

# **SUI NORTHERN GAS PIPELINES LIMITED**

**3rd Quarter Accounts (Un-Audited)  
For the Period Ended March 31, 2018**



**INVESTMENT IN GROWTH  
OUR CURRENCY TO SUCCESS**



# Corporate Information

## BOARD OF DIRECTORS

Mr. Muhammad Saeed Mehdi	Chairman
Mr. Amjad Latif	Managing Director
Mr. Arif Ahmed Khan	Director
Mr. M. Jalal Sikandar Sultan	Director
Mr. Ahmad Aqeel	Director
Mirza Mahmood Ahmad	Director
Mr. Manzoor Ahmed	Director
Mian Misbah-ur-Rehman	Director
Mr. Mohammad Aamir Qawi	Director
Mr. Mohammad Jehanzeb Khan	Director
Qazi M. Saleem Siddiqui	Director
Mr. Mustafa Ahmad Khan	Director
Mr. Sajjad Hussain	Director
Mr. Shoaib Mir	Director

## COMMITTEES OF THE BOARD OF DIRECTORS

### AUDIT COMMITTEE

Mr. Manzoor Ahmed	Chairman
Mr. Mohammad Aamir Qawi	Member
Mr. Mohammad Jehanzeb Khan	Member
Mr. Shoaib Mir	Member
Mr. Mustafa Ahmad Khan	Member
Qazi M. Saleem Siddiqui	Member
Mr. Sajjad Hussain	Member
Mr. Ahmad Aqeel	Member

### FINANCE & PROCUREMENT COMMITTEE

Mirza Mahmood Ahmad	Chairman
Mr. Amjad Latif	Managing Director
Mr. Arif Ahmed Khan	Member
Mr. M. Jalal Sikandar Sultan	Member
Mian Misbah-ur-Rehman	Member
Mr. Mohammad Jehanzeb Khan	Member
Mr. Shoaib Mir	Member
Mr. Ahmad Aqeel	Member

### HR & NOMINATION COMMITTEE

Mr. Muhammad Saeed Mehdi	Chairman
Mr. Amjad Latif	Managing Director
Mr. Arif Ahmed Khan	Member
Mr. M. Jalal Sikandar Sultan	Member
Mian Misbah-ur-Rehman	Member
Mr. Manzoor Ahmed	Member
Mirza Mahmood Ahmad	Member
Mr. Mustafa Ahmad Khan	Member
Mr. Ahmad Aqeel	Member

### UNACCOUNTED FOR GAS (UFG) CONTROL COMMITTEE

Qazi M. Saleem Siddiqui	Chairman
Mr. Amjad Latif	Managing Director
Mirza Mahmood Ahmad	Member
Mr. Mohammad Aamir Qawi	Member
Mr. Mustafa Ahmad Khan	Member
Mr. Shoaib Mir	Member
Mr. Sajjad Hussain	Member

### RISK MANAGEMENT COMMITTEE

Mr. Ahmad Aqeel	Chairman
Mr. Amjad Latif	Managing Director
Mirza Mahmood Ahmad	Member
Mr. Manzoor Ahmed	Member
Mian Misbah-ur-Rehman	Member
Mr. Mohammad Aamir Qawi	Member
Qazi M. Saleem Siddiqui	Member
Mr. Sajjad Hussain	Member

### CHIEF FINANCIAL OFFICER

Mr. Saghir-ul-Hassan Khan

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

Miss Wajiha Anwar

### AUDITORS

A.F. Ferguson & Co.  
Chartered Accountants

### LEGAL ADVISORS

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

### SHARE REGISTRAR

Central Depository Company of Pakistan Limited  
Mezzanine Floor, South Tower, LSE Plaza,  
19-Khayaban-e-Aiwan-e-Iqbal, Lahore.  
Tel: [+92-42] 36362061-66  
Fax: [+92-42] 36300072  
Website: www.cdcpk.com

### 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 3rd quarter ended March 31, 2018. During the period under review, your Company has earned profit after tax amounting to Rs.5,981 million against a profit of Rs.6,104 million for the corresponding period. The earnings per share for the period is Rs.9.43 as against earnings per share of Rs.9.63 for the period ended March 31, 2017.

The slight decrease in profit in the current period as compare to the corresponding period can be attributed to the following reasons.

- As a result of UFG study conducted by OGRA, the parameters used for the purpose of calculation of UFG have been revised from July 01, 2017. Consequently non-consumer and law affected area's volumes which were earlier allowed by OGRA, over and above the benchmark, have now become part of UFG benchmark. This has been partly compensated by giving an increase in UFG benchmark from 4.5% to 6.3% based on achievement of 50% key monitoring indicators (KMIs) as provisionally determined in ERR for FY 2017-18 by OGRA. Had UFG been calculated using previous year parameters, the UFG percentage for this quarter would have been 8.56% instead of 10.74% and UFG disallowance would have been Rs.4,917 million instead of Rs.5,523 million and resultantly profit after tax would have increased by Rs.606 million and EPS by Re. 0.67.
- Finance cost has increased by Rs.2,154 million as compare to corresponding period which has significantly impacted profit for this period. The increase in finance cost is mainly due to charging of finance cost of loans acquired for project of vital national interest which were timely completed during the period. In the corresponding period these projects were in work in progress phase therefore, the finance cost of these projects were capitalized however, after completion, finance cost of these projects is being charged to profit and loss account.

Despite all the economic challenges and financial constraints, the Company is striving hard for the consistent flow of profit. The Board of Directors, Management and staff of the Company are confident that performance of the Company will further enhance in the years ahead.

