegible]	[illegible]
Nishat Chunian Power Limited	[illegible]	[illegible]
Nishat Hospitality (Pvt.) Limited	[illegible]	[illegible]
A. J. Spinning Mills (Pvt.) Limited	[illegible]	[illegible]
A. J. Textile Mills Limited	[illegible]	[illegible]
Nishat Mills Limited	[illegible]	[illegible]
Included in trade and other receivables (after note [illegible])		
The General Tyre & Rubber Company of Pakistan Limited	[illegible]	[illegible]
Fauji Bank Limited	[illegible]	[illegible]
Sui Southern Gas Company Limited	[illegible]	[illegible]

[illegible] Contributions to the defined contribution post retirement benefit plans are in accordance with the terms of the arrangement, as amended and / or actuarial advice.

[illegible] Following are the related parties with whom the Company has entered into transactions during the year including Gulf Asset Management Bahrain Funds (Trusts and enterprises owned or which have ended from Bahrain financial statements.

Name of the related party	Nature of relationship	Percentage of shareholding
Lakhomian Holdings (Private) Limited	Gulf Holdings	Not applicable
Alphanet Sports Oil Company Limited	Gulf Holdings	Not applicable
Agriculture Power Generation Company Limited	Gulf Holdings	Not applicable
National Insurance Company Limited	Gulf Holdings	Not applicable
National Investment (Trust) Limited	Gulf Holdings Common Directorship	Not applicable
Orient Gas Development Limited	Gulf Holdings Common Directorship	Not applicable
State Life Insurance Corporation of Pakistan	Gulf Holdings Common Directorship	Not applicable
Heritage Pharmaceuticals	Gulf Holdings Common Directorship	Not applicable
Sui Southern Gas Company Limited	Gulf Holdings Common Directorship	Not applicable
Pakistan Petroleum Limited (PPL)	Gulf Holdings Common Directorship	Not applicable
Guddu Kot Thermal Power (Private) Limited	Gulf Holdings	Not applicable
National Power Parks Management Company (Private) Limited	Gulf Holdings	Not applicable
Habib Bank Limited	Common directorship	Not applicable
Pakistan Cotton Limited	Common directorship	Not applicable
Fauji Fertilizer Company Limited	Common directorship	Not applicable
The General Tyre & Rubber Company of Pakistan Limited	Common directorship	Not applicable
Bunny Bank Limited	Common directorship	Not applicable
Pakistan Telecommunication Company Limited	Common directorship	Not applicable
Nishat Petroleum Company Limited	Common directorship	Not applicable
Dawlance (Pvt)	Common directorship	Not applicable
A. J. Spinning Mills (Pvt.) Limited	Common directorship	Not applicable
A. J. Textile Mills Limited	Common directorship	Not applicable
Adamjee Life Assurance Company Limited	Common directorship	Not applicable
Lahore University of Management Sciences	Common directorship	Not applicable
Lucky Cement Limited	Common directorship	Not applicable
Nishat Chunian (Pvt.) Limited	Common directorship	Not applicable
Nishat Mills Textile (Pvt.) Limited	Common directorship	Not applicable
Nishat Chunian Industries Limited	Common directorship	Not applicable
State Bank of Pakistan	Common directorship	Not applicable
Honey Mills Limited	Relative of Director	Not applicable

[illegible] A number of entities owned / controlled by the Government of Pakistan (GOP) are the related parties of the Company and exert 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 Government entities other than those disclosed above are considered highly insignificant to the financial statements that are not disclosed. However, considering the nature of the Company's business utility services and selling electricity to a number of Government Executives, other than those disclosed above, which are also considered highly insignificant to be disclosed.

