



# SUI NORTHERN GAS PIPELINES LIMITED

GAS HOUSE, 21 KASHMIR ROAD, P.O. BOX 56, LAHORE (PAKISTAN)

CA/PSX/

Thru: PUCARS / Courier

September 14, 2020

The General Manager,  
Pakistan Stock Exchange Limited (PSX),  
Stock Exchange Building,  
Stock Exchange Road,  
**KARACHI.**

The Director/HOD,  
Surveillance, Supervision & Enforcement Department,  
Securities and Exchange Commission of Pakistan  
NIC Building, 63 Jinnah Avenue, Blue Area  
**ISLAMABAD.**

## INTIMATION FOR PLACEMENT OF QUARTERLY ACCOUNTS ON WEBSITE FOR THE PERIOD ENDED SEPTEMBER 30, 2019

Dear Sir,

This is to inform that 1<sup>st</sup> quarter accounts for the period ended September 30, 2019 have been placed on the Company's website: [www.sngpl.com.pk](http://www.sngpl.com.pk).

You are therefore requested to inform members accordingly.

Thanks and regards.

Yours sincerely,  
SUI NORTHERN GAS PIPELINES LIMITED

  
(IMTIAZ MEHMOOD)  
Company Secretary  
Ph: 042-99201338  
Fax: 042-99201369

Telephones Exch: { + (92-42) 9082000  
+ (92-42) 9082006

Telephones: { 042-99201338  
042-99201044

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[www.sngpl.com.pk](http://www.sngpl.com.pk)



OHSAS 18001 ISO 14001



Sui Northern Gas Pipelines Limited

**1st Quarter Accounts (Un-Audited)  
For the Period Ended September 30, 2019**



**Growth  
through Development**



# Corporate Information

## BOARD OF DIRECTORS

Ms. Roohi Raees Khan	Chairperson
Mr. Amer Tufail	Managing Director
Mr. Afan Aziz	Director
Mr. Ahmad Aqeel	Director
Syed Akhtar Ali	Director
Mr. Manzoor Ahmed	Director
Mr. Mohammad Haroon	Director
Mr. Muhammad Ayub Chaudhry	Director
Mr. Muhammad Sualeh Ahmed Faruqui	Director
Mr. Sajid Mehmood Qazi	Director
Dr. Sohail Razi Khan	Director

## COMMITTEES OF THE BOARD OF DIRECTORS

### BOARD AUDIT COMMITTEE

Dr. Sohail Razi Khan	Chairman
Mr. Afan Aziz	Member
Syed Akhtar Ali	Member
Mr. Manzoor Ahmed	Member
Mr. Mohammad Haroon	Member
Mr. Naveed Kamran Baloch	Member
Mr. Sajid Mehmood Qazi	Member

### FINANCE & PROCUREMENT COMMITTEE

Mr. Manzoor Ahmed	Chairman
Mr. Afan Aziz	Member
Mr. Ahmad Aqeel	Member
Syed Akhtar Ali	Member
Mr. Muhammad Ayub Chaudhry	Member
Mr. Naveed Kamran Baloch	Member
Dr. Sohail Razi Khan	Member

### HUMAN RESOURCE COMMITTEE

Mr. Muhammad Ayub Chaudhry	Chairman
Mr. Manzoor Ahmed	Member
Mr. Mohammad Haroon	Member
Dr. Sohail Razi Khan	Member

### NOMINATION COMMITTEE

Mr. Sajid Mehmood Qazi	Chairman
Mr. Afan Aziz	Member
Mr. Ahmad Aqeel	Member
Syed Akhtar Ali	Member
Mr. Mohammad Haroon	Member
Mr. Muhammad Sualeh Ahmed Faruqui	Member

### RISK MANAGEMENT & UFG-CC COMMITTEE

Ms. Roohi Raees Khan	Chairperson
Syed Akhtar Ali	Member
Mr. Mohammad Haroon	Member
Mr. Muhammad Sualeh Ahmed Faruqui	Member
Mr. Sajid Mehmood Qazi	Member
Dr. Sohail Razi Khan	Member

### CHIEF FINANCIAL OFFICER

Mr. Faisal Iqbal

### COMPANY SECRETARY / SECRETARY TO COMMITTEES OF THE BOARD

Mr. Imtiaz Mehmood

### AUDITORS

M/s Deloitte Yousaf Adil,  
Chartered Accountants

### SHARE REGISTRAR

M/s. CDC Share Registrar Services Limited  
Mezzanine Floor, South Tower, LSE Plaza  
19-Khayaban-e-Aiwan-e-Iqbal,  
Lahore-54000.

Tel:[+92-42] 36362061-66

Fax: [+92-42] 36300072

Website: www.cdcsrsl.com

### LEGAL ADVISORS

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

### REGISTERED OFFICE

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



# DIRECTORS' REVIEW

We are pleased to present the un-audited financial statements for the 1st Quarter ended September 30, 2019. During the period under review, your Company has earned profit after tax amounting to Rs 1,880 million as compared to profit of Rs. 2,596 million during the corresponding period. The earnings per share for the period is Rs 2.96 as against earnings per share of Rs. 4.09 for the period ended September 30, 2018.

While your Company has been able to reduce the UFG volume during the first quarter ended September 30, 2019 as compared with the UFG volume for the corresponding period, however, the UFG disallowance arising out due to UFG benchmark increased primarily owing to rupee devaluation witnessed during first half of 2019. This has contributed significantly to the reduction of profitability during first quarter. The other primary reason for reduction in profit has been increase in finance cost which increased due to increased working capital requirements in RLNG supply chain.

Details of new accounting pronouncements / IFRS applicable in preparation of these financial statements is set out in the enclosed notes to the financial statements.

Despite all the economic challenges and financial constraints, your Company is taking number of steps to address the factors impacting the consistent profitability of the Company. The Board of Directors and the Management and staff of the Company are confident that with the concerted efforts, performance of the Company will further enhance in the years ahead.

## PROJECTS

Projects Department of your Company has completed / commissioned 112 KMs Transmission Lines with diameters ranging from 8" to 24" including the contract lines. In addition to Transmission Lines, 136.40 KMs of Distribution mains were commissioned up to 1st quarter of FY 2019-20 for enhancing system capacity, supplying gas and improving pressure to customers for achieving customer satisfaction. In view of acute energy crisis prevailing in the country, Government of Pakistan aggressively pursued the import of 1200 MMCFD LNG into the country to meet shortfall in gas supplies. The Company was engaged to augment their system for the transportation of 1200 MMCFD additional gas. The Company has completed / commissioned the following:

- (i) its system augmentation project from Sawan to Lahore for the transportation of 1200 MMCFD RLNG downstream Sawan.
- (ii) spur lines laying jobs of three power plants at Bhikki, Haveli Bahadur Shah and Balloki of consolidated 3600 MW capacity for supplying 200 MMCFD RLNG to each power plant.
- (iii) Spur pipeline works for supplying 100 MMCFD gas to RLNG based Nandipur power plant.
- (iv) 24" dia x 93 KM spur line job for supply of 200 MMCFD RLNG to Punjab Power Plant near Trimmu Barrage, District Jhang, of 1400 MW capacity.

## FUTURE PROJECTS

### 1- Special Economic Zones

[The development of Economic Zones to support industrialization and business development is a priority of Government of Pakistan. Accordingly, Government of Khyber Pakhtunkhwa is developing Special Economic zones (SEZ) at Rashakai & Hattar through Khyber Pakhtunkhwa Economic Zones Development and Management Company (KPEZDMC) and Government of Punjab is developing SEZs at Allama Iqbal Industrial Estate at Faisalabad through Faisalabad Industrial Estate Development and Management Company (FIEDMC) under China Pakistan Economic Corridor (CPEC). Moreover, Government of Punjab is also developing SEZ at Bhalwal, Vehari, Bahawalpur and Rahim Yar Khan through Punjab Industrial Estate Development and Management Company (PIEDMC).

In view of GOP's Plan for the development of infrastructure for boosting Industrialization under CPEC, the GOP has identified Rashakai SEZ and Allama Iqbal Industrial Estate as an early harvest projects and they intend to develop these SEZs on priority. SEZ Management Companies have demanded gas supply requirement of 30 MMCFD for Rashakai SEZ and 40 MMCFD for Allama Iqbal Industrial Estate SEZ.

In order to supply gas to above mentioned early harvest SEZ projects, following gas pipeline



infrastructure has been planned by SNGPL:

- Transmission spur 16" dia x 29.2 Km starting from Ismail kot to terminal point along with SMS cum CMS having Capacity of 30 MMCFD for Rashakai SEZ
- Transmission spur 12" dia x 19.75 Km starting from Chinot to terminal point along with SMS cum CMS having Capacity of 40 MMCFD for Allama Iqbal SEZ.

Works on these projects are likely to be started soon as these projects are at different stages of approval.

## **2-Augmentation / Bifurcation of Lahore Distribution Network**

A comprehensive project for augmentation / bifurcation of gas network in Lahore city has been planned and approved in order to operate Gas Distribution network of Lahore City optimally by adding new feed points (SMSs / New transmission spurs) & Bifurcation of gas loads/ network of Lahore City. Project details are given below:

- a) 24" dia x 48 KM Transmission Mainlines from Phoolnagar to Nabi Baksh wala (Ferozepur Road)
- b) 16" x 27 KM Transmission Mainlines from Ferozepur Road to Barki
- c) 8" x 16 KM Transmission Mainlines from Barki to Dial
- d) 16" x 6.6 KM from Manga Mandi to Sunder

Work on this project shall be started soon.

## **3- Transmission Pipeline from A5 to Bahawalpur, 16" dia x 50 KM:**

In order to address the acute low gas pressure / no gas issues of Bahawalpur City, Lodhran city and adjoining localities, Company has planned the laying of 16" dia x 50 Km transmission gas pipeline from A-5 (Khairpur Daha) to Bahawalpur. Project has been approved by BOD and in principle by OGRA. Work on this project shall be started soon.

## **4-Pipeline from Charsadda-Khazana-Tangi, 10" dia x 72.55 km**

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

### **Phase-I:**

- 1- 10" dia x 27.75 Km Charsadda Offtake (Gulabad) - Charsada transmission loopline
- 2- 10" dia x 20.80 KM Charsadda - Khazana transmission loopline

### **Phase-II:**

- 1- 10" dia x 24 Km Charsadda -Tangi transmission loopline.

Works on this project is likely to be started soon as this project is at different stages of approval.