### PROJECTS

Projects Department has completed / commissioned 279.23 KMs Transmission Lines with diameters ranging from 8" to 42" including the contract lines and 566.22 KMs of Distribution Lines were commissioned up to 3rd quarter of FY 2017-18 for enhancing system capacity, supplying gas to new towns and improving pressure to customers for achieving customer satisfaction. In view of acute energy crisis prevailing in the country, Government of Pakistan aggressively pursued the import of 1200 MMCFD LNG into the country to meet shortfall in gas supplies and so far 1100-1200 MMCFD RLNG has been injected into system. The Company has completed / commissioned (i) its system augmentation project for the transportation of 1200 MMCFD RLNG into its system (ii) spur lines laying jobs of three power plants at Bhikki, Haveli Bahadur Shah and Balloki of consolidated 3600 MW capacity for supplying 200 MMCFD RLNG to each power plant (iii) the pipeline infrastructure development works for supplying gas to Nandipur power plant. Moreover, SNGPL is also undertaking spur line job for supply of 200 MMCFD RLNG to Punjab Power Plant near Trimmu Barrage of 1400 MW capacity on 100 % cost sharing basis. The works on the project has been initiated. Detailed engineering and material tendering is in progress. Project shall be completed by September 2018. The Government of Pakistan has now decided to import further 1200 MMCFD LNG for upcoming LNG terminals in the country keeping in view the diminishing indigenous gas supply resources for meeting the increasing gas demand of all sectors for which there is an immediate need for the development of 1.2 BCFD pipeline capacity from Karachi to Lahore. In the light of GOP's this decision, both Sui Companies have also been advised to lay / ensure the required pipeline



infrastructure to carry additional 1200 MMCFD LNG from terminals to be built at Karachi port to Lahore in their franchise area i.e. from Karachi port to Sawan by SSGC and from Sawan to Lahore by Sui Northern Gas Pipelines Limited. Company has planned to lay separate 42" dia x 770 KM pipeline from Sawan to Lahore to transport further 1200 MMCFD RLNG for which survey & design works and material procurement tendering process have already been initiated as an advance action. After the completion of ongoing system augmentation project, your Company shall be able to build up 1500 MMCFD additional pipeline capacity as compared to recently completed pipeline infrastructure capacity of 1200 MMCFD. Your Company has also completed infrastructure required to supply 700 MMCFD RLNG to new RLNG based power plants being constructed in Punjab. However, after the completion of recently awarded 42" dia x 770 KM Pipeline Project along with 89,500 HP compression, your Company shall be able to transport further 1200 MMCFD RLNG from Sawan to Lahore. The Board of Directors has already granted conceptual approval of the project. Recently, Economic Coordination Committee (ECC) of the cabinet has also approved the financial model of the Project. At present the Company is seeking capacity utilization of the pipeline from Ministry of Energy (Petroleum Division). We are also bringing business plan of the project in the Board.

## 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. Lately, SNGPL has completed MOL Pakistan's job of 12"/10" dia x 22 KM pipe line for Mardankhel-1 well head and with the completion of this job, additional 40 MMCFD gas has been injected into SNGPL's system. MOL Pakistan has commissioned two more wells i.e. Mardankhel-2 and Mardankhel-3 and have awarded the job of engineering and construction of 8"/6" dia x 15 KMs long flow / trunk lines for well heads of Mardankhel -2 and Mardankhel-3 wells along with laying of fiber optic cable and tie-in works for above mentioned wells which is the hall mark of quality / time consciousness of our work. Your Company has started construction works on this project and shall complete in next three-four months time frame. The completion of this project will not only inject 30 MMCFD gas into SNGPL's System but would be quite instrumental in reducing the energy deficiency in the country.


## ACKNOWLEDGEMENTS

The Directors place on record their appreciation for the Government of Pakistan, Ministry of Energy (Petroleum Division), Oil and Gas Regulatory Authority, other Government & 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.



**(Amjad Latif)**  
Managing Director

On behalf of the Board



**(Muhammad Saeed Mehdi)**  
Chairman-BOD

Lahore.  
April 28, 2018



# Condensed Interim Balance Sheet (Un-audited)

## As at March 31, 2018

		Un-audited March 31, 2018	Audited June 30, 2017
	Note	(Rupees in thousand)	
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital 1,500,000,000 ordinary shares of Rs 10 each		15,000,000	15,000,000
Issued, subscribed and paid up share capital 634,216,665 (June 30, 2017; 634,216,665) ordinary shares of Rs 10 each		6,342,167	6,342,167
Revenue reserves		7,193,590	4,253,626
Shareholders' equity		13,535,757	10,595,793
<b>NON-CURRENT LIABILITIES</b>			
Long term financing:			
-Secured	4	55,565,000	49,359,799
-Unsecured	5	461,964	504,067
Security deposits		42,508,789	38,566,630
Deferred credit		56,547,137	47,168,154
Deferred taxation		1,058,957	-
Employee benefits		8,515,452	14,681,746
		164,657,299	150,280,396
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	213,943,428	131,735,106
Interest / mark-up accrued on loans and other payables		29,249,522	25,212,533
Short term borrowing-secured	7	3,997,971	999,258
Current portion of long term financing	8	8,906,360	5,363,722
		256,097,281	163,310,619
<b>CONTINGENCIES AND COMMITMENTS</b>	9	-	-
		434,290,337	324,186,808

The annexed notes from 1 to 26 form an integral part of this condensed interim financial information.

  
(Saghir-ul-Hassan Khan)  
Chief Financial Officer



# Condensed Interim Balance Sheet (Un-audited)

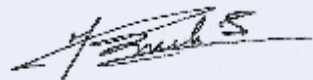
## As at March 31, 2018

		Un-audited March 31, 2018	Audited June 30, 2017
	Note	(Rupees in thousand)	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	180,144,651	164,102,403
Intangible assets		75,104	89,214
Long term investment		4,900	4,900
Long term loans		815,284	474,539
Deferred taxation		-	1,310,341
Employee benefits		1,343,103	1,088,593
Long term deposits and prepayments		17,624	11,389
		182,400,666	167,081,379
<b>CURRENT ASSETS</b>			
Stores and spare parts		3,702,763	3,830,991
Stock-in-trade	11	25,094,723	10,270,890
Trade debts	12	71,195,836	57,817,321
Loans and advances	13	1,676,244	1,496,789
Trade deposits and short term prepayments	14	398,335	160,909
Accrued interest		8,813	10,546
Other receivables	15	113,702,091	65,907,599
Sales tax recoverable		27,588,290	11,373,489
Income tax receivable		2,093,298	2,589,113
Cash and bank balances	16	6,429,278	3,647,782
		251,889,671	157,105,429
		434,290,337	324,186,808



(Amjad Latif)

Managing Director/CEO



(Muhammad Saeed Mehdi)

Chairman



# Condensed Interim Profit and Loss Account (Un-audited)

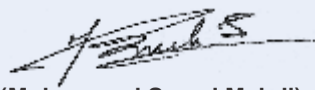
## for the Quarter and Nine Months Ended March 31, 2018