[illegible] The review report submitted by Internal Audit department on WASA/SE on the investigation of related party transactions of 6th Annual Report has been submitted to SECP Business Agency. Earlier the External Agency had referred the matter back to the Treasury for internal investigation. On the directions of SECP, a fresh commission of

[illegible]

(d) [illegible]

The average daily gas transmitted during the year was [illegible] MMcf. [illegible] against the Benchmark Capacity of [illegible] MMcf. The Company has no contractual liabilities or commitments as regards [illegible] capacity. [illegible]

(e) [illegible]

(e.i) **Financial risk factors**

The Company's activities expose it to a variety of financial risks: interest risk, including currency risk, other price risk and market 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 financial [illegible] department. The [illegible] 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 of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly when future commercial transactions or recognized assets and liabilities are denominated in a foreign currency.

The Company is exposed to currency risk relating from currency exposure in the United States Dollar (US$). Currently, the Company's foreign exchange risk exposure is restricted to the amounts payable to the gas suppliers. The exchange gain / (loss) on the used tariff is passed on to consumers by the Government, as in the case of fully subsidized / non-subsidized consumers.

	2015	2014
	(Rupees per US Dollar)	
The following significant exchange rates were applied during the year:		
Average rate	[illegible]	[illegible]
Reporting date rate	[illegible]	[illegible]

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 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 instruments traded in the market. The Company is not exposed to commodities and equity price risk.

(b) **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 borrowing 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.

[illegible] the interest rate profile of the Company's interest bearing financial instruments is as follows:

	2015	2014
	(Rupees in thousand)	
Fixed rate instruments		
Financial assets		
Loans to employees	[illegible]	[illegible]
Financial liabilities		
Long term financing	[illegible]	[illegible]
Floating rate instruments		
Financial assets		
Bank balances - deposit accounts	[illegible]	[illegible]
Financial liabilities		
Long term financing	[illegible]	[illegible]
Security deposit	[illegible]	[illegible]
Short term borrowing	[illegible]	[illegible]
Creditors for gas transmission	[illegible]	[illegible]
Lease liabilities	[illegible]	[illegible]

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 fluctuated by 1% higher / lower with all other variables held constant, profit after taxation for the year would be [illegible] thousand (2014: [illegible] thousand) higher / lower mainly as a result of higher / lower interest expense on floating rate borrowings. This analysis is based on floating rate amount of liability and the interest rate applicable at the year end date. The analysis of financial position date is representing to the entire year.

[illegible]

[illegible]

	2021	2020
	(Rupees in thousand)	
Loans and advances	[illegible]	[illegible]
Deposits	[illegible]	[illegible]
Trade debts	[illegible]	[illegible]
Interest accrued	[illegible]	[illegible]
Other receivables	[illegible]	[illegible]
Overseas agents	[illegible]	
Bank balances	[illegible]	[illegible]
	[illegible]	[illegible]

[illegible]

	2021	2020
	(Rupees in thousand)	
Sell yet due	[illegible]	[illegible]
1 to 6 months	[illegible]	[illegible]
Above 6 months	[illegible]	[illegible]
	[illegible]	[illegible]
	[illegible]	[illegible]

[illegible]

	2021	2020
	(Rupees in thousand)	
Not yet due	[illegible]	[illegible]
1 to 6 months	[illegible]	[illegible]
More than 6 months	[illegible]	[illegible]
	[illegible]	[illegible]
	[illegible]	[illegible]

	Gross sales	Expected credit loss	Expected credit loss rate
	(Rupees in thousand)		(Percentage)
As at June 30, 2021			
Category			
Fertilizer	[illegible]	[illegible]	[illegible]
General Industry	[illegible]	[illegible]	[illegible]
Commercial	[illegible]	[illegible]	[illegible]
Domestic	[illegible]	[illegible]	[illegible]
Sub-domestic	[illegible]	[illegible]	[illegible]
Receivable from [illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	
	[illegible]	[illegible]	
As at June 30, 2020			
Category			
Fertilizer	[illegible]	[illegible]	[illegible]
General Industry	[illegible]	[illegible]	[illegible]
Commercial	[illegible]	[illegible]	[illegible]
Domestic	[illegible]	[illegible]	[illegible]
Sub-domestic	[illegible]	[illegible]	[illegible]
Receivable from [illegible]	[illegible]	[illegible]	
[illegible]	[illegible]	[illegible]	
	[illegible]	[illegible]	