## **BUSINESS DEVELOPMENT**

The Company is engaged in various pipeline construction projects of national and multinational companies. SNGPL is undertaking pipeline engineering and construction jobs of MOL Pakistan's flow line / trunk lines and Fiber Optic Cable in District Kohat / Hangu for different gas fields of MOL Pakistan like Maramzai, Manzalai, Mamikhel, Makori Deep-1, Tolanj West and Makori for the last fifteen years. MOL Pakistan has played a very vital role in strengthening the gas input supplies. MOL Pakistan has awarded the project of 8" dia x 7.5 KM pipeline laying from Mardankhel-3 well to Mardankhel-1 flow line for onward processing at CPF and 6" dia x 1.2 KM flowline for Makori Deep-2. SNGPL has completed Mardankhel-3 well to Mardankhel-1 flow line while the work on Makori deep line is in full swing. The completion of Mardankhel-3 & Makori Deep-2 projects will inject additional 20-25 MMCFD gas into SNGPL's system that would be quite instrumental in reducing the energy deficiency in the country. Lately, SNGPL has also completed MOL Pakistan's pipeline construction jobs of 6" dia x 6 Km & 12"/10" dia x 22 KM pipeline for Mardankhel-2 & Mardankhel-1 wells respectively, which has resulted in injection of additional 40-50 MMCFD gas into SNGPL's system.



MOL is also planning to award flow line works of their recently developed Mamikhel South-1 to SNGPL on single bid basis which shows the trust in high standards of construction services maintained by SNGPL. Pak Arab Fertilizer (PFL) has awarded the construction services job of their 16"/12" dia x 27 KM pipeline project on contract basis which is being laid from Gas Processing Facility (GPF) at Mari Petroleum Field to tie in point near QV2 valve assembly of SNGPL. Work on this project is nearing completion. The completion of this job will yield profitability for the Company.

### COMPLIANCE WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are fourteen (14), including the Managing Director, as per the following:
  - a) Male: Thirteen (13)
  - b) Female: One (1)
  
2. The composition of Board as on September 30, 2019, is as follows:

Category	Names
Independent Directors	Syed Dilawar Abbas (chairman), Mr. Himayat Ullah Khan, Mr. Manzoor Ahmed, Mr. Mustafa Ahmad, Khan, Ms. Roohi Raees Khan, Dr. Sohail Razi Khan
Executive Directors	Mr. Mahmood Zia Ahmad
Non-Executive Directors	Mr. Ahmad Aqeel, Sardar Ahmad Nawaz Sukhera, Mirza Mahmood Ahmad, Mian Misbah-ur-Rehman, Mr. Sajid Mehmood Qazi, Mr. Naveed Kamran Baloch, Mr. Sher Afgan Khan

#### Committees of the Board:

Committee Name	Names
Audit Committee	Mr. Manzoor Ahmad (Chairman), Mr. Himayat Ullah Khan, Mr. Mustafa Ahmad Khan, Ms. Roohi Raees Khan, Dr. Sohail Razi Khan, Mr. Sajid Mehmood Qazi, Mr. Ahmad Aqeel, Mr. Naveed Kamran Baloch
Finance & Procurement Committee	Mirza Mahmood Ahmad (Chairman), Mr. Ahmad Aqeel, Sardar Ahmad Nawaz Sukhera, Mian Misbah-ur-Rehman, Dr. Sohail Razi Khan, Ms. Roohi Raees Khan, Mr. Mustafa Ahmad Khan
Human Resource & Nomination Committee	Syed Dilawar Abbas (Chairman), Mr. Manzoor Ahmed, Mr. Mustafa Ahmad Khan, Mr. Ahmad Aqeel, Mirza Mahmood Ahmad, Mian Misbah-ur-Rehman, Mr. Sher Afgan Khan
Risk Management Committee	Mr. Ahmad Aqeel (Chairman), Mirza Mahmood Ahmad, Mian Misbah-ur-Rehman, Mr. Sajid Mehmood Qazi, Ms. Roohi Raees Khan, Dr. Sohail Razi Khan, Mr. Manzoor Ahmad
Unaccounted For Gas Control (UFG-C) Committee	Mr. Sajid Mehmood Qazi (Chairman), Sardar Ahmad Nawaz Sukhera, Mirza Mahmood Ahmad, Mr. Sher Afgan Khan, Dr. Sohail Razi Khan, Mr. Himayat Ullah Khan, Mr. Mustafa Ahmad Khan



Mr. Sajid Mehmood Qazi was appointed as director on September 28, 2019 in place of Qazi Muhammad Saleem Siddiqui on the Board of Directors of the Company.

### **DELAY IN ISSUANCE OF FINANCIAL STATEMENTS**

The primary reason for delay in issuance of these financial statements is delay in Finalization of Annual Accounts for the year ended June 30, 2019 due to late determination of final revenue requirements by the Regulator which forms basis for finalization of Annual Accounts and were dependent upon approval of financial statements by the shareholders of the Company.

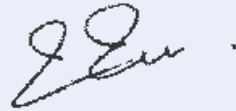
### **ACKNOWLEDGEMENTS**

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

On behalf of the Board



**(AMER TUFAIL)**  
Managing Director/CEO



**(ROOHI RAEES KHAN)**  
Chairperson-BOD

Lahore.  
September 12, 2020

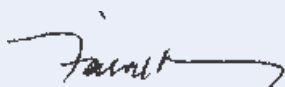


# Condensed Interim Statement Of Financial Position

## As at September 30, 2019

		Un-audited September 30, 2019	Audited June 30, 2019
	Note	(Rupees in thousand)	
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
<b>Authorised share capital</b>			
<b>1,500,000,000 ordinary shares of Rs 10 each</b>			
(June 30, 2019: 1,500,000,000 ordinary share of Rs 10 each)			
		15,000,000	15,000,000
Issued, subscribed and paid up share capital 634,216,665 (June 30, 2019: 634,216,665) ordinary shares of Rs 10 each			
		6,342,167	6,342,167
Revenue reserves			
		15,311,782	14,700,046
<b>Shareholders' equity</b>			
		21,653,949	21,042,213
<b>NON-CURRENT LIABILITIES</b>			
Long term financing:			
-Secured	4	39,710,692	39,330,000
-Unsecured	5	307,422	303,229
Lease liability against right of use assets			
Security deposits		28,383,033	-
Deferred credit		49,416,397	48,578,096
Contract Liabilities	6	51,052,890	51,390,541
Deferred taxation		11,479,963	11,066,804
Employee benefits		3,694,417	4,503,422
		8,055,019	7,640,091
		192,099,833	162,812,183
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	387,278,653	354,171,851
Contract Liabilities	6	476,336	263,349
Unclaimed Dividend		108,746	109,039
Unpaid Dividend		1,449,207	731,995
Interest and mark-up accrued on loans and other payables			
	8	59,569,066	50,469,354
Short term borrowing-secured	9	23,940,455	28,486,666
Current portion of Liabilities against assets subject to finance lease			
		6,518,435	-
Current portion of long term financing	10	10,495,888	11,294,872
		489,836,786	445,527,126
<b>CONTINGENCIES AND COMMITMENTS</b>			
	11	-	-
		703,590,568	629,381,522

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

  
(Faisal Iqbal)  
Chief Financial Officer



# Condensed Interim Statement Of Financial Position

## As at September 30, 2019

		Un-audited September 30, 2019	Audited June 30, 2019
	Note	(Rupees in thousand)	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	200,184,134	200,837,557
Intangible assets		165,696	185,727
Right of use assets		35,388,481	-
Long term loans		909,192	828,757
Employee benefits		3,030,354	2,883,659
Long term deposits and prepayments		17,021	15,202
		239,694,878	204,750,902
<b>CURRENT ASSETS</b>			
Stores and spare parts		5,739,466	5,004,896
Stock in trade	13	9,716,278	9,007,232
Trade debts	14	189,653,820	157,573,161
Loans and advances	15	3,776,847	2,119,986
Trade deposits and short term prepayments	16	602,845	241,025
Accrued interest		15,781	31,798
Other receivables	17	213,036,853	203,279,967
Contract assets		72,758	72,758
Short term investment		4,900	4,900
Sales tax recoverable		33,368,858	37,933,065
Income tax receivable		1,701,601	3,209,280
Cash and bank balances	18	6,205,683	6,152,552
		463,895,690	424,630,620
		703,590,568	629,381,522



(Amer Tufail)  
Managing Director/CEO



(Roohi Raees Khan)  
Chairperson

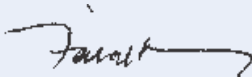


# Condensed Interim Statement of Profit or Loss (Un-audited)

## For the Period Ended September 30, 2019

	Note	September 30, 2019	September 30, 2018
(Rupees in thousand)			
<b>Revenue from contracts with customers - Gas sales</b>	19	214,441,752	158,035,116
<b>Add: Differential margin / Tariff adjustment</b>	20	12,236,235	2,184,990
		226,677,987	160,220,106
<b>Less: Cost of gas sales</b>	21	214,881,124	152,084,625
<b>Gross profit</b>		11,796,863	8,135,481
<b>Add: Other operating income</b>	22	5,779,351	3,935,535
		17,576,214	12,071,016
<b>Less: Operating expenses:</b>			
Selling cost		1,256,982	1,185,810
Administrative expenses		1,485,129	1,552,982
Other operating expenses	23	510,119	384,114
Expected credit loss		520,155	573,772
		3,772,385	3,696,678
<b>Operating profit</b>		13,803,829	8,374,338
<b>Less: Finance cost</b>	24	11,029,023	4,592,450
<b>Profit before taxation</b>		2,774,806	3,781,888
<b>Taxation</b>	25	894,637	1,186,085
<b>Profit for the period</b>		1,880,169	2,595,803
<b>Earnings / (loss) per share</b>			
Basic and diluted (Rupees)		2.96	4.09

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

  
(Faisal Iqbal)  
Chief Financial Officer

  
(Amer Tufail)  
Managing Director/CEO

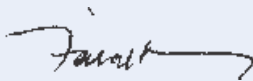
  
(Roohi Raees Khan)  
Chairperson



# Condensed Interim Statement of Comprehensive Income (Un-audited) for the Period Ended September 30, 2019

	September 30, 2019	September 30, 2018
	(Rupees in thousand)	
Profit for the period	1,880,169	2,595,803
<b>Other comprehensive income for the period</b>		
Items that will not be reclassified to profit or loss in subsequent periods	-	-
Items to be reclassified to profit or loss in subsequent periods	-	-
<b>Total comprehensive income for the period</b>	<b>1,880,169</b>	<b>2,595,803</b>