	Note	Quarter ended		Nine Months ended	
		March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
(Rupees in thousand)					
<b>Gas sales</b>		115,257,367	76,707,884	294,050,183	228,653,219
<b>Add / (Less) : Differential margin / (Gas development surcharge)</b>		18,027,976	(4,829,648)	43,758,049	(4,461,706)
		133,285,343	71,878,236	337,808,232	224,191,513
<b>Less: Cost of gas sales</b>	17	129,211,727	68,778,514	323,025,044	214,372,893
<b>Gross profit</b>		4,073,616	3,099,722	14,783,188	9,818,620
<b>Add: Other operating income</b>	18	5,007,510	4,567,549	10,491,304	11,218,232
		9,081,126	7,667,271	25,274,492	21,036,852
<b>Less: Operating expenses:</b>					
Selling cost		1,337,706	1,264,805	3,702,667	3,663,535
Administrative expenses		1,722,845	1,366,864	4,947,904	3,878,550
Other operating expenses	19	660,874	198,161	1,638,334	511,114
		3,721,425	2,829,830	10,288,905	8,053,199
<b>Operating profit</b>		5,359,701	4,837,441	14,985,587	12,983,653
Less: Finance cost	20	2,329,421	1,264,544	6,393,637	4,240,103
<b>Profit before taxation</b>		3,030,280	3,572,897	8,591,950	8,743,550
<b>Taxation</b>	21	908,917	1,071,424	2,611,399	2,639,071
<b>Profit for the period</b>		2,121,363	2,501,473	5,980,551	6,104,479
<b>Earnings per share - basic and diluted (Rupees)</b>		3.34	3.94	9.43	9.63

The annexed notes from 1 to 26 form an integral part of this condensed interim financial information.

  
(Saghir-ul-Hassan Khan)  
Chief Financial Officer

  
(Amjad Latif)  
Managing Director/CEO

  
(Muhammad Saeed Mehdi)  
Chairman





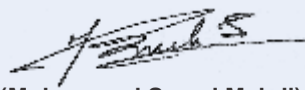
# Condensed Interim Statement of Comprehensive Income (Un-audited) for the Quarter and Nine Months Ended March 31, 2018

	Quarter ended		Nine months ended	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	(Rupees in thousand)			
Profit for the period	2,121,363	2,501,473	5,980,551	6,104,479
<b>Other comprehensive income for the period:</b>				
Items that will not be reclassified to profit and loss:				
Remeasurement of defined benefit plans - net	-	-	(2,603,061)	-
Tariff adjustment with respect to remeasurement of IAS-19	-	-	2,603,061	-
Tariff adjustment with respect to remeasurement of IAS-19 for FY 2016-17	2,451,483	-	2,451,483	-
	2,451,483	-	2,451,483	
Tax effect	(735,445)	-	(735,445)	-
Items that may subsequently be reclassified to profit and loss	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>3,837,401</b>	<b>2,501,473</b>	<b>7,696,589</b>	<b>6,104,479</b>

The annexed notes from 1 to 26 form an integral part of this condensed interim financial information.

  
(Saghir-ul-Hassan Khan)  
Chief Financial Officer

  
(Amjad Latif)  
Managing Director/CEO

  
(Muhammad Saeed Mehdi)  
Chairman



# Condensed Interim Cash Flow Statement (Un-audited)

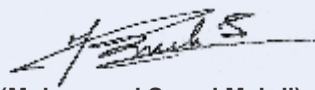
for the Nine Months Ended March 31, 2018

	Note	Nine Months ended	
		March 31, 2018	March 31, 2017
		(Rupees in thousand)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	22	14,571,044	7,809,122
Finance cost paid		(2,656,870)	(2,107,921)
Income taxes paid		(485,034)	(1,260,742)
Employee benefits paid/contributions paid		(3,824,566)	(2,994,087)
Security deposits received		3,942,160	2,827,987
Receipts against government grants and consumer contributions		11,522,181	6,591,205
Long term loans to employees		(445,367)	(54,722)
Long term deposits and prepayments		(6,235)	(1,521)
<b>Net cash inflow from operating activities</b>		22,617,313	10,809,321
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure on property, plant and equipment		(28,051,712)	(26,429,877)
Capital expenditure on Intangible assets		(25,433)	(30,810)
Proceeds from sale of property, plant and equipment		36,710	48,575
Return on bank deposits		236,555	193,841
<b>Net cash used in investing activities</b>		(27,803,880)	(26,218,271)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from long term financing - unsecured		-	150,100
Repayment of long term financing - unsecured		(8,891)	(69,798)
Proceeds from long term financing- secured		12,150,200	16,599,800
Repayment of long term financing - secured		(2,457,500)	(687,500)
Dividend paid		(4,714,459)	(261)
<b>Net cash inflow from financing activities</b>		4,969,350	15,992,341
<b>Net increase / (decrease) in cash and cash equivalents</b>		(217,217)	583,391
<b>Cash and cash equivalents at the beginning of the period</b>		2,648,524	784,593
<b>Cash and cash equivalents at the end of the period</b>	22.2	2,431,307	1,367,984

The annexed notes from 1 to 26 form an integral part of this condensed interim financial information.

  
(Saghir-ul-Hassan Khan)  
Chief Financial Officer

  
(Amjad Latif)  
Managing Director/CEO

  
(Muhammad Saeed Mehdi)  
Chairman



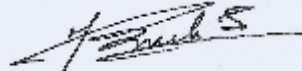
# Condensed Interim Statement of Changes in Equity (Un-audited) for the Nine Months Ended March 31, 2018