[illegible]

	2021	2020
	(Rupees in thousand)	
[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]

[illegible]

Banks	Short Term	Long Term	Agency
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]

(c) **Liquidity risk**

[illegible]

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. Insofar the first quarter the Company is in a negative working capital position as the year end, the management believes the liquidity risk is low.

[illegible]

	Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years	Over 5 years
	Amounts in Thousands				
June 30, 2021					
Security deposits	[illegible]	[illegible]	-	[illegible]	
Unclaimed dividend	[illegible]	[illegible]	[illegible]	-	-
Interest / markup payable on loans and other payables	[illegible]	[illegible]	[illegible]		
Long term financing	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trade and other payables	[illegible]	[illegible]	[illegible]	-	-
Short term borrowings	[illegible]	[illegible]	[illegible]	-	-
Lease liabilities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
June 30, 2020					
Security deposits	[illegible]	[illegible]	-	[illegible]	
Unclaimed dividend	[illegible]	[illegible]	[illegible]	-	-
Interest / markup payable on loans and other payables	[illegible]	[illegible]	[illegible]		
Long term financing	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Trade and other payables	[illegible]	[illegible]	[illegible]	-	-
Short term borrowings	[illegible]	[illegible]	[illegible]	-	-
Lease liabilities	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

The contractual cash flows relating to the above financial liabilities have been determined on the basis of interest rates effective as at June 30, 2021 and 2020. The rates of markup have been disclosed in respective notes to the financial statements.

30.2 Fair value 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 price in the principal market for the Company's or a group's non-performance risk. Fair value is a market based measurement, not an entity specific measurement. For assets and liabilities that are traded in active markets, fair value is determined based on the quoted market prices or dealer price quotations. For all other financial assets and liabilities, fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments. For investment in associates, fair value is determined on the basis of objective evidence at the reporting date.

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[illegible] CORRESPONDING FIGURES

Corresponding figures have been rearranged / reclassified, wherever considered necessary, for the purpose of comparison and to reflect the substance of the transactions. Following major reclassifications have been made during the year:

Description	Reclassified From	To	Rupees
Transportation	[illegible]	[illegible]	[illegible]
	Administrative expenses	[illegible]	[illegible]

[illegible] GENERAL

The figures have been rounded off to the nearest thousand rupees.

[illegible] DATE OF AUTHORIZATION FOR ISSUE

The financial statements were authorised for issue on [illegible] by the Board of Directors of the Company.

[illegible]
Chief Financial Officer

[illegible]
Managing Director / CEO

[illegible]
Chairman

[illegible]	[illegible]
[illegible]	[illegible]
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جائزہ چیئرپرسن اور ڈائریکٹرز رپورٹ

[illegible]

[illegible]

[illegible]

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[illegible]

Form of Proxy

[illegible]

(We) _____

of _____

being a member of [illegible] and under of _____ (Number of Shares)

[illegible]

hereby appoint for [illegible] _____ of _____

or failing which [illegible] _____ of _____

as my/our proxy to vote for me/us and on my/our behalf at the [illegible] Annual General Meeting of the Company to be held on Friday, July 30, 2021 at [illegible] at [illegible] [illegible]

Signed under my/our hand this _____ day of _____ 2021

Signature on appointment [illegible]

[illegible]

WITNESSES

1. Signature _____
   Name _____
   Address _____
   [illegible] _____
   Cheque _____

2. Signature _____
   Name _____
   Address _____
   [illegible] _____

NOTES

1. [illegible]
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Key features

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Helpline: 1199

Sui Northern Gas Pipelines Limited
[illegible]