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



(Faisal Iqbal)  
Chief Financial Officer



(Amer Tufail)  
Managing Director/CEO



(Roohi Raees Khan)  
Chairperson

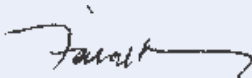


# Condensed Interim Statement of Cash Flows (Un-audited)

## for the Period Ended September 30, 2019

	Note	September 30, 2019	September 30, 2018
(Rupees in thousand)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	26	9,585,320	5,466,423
Finance cost paid		(718,482)	(105,576)
Income taxes paid		(195,964)	(639,477)
Employee benefits paid/contributions paid		(414,964)	(257,281)
Security deposits received		838,301	987,873
Receipts against government grants and consumer contributions		752,185	516,243
Long term loans to employees		(156,948)	(35,171)
Long term deposits and prepayments		(1,818)	(493)
<b>Net cash inflow from operating activities</b>		<b>9,687,630</b>	<b>5,932,541</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(4,208,307)	(4,371,778)
Capital expenditure on Intangible assets		(4,454)	(25,177)
Proceeds from sale of property, plant and equipment		-	47,347
Return on bank deposits		150,864	77,734
<b>Net cash used in investing activities</b>		<b>(4,061,897)</b>	<b>(4,271,874)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term financing - unsecured		(19,300)	(6,368)
Proceeds from long term financing- secured		380,692	-
Repayment of lease liability against right of use assets		(36,269)	-
Repayment of long term financing- secured		(800,000)	-
Dividend paid		(551,514)	(5,107)
<b>Net cash outflow from financing activities</b>		<b>(1,026,391)</b>	<b>(11,475)</b>
<b>Net increase in cash and cash equivalents</b>		<b>4,599,342</b>	<b>1,649,192</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>(22,334,114)</b>	<b>3,088,487</b>
<b>Cash and cash equivalents at the end of the period</b>	26.2	<b>(17,734,772)</b>	<b>4,737,679</b>

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

  
(Faisal Iqbal)  
Chief Financial Officer

  
(Amer Tufail)  
Managing Director/CEO

  
(Roohi Raees Khan)  
Chairperson

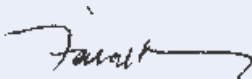


# Condensed Interim Statement of Changes in Equity (Un-audited)

## For the Quarter Ended September 30, 2019

	Share Capital	Revenue Reserves			Total	Total share holders' equity
		General Reserve	Dividend Equalization Reserve	Unappropriated Profit / (Loss)		
<b>(Rupees in thousand)</b>						
<b>Balance as at July 01, 2018 (Audited)-Restated</b>	6,342,167	4,127,682	480,000	7,487,757	12,095,439	18,437,606
Total comprehensive income from July 01, 2018 to September 30, 2018	-	-	-	2,595,803	2,595,803	2,595,803
<b>Balance as at September 30, 2018 (Un-audited)-Restated</b>	6,342,167	4,127,682	480,000	10,083,560	14,691,242	21,033,409
<b>Total transactions with owners, recognised directly in equity</b>						
Final dividend for the year ended June 30, 2018 @ Rupees 5.55 per share	-	-	-	(3,519,902)	(3,519,902)	(3,519,902)
Interim dividend for the first quarter ended September 30, 2018 @ Rupees 1.50 per share	-	-	-	(951,325)	(951,325)	(951,325)
	-	-	-	(4,471,227)	(4,471,227)	(4,471,227)
Total comprehensive income for the period from October 01, 2018 to June 30, 2019	-	-	-	4,480,031	4,480,031	4,480,031
<b>Balance as at June 30, 2019 (Audited)</b>	6,342,167	4,127,682	480,000	10,092,364	14,700,046	21,042,213
<b>Total transactions with owners, recognised directly in equity</b>						
Final dividend for the year ended June 30, 2019 @ Rupees 2 per share	-	-	-	(1,268,433)	(1,268,433)	(1,268,433)
Total comprehensive income from July 01, 2019 to September 30, 2019	-	-	-	1,880,169	1,880,169	1,880,169
<b>Balance as at September 30, 2019 (Un-audited)</b>	6,342,167	4,127,682	480,000	10,704,100	15,311,782	21,653,949

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

  
**(Faisal Iqbal)**  
 Chief Financial Officer

  
**(Amer Tufail)**  
 Managing Director/CEO

  
**(Roohi Raees Khan)**  
 Chairperson



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

For the Period Ended September 30, 2019

## 1. THE COMPANY AND ITS OPERATIONS

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

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

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

## 2. BASIS OF PREPARATION

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

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

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

- 2.2 These condensed interim financial statements are un-audited and are being submitted to the shareholders as required by section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited.
- 2.3 These condensed interim financial statements do not include all the information required for annual financial statements and therefore, should be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2019.



### 3. ACCOUNTING POLICIES AND ESTIMATES

3.1 The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the preceding annual financial statements of the company for the year ended June 30, 2019 except for the followings:

#### i) IFRS 16 Leases

The Company has adopted IFRS 16, 'Leases' with effect from July 01, 2019, which replaces IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains a Lease', SIC-15 'Operating Leases - Incentive' and SIC-27 'Evaluating the substance of transactions involving the legal form of a Lease'.

IFRS 16 introduces a single, on balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessors continue to classify leases as finance or operating leases.

On adoption of IFRS 16, the Company recognized lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 Leases. These liabilities have been measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate of 13.21%

The Company has adopted IFRS 16 retrospectively from July 1, 2019, but has not restated the comparatives for 2019, as permitted under the specific transitional provisions in the standard.

The following summary reconciles the Company's operating lease commitments at June 30, 2019 as previously disclosed in the company's annual financial statements as at June 30, 2019 to the lease liabilities recognized on initial application of IFRS 16 at July 1, 2019.

	(Rupees in thousand)
Operating lease commitments as at June 30, 2019	-
Discounted using the lessee's incremental borrowing rate at the date of initial application	36,134,618
<b>Lease liabilities recognized as at July 1, 2019</b>	<b>36,134,618</b>

The right-of-use assets were measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognized in the statement of financial position as at June 30, 2019

	Un-audited September 30, 2019	Un-audited July 01, 2019
	(Rupees in thousand)	
<b>Impact on the statement of financial position</b>		
Increase in right-of-use assets	35,388,481	36,211,727
Decrease in prepayments - prepaid rent	(59,256)	(77,109)
Increase in total assets	35,329,225	36,134,618
Increase in lease liability	(34,901,468)	(36,134,618)
Increase in net assets	427,757	-

#### Impact on profit or loss

Company operates under fixed tariff regime, therefore, adoption of IFRS has no impact on the Company's profitability as the impact is a pass through item.



## Key changes in accounting policies resulting from application of IFRS 16

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

From July 1, 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company.

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

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

Except as detailed above, the Company has elected to apply the practical expedient of not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less. The lease payments associated with these leases is recognized as an expense on a straight line basis over the lease term

### ii) IFRS 14 Regulatory Deferral Account

The Securities and Exchange Commission of Pakistan (SECP) through SRO 1480(I)/2019 Dated 27-09-2019 has notified IFRS 14 'Regulatory Deferral Account' and advised all classes of companies, that are required to follow IFRSs as notified by the Commission, to follow IFRS 14 for the preparation of financial statements for the annual reporting periods beginning on or after from July 1, 2019. However, while implementing IFRS 14, certain practical impediments have been encountered including scope/application of the IFRS to the company which require further clarification / guidance from SECP. Accordingly, the Company has sought guidance from SECP regarding implementation of the standard, therefore, this has not been followed for the time being in these financial information.

- 3.2 The preparation of this condensed interim financial statements require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense i.e. Workers' Profit Participation Fund and Taxation which are subject to final adjustments in the annual audited financial statements. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the financial statements for the year ended 30 June 2019.



	Note	Un-audited September 30, 2019	Audited June 30, 2019
(Rupees in thousand)			
<b>4. LONG TERM FINANCING - SECURED</b>			
<b>From banking companies</b>			
Local currency - Syndicate term finance - I	4.1	7,020,000	7,020,000
Local currency - Syndicate term finance - II	4.2	24,686,460	24,686,460
		31,706,460	31,706,460
<b>Other loans</b>			
Islamic finance under musharaka arrangement	4.3.1	1,375,000	1,375,000
Islamic finance under musharaka arrangement	4.3.2	3,600,000	3,600,000
Islamic finance under lease arrangement for LNG Project Ph-II	4.3.3	12,938,540	12,938,540
Islamic finance under musharaka arrangement	4.3.4	-	800,000
Islamic finance under musharaka arrangement	4.3.5	380,692	-
		50,000,692	50,420,000
Less: Current portion shown under current liabilities	10	(10,290,000)	(11,090,000)
		39,710,692	39,330,000

#### 4.1 Syndicate term finance-I

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

This loan of Rs 11,700,000 thousand has been obtained from a syndicate of banks (with Bank Alfalah acting as the Agent and United Bank Limited acting as the Security Trustee) and is secured by a first pari passu created by way of hypothecation over all present and future movable fixed assets of the Company (excluding land and building) to the extent of Rs 15,600,000 thousand (June 30, 2019: Rs 15,600,000 thousand). The effective mark-up charged during the period is 12.77% per annum (June 30, 2019: 7.21% to 12.77% per annum).

#### 4.2 Syndicate term finance - II

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

This loan of Rs 28,213,097 thousand has been obtained from a syndicate of banks (with Habib Bank Limited acting as the Agent) and is secured by a first pari passu charge created by way of hypothecation over all present and future movable fixed Regassified Liquefied Natural Gas (RLNG) assets of the Company to the extent of Rs 35,870,000 thousand (June 30, 2019: Rs 35,870,000 thousand) relating to the project and a sovereign guarantee of the Government of Pakistan. The effective mark-up charged during the period is 14.13% per annum (June 30, 2019: 8.04% to 14.13% per annum).



### 4.3 Arrangements under Islamic financing

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

This loan of Rs 5,500,000 thousand has been obtained from a syndicate of banks (with Al Baraka Bank Limited acting as the Investment Agent) and is secured by a first pari passu charge created by way of hypothecation over movable fixed assets of the Company (excluding land and building) to the extent of Rs 7,333,333 thousand (June 30, 2019: Rs 7,333,333 thousand). The effective mark-up charged during the period is 13.66% per annum (June 30, 2019: 7.59% to 13.66% per annum).