	Share Capital	Revenue Reserves			Total	Total share holders' equity
		General Reserve	Dividend Equalization Reserve	Unappropriated (Loss) / Profit		
<b>(Rupees in thousand)</b>						
<b>Balance as at June 30, 2016 (Audited)</b>	6,342,167	4,127,682	480,000	(7,252,518)	(2,644,836)	3,697,331
Profit for the period July 01, 2016 to March 31, 2017	-	-	-	6,104,479	6,104,479	6,104,479
Other comprehensive income from July 01, 2016 to March 31, 2017	-	-	-	-	-	-
<b>Balance as at March 31, 2017 (Un-audited)</b>	6,342,167	4,127,682	480,000	(1,148,039)	3,459,643	9,801,810
Profit for the period from April 01, 2017 to June 30, 2017	-	-	-	2,510,021	2,510,021	2,510,021
Other comprehensive loss for the period from April 01, 2017 to June 30, 2017	-	-	-	(1,716,038)	(1,716,038)	(1,716,038)
<b>Balance as at June 30, 2017 (Audited)</b>	6,342,167	4,127,682	480,000	(354,056)	4,253,626	10,595,793
<b>Transaction with owners</b>						
Final dividend for the year ended June 30, 2017 @ Rupees 6.00 per share	-	-	-	(3,805,300)	(3,805,300)	(3,805,300)
Interim cash dividend for the first quarter ended September 30, 2017 @ Rupees 1.5 per share	-	-	-	(951,325)	(951,325)	(951,325)
	-	-	-	(4,756,625)	(4,756,625)	(4,756,625)
Profit for the period from July 01, 2017 to March 31, 2018	-	-	-	5,980,551	5,980,551	5,980,551
Other comprehensive income from July 01, 2017 to March 31, 2018	-	-	-	1,716,038	1,716,038	1,716,038
<b>Balance as at March 31, 2018 (Un-audited)</b>	6,342,167	4,127,682	480,000	2,585,908	7,193,590	13,535,757

The annexed notes from 1 to 26 form an integral part of this condensed interim financial information.

  
(Saghir-ul-Hassan Khan)  
Chief Financial Officer

  
(Amjad Latif)  
Managing Director/CEO

  
(Muhammad Saeed Mehdi)  
Chairman



# Notes to and forming part of the Condensed Interim Financial Information (un-audited)

for the quarter and Nine Months Ended March 31, 2018

## 1. THE COMPANY AND ITS OPERATIONS

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

Region	Address
Abbottabad	Jub Pul. PO Jhangi, Main Manshera Road, Abbotabad.
Bahawalpur	6-1-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	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	Hayatabad, Peshawar
Mardan	Riffat Mehal, Near Mardan Industrial Estate, Main Nowshera Road, Mardan.
Sahiwal	79-A, Canal Colony, Sahiwal.
Sargodha	H. No. 15, Muslim Town, Sargodha.
Sheikhupura	Main Sargodha Road, Near Punjab College, Sheikhupura.
WAH	Gudwal Link Road, Wah Cantt

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

## 2. BASIS OF PREPARATION

- 2.1 This condensed interim financial information is unaudited and is being submitted to the members in accordance with section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited.
- 2.2 This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 "Interim Financial Reporting" and provisions and directives issued under the Companies Act, 2017. In case where requirements differ, the provisions of or directives issued under the Companies Act, 2017 take precedence.
- 2.3 This condensed interim financial information does 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 2017.

## 3. ACCOUNTING POLICIES AND ESTIMATES

- 3.1 The accounting policies adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the preceding annual financial statements of the company for the year ended June 30, 2017.
- 3.2 Judgments and estimates used by the management in the preparation of this condensed interim financial information are same as those applied to the annual financial statements for the year ended June 30, 2017.



		Un-audited March 31, 2018	Audited June 30, 2017	
		(Rupees in thousand)		
<b>4.</b>	<b>LONG TERM FINANCING - SECURED</b>			
	<b>From banking companies</b>			
	Local currency - Syndicate term finance - I	4.1	10,530,000	11,700,000
	Local currency - Syndicate term finance - II	4.2	28,213,097	21,718,375
			38,743,097	33,418,375
	<b>Other loans</b>			
	Islamic finance under musharaka arrangement	4.3	3,437,500	4,125,000
	Islamic finance under musharaka arrangement	4.3	5,400,000	6,000,000
	Islamic finance under lease arrangement for LNG Project Ph-II	4.3	14,786,903	10,731,424
	Islamic finance under musharaka arrangement	4.4	1,600,000	-
			63,967,500	54,274,799
	Less: Current portion shown under current liabilities	8	8,402,500	4,915,000
			55,565,000	49,359,799

#### 4.1 Local currency-Syndicate term finance-I

Lender	Mark-up rate	No. of instalments	Maturity date
Bank Alfalah Limited (Lead Bank)	Six month KIBOR+ 0.70% p.a.	10 half yearly intallments	May 19, 2022

This loan has been obtained from a syndicate of banks (with Bank Alfalah acting as the Agent and United Bank Limited acting as the Security Trustee) and is secured by a first pari passu created by way of hypothecation over all present and future movable fixed assets of the company (excluding land and building) to the extent of Rs 15,600,000 thousand (2017: Rs 15,600,000 thousand).

#### 4.2 Local currency-Syndicate term finance - II

Lender	Mark-up rate	No. of instalments	Maturity date
Habib Bank Limited (Lead Bank)	Six month KIBOR+ 1.10% p.a.	16 Half yearly Instalments	June 8, 2026

This loan has been obtained from a syndicate of banks (with Habib Bank Limited acting as the Agent) and is secured by a first pari passu charge created by way of hypothecation over all present and future movable fixed Regassified Liquefied Natural Gas (RLNG) assets of the Company to the extent of Rs. 35,870,000 thousand (2017: Rs 35,870,000 thousand) relating to the project and a sovereign guarantee of the Government of Pakistan.



### 4.3 Islamic Finance under musharaka arrangement

Lender	Mark-up rate	No. of instalments	Maturity date
Albaraka Bank (Pakistan) Limited (Investment Agent)	Six month KIBOR+ 0.55% per annum	8 Half yearly Instalments	June 30, 2020

This loan has been obtained from a syndicate of banks (with Al Baraka Bank 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 (2017: Rs 7,333,333 thousand).

Lender	Mark-up rate	No. of instalments	Maturity date
Bank Alfalah Limited (Lead Bank)	Six month KIBOR+ 0.70% p.a.	10 Half yearly Instalments	May 19, 2022

This loan has been obtained from a syndicate of banks (with Bank Alfalah acting as the Investment Agent) and is secured by a first pari passu charge created by way of hypothecation over movable fixed assets of the company (excluding land and building) to the extent of Rs 8,000,000 thousand (2017: Rs 8,000,000 thousand).

Lender	Mark-up rate	No. of instalments	Maturity date
Habib Bank Limited (Lead Bank)	Six month KIBOR+ 1.10% p.a.	16 Half yearly Instalments	June 8, 2026

This loan has been obtained from a syndicate of banks (with Habib Bank Limited acting as the Agent) and is secured by a first pari passu charge created by way of hypothecation over all present and future movable fixed RLNG assets of the Company to the extent of Rs 18,800,000 thousand (2017: Rs 18,800,000 thousand) relating to the project and the sovereign guarantee of Government of Pakistan.

### 4.4 Islamic finance facility under musharaka arrangement

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 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. 3,103,179 thousand.

Note	Un-audited March 31, 2018	Audited June 30, 2017
(Rupees in thousand)		

## 5. LONG TERM FINANCING - UNSECURED

Other loans - Local currency:		965,824	952,789
Less: Current portion shown under current liabilities	8	503,860	448,722
		461,964	504,067

5.1 These loans carry mark-up at variable rates which range from 1.50% per annum to 14.47% per annum (June 30, 2017: 1.50% per annum to 14.47% per annum).



	Note	Un-audited March 31, 2018	Audited June 30, 2017
(Rupees in thousand)			
<b>6. TRADE AND OTHER PAYABLES</b>			
Creditors for:			
Gas	6.1	199,442,194	108,421,743
Supplies		1,781,272	1,544,219
Accrued liabilities		6,612,019	11,469,551
Provident fund		145,079	-
Gas infrastructure development cess payable	6.2	-	726,054
Interest free deposits repayable on demand		816,795	789,898
Earnest money received from contractors		96,916	70,474
Mobilization and other advances		3,373,913	3,351,528
Advances from customers		7,920	5,348
Due to customers		21,468	12,605
RLNG margin		-	4,192,208
Workers' Profit Participation Fund		1,530,321	1,078,113
Dividend payable		115,531	73,365
		<b>213,943,428</b>	<b>131,735,106</b>

6.1 Included in trade payables is an amount of Rs. 26,310,201 thousand (June 2017: 8,705,787 thousand) and Rs. 11,031,128 thousand (June 2017: Nil) due to Pakistan State Oil (PSO) and Pakistan LNG Limited respectively, represents payable against LNG supplied by them. In this regard, the agreement for the supply of LNG between the parties has not yet been finalized and is under negotiation. Additional liability or adjustment, if any, that may arise would be recorded accordingly on the finalization of the agreement.

6.2 The Honorable Islamabad High Court vide its decision dated January 31, 2013, declared Gas Infrastructure Development Cess Act (GIDC), 2011 as Ultra Vires to the Constitution and directed the company to adjust the amount already received on this account in the future bills of the petitioners. However, the 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, OGRA issued a notification directing levy of GIDC at revised rates.

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

Furthermore, GIDC amounting to Rs 124,581,617 thousand (2017: Rs. 106,775,096 thousand) is recoverable from consumers and payable to Government of Pakistan. This condensed interim financial information 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. Consequently, the same will be shown as payable as and when the balance is collected from consumers.

## 7. Short term borrowing - secured

During the period Company has enhanced its short term running finance facility from Rs. 1,000,000 thousand to Rs 4,000,000 thousand. This facility carries mark-up at the rate of 3 months KIBOR per annum (2017: 3 months KIBOR plus 0.15% 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 5,334,000 thousand (2017: Rs 1,333,330 thousand). Mark-up is payable on quarterly basis. The effective interest rate during the period ranged from 6.29% to 6.31% (2017: 6.19% to 6.27%) per annum.

	Note	Un-audited March 31, 2018	Audited June 30, 2017
(Rupees in thousand)			
<b>8. CURRENT PORTION OF LONG TERM FINANCING</b>			
Long term financing - secured	4	8,402,500	4,915,000
Long term financing - unsecured	5	503,860	448,722
		8,906,360	5,363,722

## 9. CONTINGENCIES AND COMMITMENTS

### 9.1 Contingencies

There is no significant change in contingencies from the preceding audited financial statements of the company for the year ended June 30, 2017 except for the followings:

- a) During the period ended March 31, 2018 Income Tax Authorities raised a demand of Rs 128 million for Tax Year 2006 relating to compensation on delayed refund of Rs 368 million which was originally received by the Company from FBR under section 171 of Income Tax Ordinance 2001. An appeal against this was filed with CIR(A) on the grounds that the section 39(1)CC of Income Tax Ordinance, 2001 was incorporated through Finance Act, 2012 which cannot be applied retrospectively. The appeal was dismissed by CIR(A) in favour of Income Tax Department. Consequently, the Company filed an appeal against the decision of CIR(A) with ATIR on the same grounds as mentioned before. ATIR accepted the Company's contention and decided the issue in favour of the Company. The decision of ATIR was challenged by the Income Tax Department in Honorable Lahore High Court who also decided the case against the Company. The Company has challenged the decision of the Honorable Lahore High court before the Honorable Supreme Court of Pakistan which is pending adjudication. No provision has been made in this condensed interim financial information as the management is confident of favorable outcome of the appeal.
- b) As a consequence of withholding tax audit for tax year 2016, the tax department has raised a demand of Rs 2,688,912 thousand during the period under review. The Company has filed an appeal with CIR(A) against this demand which is pending adjudication. No provision has been made in these financial statements as the Company is confident of favourable outcome of the appeal.
- c) During the period ended March 31, 2018 Income Tax Authorities raised a demand of Rs 17,930,455 thousand for tax year 2015 by adding back consumer contribution, cost equalisation adjustment, provision for post retirement benefits, exchange losses ,UFG disallowance and shortfall in prescribed price as determined by OGRA. The Company has filed an appeal with CIR(A) against this demand which is pending adjudication. No provision has been made in these financial statements as the Company is confident of favourable outcome of the appeal.