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

This loan of Rs 6,000,000 thousand has been obtained from a syndicate of banks (with Bank Alfalah acting as the Investment Agent) and is secured by a first pari passu charge created by way of hypothecation over movable fixed assets of the Company (excluding land and building) to the extent of Rs 8,000,000 thousand (June 30, 2019: Rs 8,000,000 thousand). The effective mark-up charged during the period is 12.77% per annum (June 30, 2019: 7.21% to 12.77% per annum).

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

This loan of Rs 14,786,903 thousand has been obtained from a syndicate of banks (with Habib Bank Limited acting as the Agent) and is secured by a first pari passu charge created by way of hypothecation over all present and future movable fixed RLNG assets of the Company to the extent of Rs 18,800,000 thousand (June 30, 2019: Rs 18,800,000 thousand) relating to the project and the sovereign guarantee of Government of Pakistan. The effective mark-up charged during the period is 14.13% per annum (June 30, 2019: 8.04 % to 14.13% per annum).

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

This loan of Rs 1,600,000 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 Assets of RLNG Project) to the extent of Rs 3,094,667 thousand (June 30, 2019: Rs 3,094,667). The effective mark-up charged during the period is 10.89% per annum (June 30, 2019: 6.44 % to 10.89% per annum).

4.3.4	Lender	Mark-up rate	No. of instalments	Maturity date
	Allied Bank Limited	Six months KIBOR+ 0.08% per annum	6 half yearly installments	September 29, 2022

This loan of Rs 380,692 thousand has been obtained from Allied Bank Limited and is secured by a first pari passu charge created by way of hypothecation over all present and future movable fixed assets of the Company (excluding Assets of RLNG Project) to the extent of Rs 3,094,667 thousand. The effective mark-up charged during the period is 13.98% per annum.



	Note	Un-audited September 30, 2019	Audited June 30, 2019
<b>5. LONG TERM FINANCING - UNSECURED</b>		(Rupees in thousand)	
Other loans - Local currency:		513,310	508,101
Less: Current portion shown under current liabilities	10	(205,888)	(204,872)
		307,422	303,229

5.1 These loans carry effective mark-up at variable rates which ranges from 6.55% per annum to 14.47% per annum (June 30, 2019: 6.55% per annum to 14.47% per annum).

		Un-audited September 30, 2019	Audited June 30, 2019
<b>6. CONTRACT LIABILITIES</b>		(Rupees in thousand)	
Consumer contribution		11,479,963	11,066,804
Due to customers against construction contract		6,563	6,563
Advances from customers against gas bill and new connection		469,773	256,786
		11,956,299	11,330,153
<b>6.1 Consumer contribution against:</b>			
- Completed jobs		30,389,382	29,581,569
- Jobs-in-progress		4,365,986	4,549,923
		34,755,368	34,131,492
Less: Accumulated amortization:			
Opening balance		23,064,688	22,330,057
Amortization for the year/period		210,717	734,631
		23,275,405	23,064,688
		11,479,963	11,066,804
<b>6.1.1 Current</b>		476,336	263,349
<b>Non-current</b>		11,479,963	11,066,804

The Company has recognized the contract liabilities in respect of the amount received from the customers as contribution towards the cost of supplying and laying transmission, service and main lines. These contributions were being treated as deferred credit previously under IFRIC 18 from the year ended June 30, 2010 to June 30, 2018 and the revenue was being recognized when the lines were laid and commissioned based on the management's interpretation of IFRIC 18. However, the similar contributions from customers prior to the year ended June 30, 2010 are being amortized over 16 years (i.e. the useful lives of the assets).

The Company has not adjusted the amounts reported till June 30, 2018 as the management believes that all existing contracts are considered complete as all the goods and services with respect to laying of these lines have been rendered in accordance with IFRIC 18.



	Note	Un-audited September 30, 2019	Audited June 30, 2019
(Rupees in thousand)			
<b>7. TRADE AND OTHER PAYABLES</b>			
Creditors for:			
Gas	7.1	370,341,322	336,526,966
Supplies		1,591,336	1,173,968
Accrued liabilities		9,203,255	10,608,718
Provident fund		174,765	114,968
Gas infrastructure development cess payable	7.2	-	-
Interest free deposits repayable on demand		393,293	369,155
Earnest money received from contractors		158,272	157,081
Mobilization and other advances		2,790,959	2,741,586
Workers' profit participation fund		2,625,451	2,479,409
		<b>387,278,653</b>	<b>354,171,851</b>

7.1 Included in trade payables is an amount of Rs 64,483,564 thousand (June 30, 2019: Rs 61,883,087 thousand) and Rs 37,163,736 thousand (June 30, 2019: Rs 32,030,048 thousand) due to Pakistan State Oil (PSO) and Pakistan LNG Limited (PLL), respectively, representing payable against Liquefied Natural Gas (LNG) and/or Regassified Liquefied Natural Gas (RLNG) supplied by them. In this regard, the agreement for the supply of LNG/RLNG between the parties have not yet been finalized and is under negotiation. Additional liability or adjustment, if any, that may arise would be recorded accordingly on the finalization of the agreement.

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

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

In September 2014, a GIDC Ordinance was issued by President of Pakistan, pursuant to which, on directions of the OGRA, the Company charged GIDC from its consumers with effect from September 2014. The Ordinance was superseded by GIDC Act, 2015 passed by Parliament of Pakistan. The Act ratified the preceding GIDC Act, 2011 and GIDC Ordinance, 2014 and its provisions. However, a special Committee has been constituted by the Parliament to decide on previous arrears of GIDC due from customers and to make recommendations for removal of any anomalies in the GIDC Act. Based on the report of the sub-committee of the special committee requisite amendment in GIDC Act, 2015 had already been laid in the Senate through GIDC Amendment Bill and the same was referred to the Senate Standing Committee on Energy. However, a number of consumers of the Company contested and have obtained stay order from various Courts against recovery of GIDC. During the year ended June 30, 2018, certain amendments were introduced in GIDC Act, 2015 through GIDC (Amendment) Act, 2018, which inter alia include change in effective date for applicability of mark-up on delayed payments of GIDC and a settlement option for CNG consumers for GIDC payable pertaining to the period January 1, 2012 to May 21, 2015, subject to agreement with the Company.

Subsequent to the period ended September 30, 2019 the Honourable Supreme Court of Pakistan has ordered the recovery of previous year GIDC in 24 monthly installments and till the recovery of outstanding GIDC no further GIDC will be charged/recovered from the consumers.

Furthermore, principal amount of GIDC amounting to Rs 142,315,479 thousand (June 30, 2019: Rs 138,303,671 thousand) is recoverable from consumers and payable to Government of Pakistan. These financial statements do not reflect the said amounts since the provisions of the GIDC Act require the Company to pay GIDC as and when the same is collected from consumers. Furthermore, such consumers have obtained stay orders against recovery of the same and consequently in view of the legal advisors of the Company, the Company is not liable to pay such amounts until the same are recovered. Both the principal amount and sales tax on GIDC will be shown as payable as and when these balances are collected from consumers.



	Note	Un-audited September 30, 2019	Audited June 30, 2019
(Rupees in thousand)			
<b>8. Interest and mark-up accrued on loans and other payables</b>			
Accrued mark-up / interest on:			
Long term financing - secured		2,224,635	518,204
Long term financing - unsecured		220,626	212,708
Short term borrowing - secured		854,674	693,895
Deposits from customers		2,088,621	1,725,277
Late payment of gas creditors and gas development surcharge		54,180,510	47,319,270
		<b>59,569,066</b>	<b>50,469,354</b>
<b>9. Short term borrowing - secured</b>			
Allied Bank Limited	9.1	7,044,849	8,242,365
Bank Alfalah Limited	9.2	2,439,328	2,255,234
Standard Chartered Bank (Pakistan) Limited		-	2,990,000
Askari Bank Limited	9.3	2,499,988	2,500,000
Habib Bank Limited	9.4	6,499,421	6,499,918
National Bank of Pakistan	9.5	5,456,869	5,999,149
		<b>23,940,455</b>	<b>28,486,666</b>

9.1 This represents short term running finance facility of Rs 4,000,000 thousand (June 30, 2019: Rs 4,000,000 thousand) which carries mark-up at the rate of 3 months KIBOR (June 30, 2019: 3 months KIBOR) on the balance outstanding. During the year, the Company has further obtained a short term running finance facility of Rs. 5,000,000 thousand which carries mark-up at the rate of 3 months KIBOR + 0.50% per annum on the balance outstanding. These are secured by way of first pari passu charge over current assets of the Company to the extent of Rs 1,333,330 thousand (June 30, 2019: Rs 1,333,330 thousand) and ranking charge over current assets of the Company to the extent of Rs 10,666,667 thousand (June 30, 2019: Rs 10,666,667 thousand). Mark-up is payable on quarterly basis. The effective interest rate during the period ranges from 12.97% to 13.47% per annum (June 30, 2019: 6.92% to 11.49%) per annum.

9.2 This is a short term running finance facility from Bank Alfalah Limited amounting to Rs 2,500,000 thousand (June 30, 2019: Rs 2,500,000 thousand). This facility carries mark-up at the rate of 3 months KIBOR per annum (June 30, 2019: 3 months KIBOR per annum) on the outstanding balance, payable quarterly. This is secured by way of ranking charge over current assets of the Company to the extent of Rs 3,333,334 thousand (June 30, 2019: Rs 3,333,334 thousand). The effective interest rate charged during the period is 12.97% per annum (June 30, 2019: 6.93% to 11.13% per annum).

9.3 This is a short term running finance facility of Rs 2,500,000 thousand (June 30, 2019: Rs 2,500,000 thousand) from Askari Bank Limited. This facility carries mark-up at the rate of 3 months KIBOR + 0.50% per annum (June 30, 2019: 3 months KIBOR + 0.50% per annum) on the balance outstanding. This is secured by way of ranking charge over current assets of the Company to the extent of Rs 3,333,334 thousand (June 30, 2019: Rs 3,333,334 thousand). Mark-up is payable on quarterly basis. The effective interest rate during the period is 13.47% per annum (June 30, 2019: 11.25% to 11.49% per annum).

9.4 This is a short term running finance facility of Rs 6,500,000 thousand (June 30, 2019: Rs 6,500,000 thousand) from Habib Bank Limited. This facility carries mark-up at the rate of 1 months KIBOR + 0.50% per annum (June 30, 2019: 1 months KIBOR + 0.50% per annum) on the balance outstanding. This is secured by way of ranking charge over current assets of the Company to the extent of Rs 8,666,667 thousand (June 30, 2019: Rs 8,666,667 thousand). Mark-up is payable on quarterly basis. The effective interest rate during the period ranges from 13.37% to 14.31% per annum (June 30, 2019: 11.21% to 13.29% per annum).