	Note	Un-audited March 31, 2018	Audited June 30, 2017
(Rupees in thousand)			
<b>9.2 Commitments:</b>			
a) <b>Capital Commitments</b>			
Property, plant and equipment		346,634	1,142,075
Intangible assets		27,022	25,295
Stores and spares		17,375,611	23,222,388
		17,749,267	24,389,758
b) <b>Other Commitments</b>		465,040	833,625
<b>10. Property, plant and equipment</b>			
<b>Operating fixed assets</b>			
<b>Tangible</b>			
<b>Opening book value</b>		140,804,573	108,788,233
Additions during the period/year		27,433,707	45,691,382
		168,238,280	154,479,615
Book value of property, plant and equipment disposed off during the period/year		(937)	(5,392)
Depreciation charged during the period/year		(12,419,969)	(13,669,650)
		(12,420,906)	(13,675,042)
<b>Closing book value</b>		155,817,374	140,804,573
<b>Capital work-in-progress</b>	10.1	24,327,277	23,297,830
		180,144,651	164,102,403
<b>10.1 CAPITAL WORK-IN-PROGRESS</b>			
Transmission system		4,266,107	5,950,447
Distribution system		12,843,202	8,840,635
Stores and spares including in transit Rs 309,034 thousand (June 2017: Rs 759,424 thousand)		6,756,921	8,057,089
Advances for land and other capital expenditure		461,047	449,659
		24,327,277	23,297,830
<b>11. STOCK-IN-TRADE</b>			
- Gas in pipelines		2,823,188	1,205,578
- Held with third parties	11.1	22,271,535	9,065,312
		25,094,723	10,270,890



- 11.1 This represents gas purchased by the Company and is yet to be delivered by Engro Elengy Terminal (Private) Limited (EETL) and Sui Southern Gas Company Limited (SSGCL) after regasification amounting to Rs. 3,604,306 thousand (2017: Rs. 765,424 thousand) and Rs. 18,667,229 thousand (2017: Rs. 8,299,888 thousand) respectively.

	Note	Un-audited March 31, 2018	Audited June 30, 2017
(Rupees in thousand)			
<b>12. TRADE DEBTS</b>			
<b>Considered good</b>			
Secured		44,266,683	42,803,096
Unsecured	12.1	27,332,902	15,216,042
Accrued gas sales		(403,749)	(201,817)
		71,195,836	57,817,321
<b>Considered doubtful</b>		20,885,847	21,330,027
		92,081,683	79,147,348
Less: Provision for doubtful debts		(20,885,847)	(21,330,027)
		71,195,836	57,817,321

12.1 Included in trade debts are amounts receivable from Government owned power generation companies and independent power producers of Rs 18,051,201 thousand (June 2017: Rs 15,900,153 thousand) along with interest thereon of Rs 14,889,494 thousand (June 2017: Rs 12,143,639 thousand) due to delayed payments. While trade and other payables referred to in note 6 include an amount of Rs 123,717,594 thousand (June 2017: Rs 76,007,263 thousand) due to Pakistan Petroleum Limited, Sui Southern Gas Company Limited (SSGCL), Oil and Gas Development Company Limited and Government Holding (Private) Limited on account of gas purchases along with interest on delayed payments of Rs 21,912,279 thousand (June 2017: Rs 19,211,141 thousand), interest on delayed payment of Gas Development Surcharge of Rs 4,101,732 thousand (June 2017: Rs 4,101,732 thousand) is payable to Government of Pakistan, the settlement of these amounts is dependent upon the resolution of inter-corporate circular debt by the Government of Pakistan. Further an amount of Rs 109,365,164 thousand (June 2017: Rs 65,758,692 thousand) is receivable from Government of Pakistan on account of Differential Margin, the settlement of this amount is dependent upon increase in gas prices duly notified by OGRA, with the approval of Government of Pakistan.

12.2 Included in trade debts is an amount of Rs 732,121 thousand on account of RLNG transported to Pak Arab Fertilizer Limited at the rate of 57 Cents / MMBTU during the financial years 2015 & 2016 alongwith LPS of Rs 367,268 thousand. In April 2017, a petition was filed by Pak Arab Fertilizer Limited against imposition of transportation charges by SNGPL with Honourable Lahore High Court (LHC) inter-alia on the grounds that the rate of transportation charges is arbitrary, unilateral and disproportionate as related costs were already recovered by the Company through its annual revenue requirement determined by OGRA. Consequently, the entire amount of transportation charges billed by SNGPL alongwith LPS has been withheld by Pak Arab Fertilizer Limited. The Company has submitted its detailed reply to LHC, which is pending adjudication. No provision has been made in this condensed financial information as the Company is of the view that there are meritorious grounds for a favourable outcome of the case.



	Note	Un-audited March 31, 2018	Audited June 30, 2017
<b>(Rupees in thousand)</b>			
<b>13. LOANS AND ADVANCES</b>			
Loans to employees - considered good		166,317	123,231
<b>Advances - considered good:</b>			
- Employees		48,051	1,213,955
- Suppliers and Contractor		1,461,876	159,603
Advances to suppliers and contractors - considered doubtful		3,227	3,227
Less: Provision for doubtful receivables		3,227	3,227
		-	-
		1,676,244	1,496,789
<b>14. TRADE DEPOSITS AND SHORT TERM PREPAYMENTS</b>			
Trade deposits and short term prepayments		221,691	98,476
Less: Provision for doubtful deposits		(22,290)	(22,290)
		199,401	76,186
Current portion of long term prepayments		198,934	84,723
		398,335	160,909
<b>15. OTHER RECEIVABLES</b>			
Excise duty recoverable		108,945	108,945
Less: Provision for doubtful recoverable		108,945	108,945
		-	-
Differential margin receivable		109,365,164	65,758,692
Gas swapping account	15.1	3,473,380	-
Due from customers		47,724	106,333
Current account with SSGCL		17,132	17,132
Others		798,691	25,442
		113,702,091	65,907,599

15.1 Due to continuous gap in demand & supply of system gas and RLNG, SNGPL has adopted a time swap mechanism (Gas banking mechanism) wherein additional system gas is sold as RLNG to power & other industrial consumers during one period and any balance is recuperated during the next period through RLNG sales to other sectors at system gas price. Due to ring fenced arrangements of RLNG, cost of surplus RLNG sold as system gas in one period is presently being matched against the related revenues recognized as system gas sales and vice versa at respective average costs, resulting in accumulation of amounts as either payable or receivable in one period to another. The company is diligently agitating this matter at all legal and executive forums.



		Un-audited March 31, 2018	Audited June 30, 2017
		(Rupees in thousand)	
<b>16. CASH AND BANK BALANCES</b>			
Deposit accounts	16.1	6,213,538	3,034,713
Current accounts		193,326	611,069
		6,406,864	3,645,782
Cash in hand		22,414	2,000
		6,429,278	3,647,782

16.1 Included in deposit accounts are amounts deposited by the company in separate bank account(s) for funds released by the government as grant to finance distribution development projects being the government share of cost. Withdrawal from this account(s) is made on periodic basis to the extent of projects approved and sanctioned therefrom and until then, these funds amounting to Rupees 5,538,435 thousand (June 30,2017: Rupees 1,665,450 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.

Note	Quarter ended		Nine Months ended	
	Un-audited March 31, 2018	Un-audited March 31, 2017	Un-audited March 31, 2018	Un-audited March 31, 2017
<b>17. COST OF GAS SALES</b>				
(Rupees in thousand)				
Opening stock of gas in pipelines	18,386,199	792,494	10,270,890	967,110
Gas purchases:				
- Southern system	18,839,413	12,596,568	54,079,582	43,825,617
- Northern system	17,118,929	14,959,322	61,302,190	41,897,974
- RLNG	86,086,392	40,287,636	192,771,287	105,865,231
- Cost equalization adjustment 17.1	6,717,702	4,740,727	10,275,752	16,018,927
	128,762,436	72,584,253	318,428,811	207,607,749
	147,148,635	73,376,747	328,699,701	208,574,859
Less: Gas internally consumed	1,367,058	711,541	3,328,813	1,894,528
Closing stock of gas in pipelines	25,094,723	10,643,538	25,094,723	10,643,538
	26,461,781	11,355,079	28,423,536	12,538,066
Distribution Cost	8,524,873	6,756,846	22,748,879	18,336,100
	129,211,727	68,778,514	323,025,044	214,372,893

17.1 In accordance with the policy guidelines issued by Government of Pakistan under section 21 of the Oil and Gas Regulatory Authority Ordinance, 2002, the Company has entered into an agreement with SSGCL for uniform pricing of gas. Under this agreement, the Company with a higher weighted average cost of gas will raise a demand to the other Company of the amount necessary to equalize the cost of gas for both companies. This amount represents differential for the equalization of cost of gas payable to SSGCL.



	Quarter ended		Nine months ended	
	Un-audited March 31, 2018	Un-audited March 31, 2017	Un-audited March 31, 2018	Un-audited March 31, 2017
<b>18. OTHER OPERATING INCOME</b>	(Rupees in thousand)			
<b>Income from financial assets</b>				
Interest income on late payment of gas bills				
- Interest income on late payment of gas bills - other consumers	1,795,170	1,170,093	2,931,943	2,137,630
- Government owned and other power generation Companies	688,253	313,907	1,566,229	1,135,251
- Fertilizer and cement	233,982	260,809	422,901	729,150
Gain on initial recognition of financial liabilities at fair value	1,528	1,705	4,584	5,114
Interest on staff loans and advances	16,118	15,211	43,984	44,894
Reversal of provision for doubtful debt	309,013	-	444,180	-
Return on bank deposit	77,570	58,587	234,822	189,683
	3,121,634	1,820,312	5,648,643	4,241,722
<b>Income from assets other than financial assets</b>				
Net gain on sale of fixed assets	1,842	39,562	36,333	46,839
Meter Rentals and service income	733,720	517,164	1,670,071	1,476,205
Amortization of deferred credit	885,428	1,793,172	2,138,615	4,088,768
Insurance claims	476	908	3,852	3,757
	1,621,466	2,350,806	3,848,871	5,615,569
<b>Others</b>				
Sale of tender documents	3,145	970	6,942	2,407
Sale of scrap	(1,022)	49,040	86,913	79,501
Liquidated damages recovered	52,065	26,916	108,163	58,006
Gain on construction contracts	-	-	54,500	16,996
Bad debt recoveries	3,444	(288)	8,396	3,384
Urgent fee	204,325	317,831	710,919	1,193,685
Miscellaneous	2,453	1,962	17,957	6,962
	264,410	396,431	993,790	1,360,941
	5,007,510	4,567,549	10,491,304	11,218,232

## 19. OTHER OPERATING EXPENSES

Workers' Profit Participation Fund	159,489	188,047	452,208	460,187
Exchange loss on gas purchases	465,267	6,884	1,099,948	28,099
Loss on initial recognition of financial assets at fair value	36,118	3,230	86,178	22,828
	660,874	198,161	1,638,334	511,114



## 20. FINANCE COST

Included in finance cost is an amount of Rs 2,818,751 thousand (March 2017 :Rs 2,319,184 thousand) in respect of late payment surcharge on account of overdue payables for gas purchases as referred to in note 12.1

	Quarter ended		Nine months ended	
	Un-audited March 31, 2018	Un-audited March 31, 2017	Un-audited March 31, 2018	Un-audited March 31, 2017

## 21. TAXATION

	(Rupees in thousand)			
Current tax	580,972	607,393	1,482,590	1,486,404
Deferred tax	327,945	464,031	1,633,853	1,150,220
	908,917	1,071,424	3,116,443	2,636,624
<b>Prior period</b>				
Current tax	-	-	(505,044)	2,447
	908,917	1,071,424	2,611,399	2,639,071

## 22. CASH GENERATED FROM OPERATIONS

	Note	Un-audited March 31, 2018	Un-audited March 31, 2017
		(Rupees in thousand)	
<b>Profit before taxation</b>		8,591,950	8,743,550
<b>Adjustment for non-cash charges and other items:</b>			
Depreciation - Owned assets		12,419,969	10,184,880
Amortization on intangible assets		39,542	45,410
Employee benefits		2,369,570	2,152,695
Amortisation of deferred credit		(2,138,615)	(4,088,768)
Finance cost		6,393,637	4,240,103
Return on bank deposits		(234,822)	(189,683)
Gain on sale of fixed assets		(36,333)	(46,839)
Provision for doubtful debts		-	616,874
Reversal of provision for doubtful debts		(444,180)	-
Loss on initial recognition of financial assets at fair value		86,178	22,829
Gain on initial recognition of financial liabilities at fair value		(4,584)	(5,114)
Amortisation of difference between initial and maturity amount		(24,641)	(28,626)
Working capital changes	22.1	(12,446,627)	(13,838,189)
		14,571,044	7,809,122