9.5 This is a short term running finance facility of Rs 6,000,000 thousand (June 30, 2019: Rs 6,000,000 thousand) from National Bank of Pakistan. This facility carries mark-up at the rate of 3 months KIBOR + 0.50% per annum (June 30, 2019: 3 months KIBOR + 0.50% per annum) on the balance outstanding.



This is secured by way of ranking charge over current assets of the Company to the extent of Rs 8,000,000 thousand (June 30, 2019: Rs 8,000,000 thousand). Mark-up is payable on quarterly basis. The effective interest rate during the period is 13.47% per annum (June 30, 2019: 11.23% to 11.49% per annum).

	Note	Un-audited September 30, 2019	Audited June 30, 2019
(Rupees in thousand)			
<b>10. CURRENT PORTION OF LONG TERM FINANCING</b>			
Long term financing - secured	4	10,290,000	11,090,000
Long term financing - unsecured	5	205,888	204,872
		10,495,888	11,294,872

## 11. CONTINGENCIES AND COMMITMENTS

### 11.1 Contingencies

There is no significant change in contingencies from the preceding audited financial statements of the Company for the year ended June 30, 2019.

		Un-audited September 30, 2019	Audited June 30, 2019
(Rupees in thousand)			
<b>11.2 Commitments:</b>			
a) <b>Capital Commitments</b>			
Property, plant and equipment		381,334	1,240,142
Intangible assets		29,716	29,634
Stores and spares		5,789,756	17,845,953
		6,200,806	19,115,729
b) <b>Other Commitments</b>		943,570	641,473

## 12. PROPERTY, PLANT AND EQUIPMENT

### Operating fixed assets

#### Tangible

<b>Opening book value</b>		175,465,092	171,406,578
Additions during the period/year	12.1	6,419,790	23,093,021
		181,884,882	194,499,599
Book value of property, plant and equipment disposed off during the period/year	12.2	-	(1,932)
Depreciation charged during the period/year		(4,895,196)	(19,032,575)
		(4,895,196)	(19,034,507)
<b>Closing book value</b>		176,989,686	175,465,092
<b>Capital work-in-progress</b>	12.3	23,194,448	25,372,465
		200,184,134	200,837,557



	Note	Un-audited September 30, 2019	Audited June 30, 2019
(Rupees in thousand)			
<b>12.1 Additions during the period / year</b>			
Freehold land		-	493,616
Buildings and civil construction on freehold land		9,990	114,066
Transmission system		3,897,548	1,751,275
Distribution systems		2,391,035	13,953,832
Consumer meter and town border stations		-	5,241,802
Telecommunication system and facilities		4,609	55,613
Plant and machinery & Compressor stations and equipment		84,236	870,347
Furniture and equipment		3,945	68,417
Transport vehicles		16,197	271,366
Tools and accessories		1,703	28,351
Computers and ancillary equipment		10,527	244,336
		6,419,790	23,093,021
<b>12.2 Disposals during the period / year</b>			
Transport vehicles		-	1,918
Plant and machinery		-	14
		-	1,932
<b>12.3 Capital work-in-progress</b>			
Transmission system		3,888,952	6,169,476
Distribution system		10,757,483	9,895,328
Stores and spares including in transit Rs 275,338 thousand (June 30, 2019: Rs 1,114,170 thousand)		8,280,467	8,980,006
Advances for land and other capital expenditure		267,546	327,655
		23,194,448	25,372,465
<b>13. STOCK-IN-TRADE</b>			
- Gas in pipelines		5,173,746	4,616,328
- Gas in FSRU	13.1	4,542,532	4,390,904
		9,716,278	9,007,232

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



	Note	Un-audited September 30, 2019	Audited June 30, 2019
(Rupees in thousand)			
<b>14. TRADE DEBTS</b>			
<b>Considered good</b>			
Secured		52,657,295	62,142,912
Unsecured	14.1	137,560,390	95,645,371
Accrued gas sales		(563,865)	(215,122)
		189,653,820	157,573,161
<b>Considered doubtful</b>		23,565,610	23,045,455
		213,219,430	180,618,616
Less: Provision for doubtful debts		(23,565,610)	(23,045,455)
		189,653,820	157,573,161

14.1 Included in trade debts are amounts receivable from Government owned power generation companies, independent power producers and Sui Southern Gas Company Limited (SSGCL) of Rs 114,930,241 thousand (June 30, 2019: Rs 93,892,862 thousand) along with interest thereon of Rs 19,533,336 thousand (June 30, 2019: Rs 17,482,640 thousand) due to delayed payments. While trade and other payables as referred to in Note 7 include an amount of Rs 349,872,157 thousand (June 30, 2019: Rs 317,681,475 thousand) due to Pakistan Petroleum Limited, SSGCL, Oil and Gas Development Company Limited, Pakistan State Oil, Pakistan LNG Limited and Government Holding (Private) Limited on account of gas purchases along with interest on delayed payments of Rs 49,231,482 thousand (June 30, 2019: Rs 42,370,242 thousand) and interest on delayed payment of Gas Development Surcharge of Rs 4,101,732 thousand (June 30, 2019: Rs 4,101,732 thousand) payable to Government of Pakistan. The settlement of these amounts is dependent upon the resolution of inter-corporate circular debt by the Government of Pakistan. Furthermore, amounts of Rs 199,483,262 thousand (June 30, 2019: Rs 185,376,149 thousand) and Rs 13,516,321 thousand (June 30, 2019: Rs 17,777,161 thousand) as referred to in Note 19 is receivable from Government of Pakistan on account of differential margins/tariff adjustment. The recoverability of these amounts is dependent upon settlement by the Government of Pakistan directly or indirectly inter alia including increase in future gas prices.

14.2 In aggregate, the Company has recognized revenue of Rs. 20,220 million under Take or Pay ("ToP") arrangements from July 01, 2017 to June 30, 2019. This comprises of Rs. 8,536 million from M/s Quaid-e-Azam Thermal Power (Private) Limited ("QATPL") and Rs. 11,684 million from M/s National Power Parks Management Company Limited ("NPPMCL") (collectively referred to as Government Power Producers ("GPPs")).

The Company entered into Gas Supply Agreements ("GSAs") for supply of RLNG to GPPs. Under clause 3.6 of the respective GSAs, the GPPs shall take and if not taken, pay for the unutilized gas on account of Take or Pay ("ToP") arrangements. If the GPPs do not fully utilize the ToP quantity, they can request the Company to divert any unutilized quantity to other power plants, after seeking their consent. In case the power plants refuse or the Company, due to technical constraints or other reasons, is unable to supply the unutilized quantity to the power plants, it can divert that quantity to any of its consumers. The amounts recovered from these consumers, after deduction of any additional charges incurred by the Company in arranging the sale is required to be paid to the GPPs. The revenue of Rs 20,220 million is recorded net of amounts billed by the Company to such other consumers.

The Company has also partially recovered the ToP amounts by encashment of Standby Letter of Credit of NPPMCL for a net amount of Rs. 10,384 million and withdrawal of Rs. 3,265 million from the Escrow Account of QATPL against the invoices raised under ToP arrangement. The net receivable balance as at period end amounts to Rs. 6,571 million (June 30, 2019: Rs. 6,571 million). The GPPs disputed the invoices under ToP arrangements on various grounds and filed a writ petition with the Honorable Lahore High Court ("LHC"). The LHC on June 22, 2018 directed that the disputed invoices should be dealt with in accordance with the dispute resolution mechanism available in the GSAs. In light of section 18.1 of the GSAs, various attempts were made to settle this dispute by mutual discussions but the matter remained unresolved. As required under section 18.2 of the GSAs, the dispute has thereafter been referred to an Expert, after mutual agreement of the parties involved, on October 09, 2018.



The legal advisor of the Company filed claims against GPPs to the Expert on March 15, 2019 and the proceedings before this forum were completed September 2019. The determination of the Expert was issued in favor of the Company and the GPPs have approached the London Court of International Arbitration (LCIA) for the resolution of the matter. The matter is still pending adjudication with the LCIA and no proceedings have yet been initiated. Based upon the advice of the Company's legal counsel on this matter, the Company believes that it has reasonably good arguments in its favor and it expects a favorable outcome.

Besides the above proceedings, the Company, under the terms of the license granted to it by the OGRA, the guidelines issued by the Federal Government vide decision of the Economic Coordination Committee of the Cabinet ("ECC") dated May 11, 2018, and as per determination of Final Revenue Requirement of the Company for FY 2017-18 ("FRR 2017-18") dated January 15, 2019, operates under a fixed rate of return regime. The management believes that in case the decision of the Arbitrator is not in favor of the Company or is partially in favor of the Company, and the Company has exhausted its legal remedies available under the law, the matter will be taken up with the OGRA for determining the cost of the same to the Company in its revenue requirement decision, therefore, the Company is not exposed to any significant loss upon the conclusion of this matter.

	Note	Un-audited September 30, 2019	Audited June 30, 2019
(Rupees in thousand)			
<b>15. LOANS AND ADVANCES</b>			
Loans to employees - considered good		204,906	188,413
<b>Advances - considered good:</b>			
- Employees		2,093,950	1,706,144
- Suppliers and Contractor		1,477,991	225,429
Advances to suppliers and contractors			
- considered doubtful		3,227	3,227
Less: Provision for doubtful advances		3,227	3,227
		-	-
		3,776,847	2,119,986
<b>16. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Trade deposits and short term prepayments		625,135	158,788
Less: Provision for doubtful deposits		(22,290)	(22,290)
		602,845	136,498
Add: Current portion of long term prepayments		-	104,527
		602,845	241,025
<b>17. OTHER RECEIVABLES</b>			
Excise duty recoverable		108,945	108,945
Less: Provision for doubtful recoverable		108,945	108,945
		-	-
Differential margin / tariff adjustment recoverable		199,483,262	185,376,149
RLNG Differential margin / Tariff adjustment	17.1	13,516,321	17,777,161
Current account with SSGCL		19,641	17,893
Others		17,629	108,764
		213,036,853	203,279,967



	Un-audited September 30, 2019	Audited June 30, 2019
(Rupees in thousand)		
<b>17.1 RLNG Differential margin / Tariff adjustment</b>		
Opening balance	17,777,161	(6,653,574)
Recognised for the period/year	(4,672,917)	33,425,715
	13,104,244	26,772,141
RLNG margin on sale of stock to SSGCL	412,077	(8,994,980)
Closing balance	13,516,321	17,777,161

17.1.1 The balance of RLNG differential margin / tariff adjustment represents the aggregate difference between the margin earned by the Company from the purchase and sale of RLNG based on the notified rates and the RLNG margin guaranteed to the Company till September 30, 2019. The settlement of this amount is expected to materialize in the shape of adjustment to future sale price of RLNG by the OGRA.

17.1.2

A gas swapping mechanism was allowed by the Economic Coordination Committee ("ECC") of the Cabinet Division vide its decision dated May 11, 2018, which was endorsed by the OGRA vide Final Revenue Requirement decision of the Company for financial year 2017-18 dated January 15, 2019 (FRR 17-18), for swapping of natural gas and RLNG for the purpose of gas load management. The necessary volumetric adjustments and financial impact is to be made on a cost neutral basis in the sale price of RLNG. The balance of gas swapping deferral account (tariff adjustment) represents the difference of average cost of RLNG and the average prescribed price of system gas (June 30, 2019: average sale price) (used by the OGRA in determination of deferral account) of the swapped volumes. During the period, 3,770,785 MMBTUs of Indigenous gas were sold as RLNG. The differential margin / tariff adjustment receivable resulting from RLNG sold as indigenous gas will be adjusted upon directional changes in gas swapping and / or tariff adjustments in future periods to be determined by the OGRA.

During the year ended June 30, 2019, the OGRA vide its decision dated November 20, 2018 which was further clarified by the OGRA dated February 04, 2019, has directed that the stock of RLNG held with SSGCL to be sold to SSGCL on historical weighted average cost. Thereafter, SSGCL shall record sales as per relevant applicable OGRA notified rates. The gain / loss owing to the difference between the current and historical rates shall be passed on to the Company within a month of sale of RLNG stock by the SSGCL and is to be realized / adjusted in the OGRA's determined future price adjustments to the Company's RLNG consumers.

	Note	Un-audited September 30, 2019	Audited June 30, 2019
(Rupees in thousand)			
<b>18. CASH AND BANK BALANCES</b>			
Deposit accounts	18.1	5,603,745	5,921,385
Current accounts		593,851	229,543
		6,197,596	6,150,928
Cash in hand		8,087	1,624
		6,205,683	6,152,552



18.1 Included in deposit accounts are amounts deposited by the Company in separate bank account(s) for funds released by the Government as grant to finance distribution development projects being the Government share of cost. Withdrawal from this account(s) is made on periodic basis to the extent of projects approved and sanctioned there from and until then, these funds amounting to Rs 4,986,480 thousand (June 30, 2019: Rs 4,877,457 thousand) are not used for the normal treasury operations of the Company. Any profit earned there on is credited to the funds instead of accounting for as Company's income.

18.2 This includes Rs 1,557,953 thousand (June 30, 2019: Rs 841,034 thousand) restricted for outstanding dividend payments.

	Quarter ended	
	Un-audited September 30, 2019	Un-audited September 30, 2018
	(Rupees in thousand)	
<b>19. REVENUE FROM CONTRACTS WITH CUSTOMERS - GAS SALES</b>		
Gross sales - Indigenous gas	49,673,909	41,756,571
Gross sales - RLNG	197,364,396	141,006,135
	247,038,305	182,762,706
Sales tax - Indigenous gas	(6,156,104)	(5,956,385)
Sales tax - RLNG	(26,440,449)	(18,771,206)
	(32,596,553)	(24,727,591)
	214,441,752	158,035,115
<b>20. DIFFERENTIAL MARGINS / TARIFF ADJUSTMENT</b>		
Indigenous gas	14,107,113	13,168,392
RLNG	(1,870,878)	(10,983,402)
	12,236,235	2,184,990
<b>21. COST OF GAS SALES</b>		
Opening stock of gas in pipelines	9,007,232	31,404,569
Gas purchases:		
- Southern system	18,983,662	17,811,571
- Northern system	23,926,679	19,508,423
- RLNG	164,674,539	132,245,909
	207,584,880	169,565,903
	216,592,112	200,970,472
Less: Gas internally consumed	1,631,510	1,081,394
Closing stock of gas in pipelines	9,716,278	55,660,518
	11,347,788	56,741,912
Distribution Cost	9,636,800	7,856,065
	214,881,124	152,084,625



	Quarter ended	
	Un-audited September 30, 2019	Un-audited September 30, 2018
	(Rupees in thousand)	
<b>22. OTHER OPERATING INCOME</b>		
<b>Income from financial assets</b>		
Interest income on late payment of gas bills		
- Interest income on late payment of gas bills - other consumers	1,904,190	1,610,945
- Government owned and other power generation Companies	1,999,663	527,688
- Fertilizer and cement	271,120	50,208
Gain on initial recognition of financial liabilities at fair value	1,816	1,528
Interest on staff loans and advances	21,075	19,340
Return on bank deposit	134,847	79,606
	4,332,711	2,289,315
<b>Income from assets other than financial assets</b>		
Net gain on sale of fixed assets	-	47,334
Meter Rentals and service income	448,239	393,977
Amortization of deferred credit and contract liabilities	674,863	583,490
Insurance claims	-	1,959
	1,123,102	1,026,760
<b>Others</b>		
Sale of tender documents	2,234	1,121
Sale of scrap	5,434	71,719
Liquidated damages recovered	21,545	254,504
Gain on construction contracts	22,500	-
Non delivery charges recovered	-	237,503
Bad debt recoveries	822	-
Urgent Fee for new meter connections	264,714	52,435
Miscellaneous	6,289	2,178
	323,538	619,460
	5,779,351	3,935,535

	Quarter ended	
	Un-audited September 30, 2019	Un-audited September 30, 2018
	(Rupees in thousand)	
<b>23. OTHER OPERATING EXPENSES</b>		
Workers' Profit Participation Fund	146,042	199,046
Exchange loss on gas purchases	292,931	89,421
Loss on initial recognition of financial assets at fair value	71,146	95,647
	510,119	384,114

**24.** Included in finance cost is an amount of Rs 6,861,240 thousand (September 30, 2018: Rs 3,085,722 thousand) in respect of late payment surcharge on account of overdue payables for gas purchases.



	Note	Quarter ended	
		Un-audited September 30, 2019	Un-audited September 30, 2018
		(Rupees in thousand)	
<b>25. TAXATION</b>			
Current tax		1,703,643	898,994
Deferred tax		(809,006)	287,091
		894,637	1,186,085
<b>26. CASH GENERATED FROM OPERATIONS</b>			
<b>Profit before taxation</b>		2,774,806	3,781,888
<b>Adjustment for non-cash charges and other items</b>			
Depreciation - Owned assets		4,895,196	4,643,677
Depreciation - Right of use assets		823,245	-
Amortization of intangible assets		24,484	22,685
Employee benefits		649,731	503,825
Amortization of deferred credit and contract liabilities		(674,863)	(583,490)
Finance cost		11,029,023	4,592,450
Return on bank deposits		(134,847)	(79,606)
Gain on sale of fixed assets		-	(47,334)
Provision for doubtful debts		520,155	573,772
Loss on initial recognition of financial assets at fair value		71,146	95,647
Gain on initial recognition of financial liabilities at fair value		(1,816)	(1,528)
Amortization of difference between initial and maturity amount		(11,125)	(10,599)
Working capital changes	26.1	(10,379,815)	(8,024,964)
		9,585,320	5,466,423
<b>26.1 Working capital changes</b>			
<b>(Increase) / decrease in current assets</b>			
Stores and spares parts		(734,569)	(211,227)
Stock-in-trade		(709,046)	(24,255,949)
Trade debts		(34,984,014)	(1,494,406)
Loans and advances		(1,640,368)	(1,877,438)
Trade deposits and prepayments		(438,929)	(484,887)
Other receivables		(5,192,678)	(15,539,807)
		(43,699,604)	(43,863,714)
<b>Increase in current liabilities</b>			
Trade and other payables		33,319,789	35,838,750
		(10,379,815)	(8,024,964)
<b>26.2 Cash and cash equivalents</b>			
Cash and bank balances		6,205,683	7,385,978
Short term running finance		(23,940,455)	(2,648,299)
		(17,734,772)	4,737,679



## 27. INCORPORATION OF TARIFF REQUIREMENTS

- 27.1 OGRA vide its decision dated June 21, 2018 on the Estimated Revenue Requirement ('ERR') of the Company for the year 2018-19 decided in consultation with the Federal Government and other licensees in the natural gas sector to revise the tariff regime including the rate of return which is to be based on Weighted Average Cost of Capital ('WACC') from the financial year 2018-19. Weighted Average Cost of Capital ('WACC') was computed at 17.43% for financial year 2018-19 and onwards, however, the same will automatically reset if the reference figure changes by  $\pm 2\%$ . As per the revised tariff regime, the Company is required to earn an annual return of not less than Weighted Average Cost of Capital ('WACC') on the value of its average fixed assets in operation (net of deferred credit), before corporate income taxes, interest and other charges on debt and after excluding interest, dividends and other non operating income and before incorporating the effect of efficiency benchmarks prescribed by OGRA.
- 27.2 During the period, the Company could not meet the benchmarks prescribed by Oil and Gas Regulatory Authority (OGRA) and as a result the return for the period on the aforesaid basis works out to be 11.21% (September 30, 2018: 12.50%). Among other disallowances, the Company has also incorporated the effect of Unaccounted for Gas (UFG), which represents the volume difference of gas purchases and sales, amounting to Rs 2,352,721 thousand (September 30, 2018: Rs 1,715,279 thousand), which is in excess of the UFG benchmark of 6.9238% (September 30, 2018: 6.991%) as determined by OGRA in Final Revenue Requirements (FRR) for FY 2018-19.

Un-audited September 30, 2019	Un-audited September 30, 2018
(Rupees in thousand)	

## 28. TRANSACTIONS WITH ASSOCIATES AND RELATED PARTIES

### 28.1 Transactions during the period

Gas sales	75,202,288	52,061,339
Purchase of materials	661,719	323,801
Purchase of gas, regasification & transportation services	131,097,599	119,388,790
Service charges	7,602	13,819
Profit received on bank deposits	9,758	6,674
Finance cost	257,546	121,577
Transmission charges	1,515	1,504
Insurance expenses	274,814	64,620
Insurance claims received	1,849	5,580
Contributions to defined contribution plans	122,414	117,368
Contributions to defined benefit plans	649,731	533,359
Honorarium / fee paid to director	17,363	10,100
Remuneration and benefits paid to key management personnel	17,340	22,775
Un-audited September 30, 2019		Audited June 30, 2019
(Rupees in thousand)		

### 28.2 Period end balances

Receivable from related parties	85,861,428	74,519,011
Payable to related parties	362,901,270	329,291,674



## 29. EVENTS AFTER THE BALANCE SHEET DATE

- 29.1 The Board of Directors of the Company in its meeting held on September 12, 2020 has proposed an interim cash dividend of Rs Nil per share (Sep 30, 2018: 1.5 per share), amounting to Rs Nil (Sep 30, 2018: Rs 951,324,998) for the year ended June 30, 2020.
- 29.2 On 11 March 2020, the World Health Organization made an assessment that the outbreak of a corona virus (COVID-19) can be characterized as a pandemic. In addition, oil prices significantly dropped during January to March 2020 due to the effect of COVID-19 and a number of other political and economic factors. These factors have negatively affected the economies and the businesses of the country where the Company operates. To alleviate the negative impact of the COVID-19 pandemic, the various governments including the Government of Pakistan, other independent jurisdictions and regulators have taken measures and issued directives to support businesses at large, including extensions of deadlines, facilitating continued business through social-distancing and easing pressure on credit and liquidity.

These conditions are considered subsequent, non-adjusting events, and impacted the economic and risk environment in which the Company operates.

The situation, including the Government and public response to the challenges, continue to progress and rapidly evolve. Therefore, the extent and duration of the impact of these conditions remain uncertain and depend on future developments that cannot be accurately predicted at this stage, and a reliable estimate of such an impact cannot be made at the date of authorization of these financial statements.

## 30. CORRESPONDING FIGURES

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

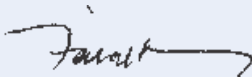
Corresponding figures have been rearranged and reclassified, wherever considered necessary, for the purposes of comparison and to reflect the substance of the transactions.

## 31. GENERAL


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

## 32. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on September 12, 2020 by the Board of Directors of the Company.



(Faisal Iqbal)  
Chief Financial Officer



(Amer Tufail)  
Managing Director/CEO



(Roohi Raees Khan)  
Chairperson



موردہ 30 ستمبر 2019ء کو بورڈ آف ڈائریکٹرز درج ذیل ارکان پر مشتمل ہے:

قسم	نام
خود مختار ڈائریکٹرز	جناب سید دلاور عباس صاحب (چیئرمین)، جناب حمایت اللہ خان صاحب، جناب منظور احمد صاحب، جناب مصطفیٰ احمد خان صاحب، محترمہ مدوچی رئیس خان صاحبہ، ڈاکٹر سہیل راضی خان صاحب
ایگزیکٹو ڈائریکٹرز	جناب محمود ضیاء احمد صاحب
نان ایگزیکٹو ڈائریکٹرز	جناب احمد عقیل صاحب، جناب سردار احمد نواز سکھیر اصحاب، جناب مرزا محمود احمد صاحب، جناب میاں مصباح الرحمان صاحب، جناب ساجد محمود قاضی صاحب، جناب نوید کامران بلوچ صاحب، جناب شیر آگن خان صاحب
بورڈ کی کمیٹی:	
کمپنی کا نام	نام
آؤٹ کمیٹی	جناب منظور احمد صاحب (چیئرمین)، جناب حمایت اللہ خان صاحب، جناب مصطفیٰ احمد خان صاحب، محترمہ مدوچی رئیس خان صاحبہ، ڈاکٹر سہیل راضی خان صاحب، جناب ساجد محمود قاضی صاحب، جناب احمد عقیل صاحب، جناب نوید کامران بلوچ صاحب
فنانس اینڈ پروڈیومنٹ کمیٹی	جناب مرزا محمود احمد صاحب (چیئرمین)، جناب احمد عقیل صاحب، جناب سردار احمد نواز سکھیر اصحاب، جناب میاں مصباح الرحمان صاحب، ڈاکٹر سہیل راضی خان صاحب، محترمہ مدوچی رئیس خان صاحبہ، جناب مصطفیٰ احمد خان صاحب
ہیومن ریسورس اینڈ ٹیکنیشن کمیٹی	جناب سید دلاور عباس صاحب (چیئرمین)، جناب منظور احمد صاحب، جناب مصطفیٰ احمد خان صاحب، جناب منظور احمد صاحب، جناب مرزا محمود احمد صاحب، جناب میاں مصباح الرحمان صاحب، جناب شیر آگن خان صاحب
ریسک مینجمنٹ کمیٹی	جناب احمد عقیل صاحب (چیئرمین)، جناب مرزا محمود احمد صاحب، جناب میاں مصباح الرحمان صاحب، جناب ساجد محمود قاضی صاحب، محترمہ مدوچی رئیس خان صاحبہ، ڈاکٹر سہیل راضی خان صاحب، جناب منظور احمد صاحب
یو ایف جی کنٹرول کمیٹی	جناب ساجد محمود قاضی صاحب (چیئرمین)، جناب سردار احمد نواز سکھیر اصحاب، جناب مرزا محمود احمد صاحب، جناب شیر آگن خان صاحب، ڈاکٹر سہیل راضی خان صاحب، جناب حمایت اللہ خان صاحب، جناب مصطفیٰ احمد خان صاحب

جناب ساجد محمود قاضی 28 ستمبر 2019ء کو جناب قاضی محمد سلیم صدیقی کی جگہ پر کمپنی کے بورڈ پر بطور ڈائریکٹر مقرر ہوئے۔

**مالیاتی گوشوارا جات کے اجراء میں تاخیر:**

ان مالیاتی گوشوارا جات کے اجراء میں تاخیر کی بنیادی وجہ ریگولیشن کی جانب سے سالانہ اکاؤنٹس کی بنیاد بننے والے حتمی مالی ضروریات کے تعین میں تاخیر کی وجہ سے 30 جون 2019ء کو ختم ہونے والے سال کے سالانہ اکاؤنٹس کو حتمی شکل دینے میں تاخیر تھی، جو کہ کمپنی کے حصص داران کی جانب سے مالیاتی گوشواروں کی منظوری پر منحصر تھے۔  
اظہار تشکر:

ڈائریکٹرز، حکومت پاکستان، وزارت توانائی (پٹرولیم ڈویژن)، اوگر اور متعلقہ سرکاری وغیر سرکاری اداروں کی مسلسل حمایت اور قدر افزائی اور دوران عرصہ کمپنی کے تمام ملازمین کی محنت اور خدمات پر مشکور و ممنون ہیں۔

منجانب بورڈ



(روحی رئیس خان)

چیئر پرسن - بورڈ آف ڈائریکٹرز

لاہور

تاریخ: 12 ستمبر 2020



(عامر طفیل)

مینیجنگ ڈائریکٹر انتظامی

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



یہ منصوبے منظوری کے مختلف مراحل میں ہیں اور ان پر کام کا آغاز جلد متوقع ہے۔

2۔ لاہور کے تقسیمی نیٹ ورک میں اضافہ / دو حصوں میں تقسیم:

لاہور میں گیس نیٹ ورک میں اضافہ اور دو حصوں میں تقسیم کا ایک جامع منصوبہ تشکیل دینے کے بعد منظور کیا گیا ہے جس کا مقصد نئے فیڈ پوائنٹس کی شمولیت اور گیس لوڈ/ نیٹ ورک کی دو حصوں میں تقسیم کے ذریعے لاہور میں گیس کے تقسیمی نیٹ ورک کو بہترین انداز میں چلانا ہے۔ منصوبے کی تفصیلات درج ذیل ہیں:

(a) پھول نگر سے نئی بخش والا (فیروز پور روڈ) تک 24 انچ قطر کی 48 کلومیٹر سیلی لائنز

(b) فیروز پور روڈ سے برکی تک 16 انچ قطر کی 27 کلومیٹر سیلی لائنز

(c) برکی سے ڈیال تک 8 انچ قطر کی 16 کلومیٹر سیلی لائنز

(d) مانگا منڈی سے سندر تک 16 انچ قطر کی 6.6 کلومیٹر سیلی لائنز

اس منصوبے پر کام کا آغاز جلد کیا جائے گا۔

3۔ A5 سے بہاولپور تک 16 انچ قطر کی 50 کلومیٹر سیلی پائپ لائنز

بہاولپور، لودھراں اور ملحقہ علاقوں میں گیس کے دباؤ میں شدید کمی / غیر موجودگی کے حل کے لیے کپنی نے A-5 (خیر پور ڈام) سے بہاولپور تک 16 انچ قطر کی 50 کلومیٹر سیلی پائپ لائنز بچھانے کا منصوبہ تشکیل دیا ہے۔ بورڈ آف ڈائریکٹرز کی منظوری کے بعد اوگرا (OGRA) کی جانب سے منصوبے کی اصولی منظوری دے دی گئی ہے۔ اس منصوبے پر کام کا آغاز جلد کیا جائے گا۔

4۔ 10 انچ قطر کی 72.55 کلومیٹر چار سہہ۔ خزانہ۔ تنگی پائپ لائن

مردان اور پشاور کے علاقوں میں گیس کے دباؤ میں شدید کمی کے حل کی راہ میں حامل رکاوٹوں کے پیش نظر کپنی نے دو مراحل میں نظام کی صلاحیت میں اضافہ کا منصوبہ تشکیل دیا ہے۔ مرحلہ اول:-

1۔ چار سہہ آف ٹیک (گل آباد) سے چار سہہ تک 10 انچ قطر کی 27.75 کلومیٹر سیلی پائپ لائن۔

2۔ چار سہہ سے خزانہ تک 10 انچ قطر کی 20.80 کلومیٹر سیلی پائپ لائن۔

مرحلہ دوم:-

1۔ چار سہہ سے تنگی تک 10 انچ قطر کی 24 کلومیٹر سیلی پائپ لائن۔

یہ منصوبہ منظوری کے مختلف مراحل میں ہے اس لیے اس پر کام کا آغاز جلد متوقع ہے۔

#### کاروباری توسیع (Business Development)

آپ کی کمپنی ملکی اور کثیر الملکی کمپنیوں کے پائپ لائن بچھانے کے مختلف منصوبوں پر کام کر رہی ہے۔ آپ کی کمپنی MOL پاکستان کے لیے پائپ لائن کی تعمیر کے کام کے علاوہ فلورائن / ٹریک لائن اور آپک فائبر بچھانے کا کام ضلع کوٹاہ / جٹکو کے مختلف گیس کے کنوئیں جیسا کہ مرمری، منر لائی، مائی نیل، مکوری ڈیپ 1، تولانج ویسٹ اور مکوری پر پچھلے 15 سال سے کام کر رہی ہے۔ MOL پاکستان نے مزید گیس مہیا کرنے کے حوالے سے بہت اہم کارروا کیا ہے۔ MOL پاکستان نے مردان نیل-3 سے مردان نیل-1 تک 8 انچ قطر کی 7.5 کلومیٹر پائپ لائن بچھانے کا کام تقویض کیا ہے۔ اسکے علاوہ مکوری ڈیپ-2 کی 6 انچ قطر کی 1.2 کلومیٹر فلورائن کے اوپر کام جاری ہے۔ سوئی ناردرن گیس پائپ لائن لمیٹڈ نے مردان نیل-3 کنوئیں سے مردان نیل-1 تک پائپ لائن کی تعمیر مکمل کر لی جب کہ مکوری ڈیپ لائن پر کام زور و شور سے جاری ہے۔ مردان نیل-3 اور مکوری ڈیپ-2 منصوبوں کے مکمل ہونے سے SNGPL کے نظام MMCFD 20-25 اضافی گیس شامل ہو جائے گی جس سے ملک میں جاری توانائی بحران پر قابو پانے میں مدد ملے گی علاوہ از یہ SNGPL نے مردان نیل-2 اور مردان نیل-1 کنوئیں کی 6 انچ قطر کی 6 کلومیٹر اور "10/12" قطر کی 22 کلومیٹر بائربٹ پائپ لائن بچھائی ہے جسکی وجہ سے MMCFD 40-50 کی اضافی گیس SNGPL کے نظام میں شامل کی جا چکی ہے۔ MOL پاکستان مائی نیل جنوبی-1 کنوئیں کی فلورائن بچھانے کا کام بھی SNGPL کو احوادہ بولی کی بنیاد پر دینے کی منصوبہ بندی کر رہی ہے جو کہ MOL پاکستان کے سوئی گیس کے تعمیراتی کام کے اعلیٰ معیار پر اعتماد کا مظہر ہے۔ پاک عرب فریڈا نیئر / 16" / 12" قطر کی 27 کلومیٹر مائی نیل پائپ لائن جو کہ ماڈی ہیریولیم کی گیس پراسیسنگ کی جگہ سے سوئی گیس کی QV2 پوائنٹ تک ہے کا ٹھیکہ بھی سوئی گیس کو دیا ہے جس پر کام جاری ہے۔ تکمیل کے آخری مراحل میں ہیں۔ اس کام کی تکمیل سے کپنی کے منافع میں اضافہ ہوگا۔

لڈکونیر (کوڈ آف کارپوریشن گورنمنس) ریگولیشنز 2019ء کی تعمیل:

کپنی نے ریگولیشنز کی ضروریات کی تعمیل درج ذیل انداز میں کی ہے:

1۔ ڈائریکٹرز کی مکمل تعداد، بشمول منجنگ ڈائریکٹر، چودہ (14) تھی، جس کی ترتیب درج ذیل ہے:

(a) مرد حضرات (b) خواتین (c) ایک (1)



## ڈائریکٹرز جائزہ (Directors' Review)

ہم ہمسرت سال کی پہلی سہ ماہی پختہ 30 ستمبر 2019 کے لیے آپ کی کمپنی کے غیر ہوتا مل شدہ مالیاتی گوشوارا جات پیش کر رہے ہیں۔ زبر جائزہ عرصہ کے دوران آپ کی کمپنی نے گذشتہ سال اسی عرصہ کے دوران ہونے والے 2,596 ملین روپے منافع کے مقابلے میں اس سال 1,880 ملین روپے بعد از حاصل منافع حاصل کیا۔ 30 ستمبر 2018 تک کے دورانیے کے لیے حاصل ہونے والے 4.09 روپے فی حصہ منافع کے مقابلے میں اس سہ ماہی میں 2.96 روپے فی حصہ منافع حاصل ہوا۔

پہلی سہ ماہی پختہ 30 ستمبر 2019 میں آپ کی کمپنی گذشتہ سال کے اس دورانیے کی نسبت غیر محسوب گیس کے حجم کو کم کرنے میں کامیاب رہی۔ لیکن اس کے باوجود سال 2019 کی پہلی ششماہی کے دوران ہونے والی روپے کی قدر میں کمی کے باعث بڑھنے والے غیر محسوب گیس ہدف کی وجہ سے غیر محسوب گیس کی عدم اجازت میں اضافہ ہوا۔ اس امر نے پہلی سہ ماہی کے دوران منافع بخش میں کمی کرنے میں نمایاں کردار ادا کیا۔ منافع میں کمی کی دوسری بڑی وجہ RLNG کی فراہمی کے سلسلے میں سرمایہ کی ضروریات بڑھنے کے باعث مالیاتی لاگت میں اضافہ ہے۔

ان مالیاتی گوشوارا جات کی تیاری پر لاگو ہونے والے نئے ڈننگ اعلانات / IRFS کی تفصیل ان گوشوارا جات کے ساتھ منسلک نوٹس میں درج ہے۔ تمام تر معاشی اور مالیاتی کاؤوں کے باوجود آپ کی کمپنی منافع بخش پر مسلسل اثر انداز ہونے والے عوامل کے لیے متعدد اقدامات اٹھا رہی ہے۔ کمپنی کے بورڈ آف ڈائریکٹرز انتظامیہ اور عملہ پر اعتماد ہے کہ ٹھوس کوششوں سے آنے والے سالوں میں کمپنی کی کارکردگی میں مزید بہتری آئے گی۔

### منصوبہ جات (Projects):

آپ کی کمپنی کے شعبہ منصوبہ جات نے 8 سے 24 انچ قطر کی 112 کلومیٹر ترسیلی لائنز کو مکمل اور فعال کیا، جس میں کنٹریکٹ لائنز بھی شامل ہیں۔ ترسیلی نظام کے علاوہ مالی سال 2019-20 کی پہلی سہ ماہی کے دوران نظام کی صلاحیت میں اضافہ گیس کی فراہمی اور گیس پریش میں بہتری کے ذریعے اطمینان صارفین کے حصول کے لیے 136.40 کلومیٹر ترسیلی لائنز کو فعال کیا گیا۔ ملک میں جاری توانائی کی شدید بحران کے تناظر میں حکومت پاکستان نے 1200 MMCFD قدرتی مائع گیس کی درآمد کے لیے بھر پور لوشینس کھین تانہ گیس فراہمی میں کمی کو پورا کیا جاسکے۔ 1200 MMCFD اضافی گیس کی نقل و حمل کے لیے نظام کی صلاحیت میں اضافہ کے لیے کمپنی مصروف عمل رہی۔ کمپنی نے درج ذیل امور مکمل اور فعال کر دیے ہیں:-

- (i) 1200 MMCFD قدرتی مائع گیس کی نقل و حمل کے لیے ساون سے لاہور تک نظام کی صلاحیت میں اضافہ کا منصوبہ۔
- (ii) مجموعی طور پر 3600 میگا واٹ صلاحیت کے حامل بھکھی، جوہلی بہار، شاہ اور بلوکی میں موجود تین بجلی گھروں کو 200 MMCFD فی بجلی گھر قدرتی مائع گیس فراہمی کے لیے پائپ لائنز کی تنصیب۔
- (iii) قدرتی مائع گیس سے چلنے والے ننڈی پور بجلی گھر کو 100 MMCFD گیس فراہمی کے لیے پائپ لائنز کی تنصیب۔
- (iv) تریبون بیران ضلع جھنگ کے نزدیک 1400 میگا واٹ صلاحیت کے حامل پنجاب بجلی گھر کو 200 MMCFD قدرتی مائع گیس کی فراہمی کے لیے 24 انچ قطر کی 93 کلومیٹر پائپ لائنز کی تنصیب۔

### مستقبل کے منصوبہ جات:

1۔ اسپیشل اکناک زون:

صنعت کاری اور کاروباری ترقی کے فروغ کے لیے اکناک زون کا قیام حکومت پاکستان کی اولین ترجیح ہے۔ اس سلسلے میں چائینہ پاکستان اکناک کارڈور (CPEC) کے تحت حکومت خیبر پختونخواہ راٹھکنی اور حطار کے مقام پر خیبر پختونخواہ اکناک زون ڈویلپمنٹ اینڈ مینجمنٹ کمپنی (KPEZDMC) کے ذریعے، اور حکومت پنجاب فیصل آباد میں علامہ اقبال انڈسٹریل اسٹیٹ میں فیصل آباد انڈسٹریل اسٹیٹ ڈویلپمنٹ اینڈ مینجمنٹ کمپنی (PIEDMC) کے ذریعے اسپیشل اکناک زون کا قیام عمل میں لارہی ہے۔ اس کے علاوہ حکومت پنجاب بھٹوال، وهاڑی، بہاولپور اور رحیم یارخان میں بھی پنجاب انڈسٹریل اسٹیٹ ڈویلپمنٹ اینڈ مینجمنٹ کمپنی (PIEDMC) کے ذریعے اسپیشل اکناک زون کا قیام عمل میں لارہی ہے۔

CPEC کے تحت صنعت کاری کے فروغ کے لیے بنیادی ڈھانچہ کی ترقی کے لیے حکومت پاکستان کے منصوبے کے تناظر میں حکومت پاکستان نے راٹھکنی اسپیشل اکناک زون اور علامہ اقبال انڈسٹریل اسٹیٹ کی نشاندہی جلد نتائج دینے والے منصوبوں کے طور پر کی ہے اور ان کا قیام ترجیحی بنیادوں پر کرنے کا ارادہ رکھتی ہے۔ اسپیشل اکناک زون مینجمنٹ کمپنیز نے راٹھکنی اسپیشل اکناک زون کے لیے 40 MMCFD گیس کی فراہمی کا مطالبہ کیا ہے۔

مندرجہ بالا جلد نتائج دینے والے اسپیشل اکناک زون کو گیس کی فراہمی کے لیے سوئی ناردرن گیس پائپ لائنز لمیٹڈ کی جانب سے درج ذیل پائپ لائنز کی تعمیر کا منصوبہ بنایا گیا ہے۔

☆ راٹھکنی اسپیشل اکناک زون کے لیے 30 MMCFD صلاحیت کے حامل، 1-اسٹیمیل کوٹ سے ٹریٹمنٹ پوائنٹ تک 16 انچ قطر کے 29.2 کلومیٹر ترسیل نظام مع SMS cum CMS کا منصوبہ۔

☆ علامہ اقبال اسپیشل اکناک زون کے لیے 40 MMCFD صلاحیت کے حامل، چلیوٹ سے ٹریٹمنٹ پوائنٹ تک 12 انچ قطر کے 19.75 کلومیٹر ترسیل نظام مع SMS cum



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