	Un-audited March 31, 2018	Un-audited March 31, 2017
	(Rupees in thousand)	
<b>22.1 Working capital changes</b>		
<b>(Increase) / decrease in current assets</b>		
Stores and spares parts	128,229	(208,373)
Stock-in-trade	(14,823,833)	(9,676,428)
Trade debts	(12,934,335)	2,558,563
Loans and advances	(136,369)	(698,887)
Trade deposits and prepayments	(237,426)	(159,634)
Other receivables	(66,612,352)	(3,068,142)
	(94,616,086)	(11,252,901)
<b>Increase/ (decrease) in current liabilities</b>		
Trade and other payables	82,169,459	(2,585,288)
	(12,446,627)	(13,838,189)
	Un-audited March 31, 2018	Un-audited March 31, 2017
	(Rupees in thousand)	
<b>22.2 Cash and cash equivalents</b>		
Cash and bank balances	6,429,278	2,290,715
Short term running finance	(3,997,971)	(922,731)
	2,431,307	1,367,984

## 23. INCORPORATION OF TARIFF REQUIREMENTS

- 23.1 Under the provisions of the license for transmission and distribution of natural gas granted to the Company by Oil and Gas Regulatory Authority (OGRA), the Company is required to operate on an annual return of not less than 17.50% on the value of its fixed assets (net of deferred credit), before corporate income taxes, interest and other charges on debt after excluding interest, dividends and other non-operating income. Any deficit or surplus on account of this is recoverable from or payable to Government of Pakistan as differential margin or gas development surcharge respectively. The projected tariff from July 01, 2017 has been incorporated in the accounts for the period ended March 31, 2018.
- 23.2 The Company has also incorporated the effect of Unaccounted For Gas (UFG) amounting to Rupees 5,523,351 thousand (March 2017: Rupees 3,195,530 thousand).



	Un-audited March 31, 2018	Un-audited March 31, 2017
(Rupees in thousand)		
<b>24. TRANSACTIONS WITH ASSOCIATES AND RELATED PARTIES</b>		
<b>24.1 Transactions during the period</b>		
Gas sales	36,139,246	27,768,513
Purchase of materials	11,531	786,721
Purchase of gas	98,159,084	81,242,802
Service charges	37,988	21,576
Profit received on bank deposits	13,528	17,242
Transportation charges	168,606	256,570
Transmission charges	2,480	2,845
Insurance expenses	243,815	267,438
Insurance claims received	23,203	98,095
Dividend paid	2,125,205	-
Contributions to defined contribution plans	333,542	248,597
Contributions to defined benefit plans	2,458,305	2,425,328
Key management personnel	2,663,936	3,429,571
	Un-audited March 31, 2018	Audited June 30, 2017
	(Rupees in thousand)	
<b>24.2 PERIOD END BALANCES</b>		
Receivable from related parties	17,177,997	14,721,041
Payable to related parties	124,207,925	88,266,821

## 25. DATE OF AUTHORISATION FOR ISSUE

This condensed interim financial information was authorized for issue on April 28, 2018 by the Board of Directors of the Company.

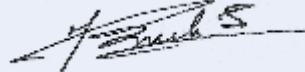
## 26. CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', the condensed interim balance sheet 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 profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

Corresponding figures have been re-arranged, wherever necessary, for the purpose of comparison. However no significant re-arrangements have been made.

  
(Saghir-ul-Hassan Khan)  
Chief Financial Officer

  
(Amjad Latif)  
Managing Director/CEO

  
(Muhammad Saeed Mehdi)  
Chairman



کو کراچی بندرگاہ پر قائم ٹرمینلز سے لاہور تک ترسیل کیلئے مطلوبہ پائپ لائن کے بچانے کی اپنی اپنی حدود میں، جو کہ سوئی سدرن کیلئے کراچی بندرگاہ سے ساون تک اور سوئی ناردرن کیلئے ساون سے لاہور تک ہے، ہدایات جاری کی ہیں۔ کمپنی 1 ارب 20 کروڑ مکعب فٹ روزانہ RLNG کی ترسیل کیلئے ساون سے لاہور تک 770 کلومیٹر طویل "42 قطر کی علیحدہ پائپ لائن کا ڈیزائن اور سروے کا کام اور میٹریل کی دستیابی کیلئے ٹینڈر کا کام پہلے ہی شروع کیا جا چکا ہے۔ نظام میں جاری توسیع منصوبے کی تکمیل کے بعد، آپ کی کمپنی حال ہی میں مکمل کردہ 1 ارب 20 کروڑ مکعب فٹ روزانہ صلاحیت کی حامل اضافی پائپ لائن کے بعد 1 ارب 50 کروڑ مکعب فٹ روزانہ کی مزید ایک اور اضافی صلاحیت کی پائپ لائن تعمیر کرنے کے قابل ہوگی۔ آپ کی کمپنی نے پنجاب میں زیر تعمیر RLNG کی بنیاد پر نئے بجلی کے پیداواری کارخانوں کو 70 کروڑ مکعب فٹ روزانہ گیس کی ترسیل کیلئے پائپ لائن بچانے کا کام مکمل کر لیا ہے۔ تاہم حال ہی میں تفویض شدہ "42 قطر کی 770 کلومیٹر طویل پائپ لائن ہمراہ 89.5 ہزار ہارس پاور کمپریشن کی تعمیر کی تکمیل کے بعد آپ کی کمپنی ساون سے لاہور تک مزید 1 ارب 20 کروڑ مکعب فٹ روزانہ RLNG کی ترسیل کے قابل ہو جائے گی۔ بورڈ آف ڈائریکٹرز نے اس منصوبے کی ابتدائی منظوری دے دی ہے۔ حال ہی میں کابینہ کی معاشی رابطہ کمیٹی نے بھی منصوبے کی مالیاتی منظوری دے دی ہے۔ اب آپ کی کمپنی وزارت توانائی (پٹرولیم ڈویژن) سے پائپ لائن کی ترسیل صلاحیت کی منظوری کے لیے کوشاں ہے۔ ہم بورڈ سے اس منصوبے کے تجارتی پلان کی بھی منظوری لے رہے ہیں۔

## توسیع کاروبار (Business Development)

آپ کی کمپنی، دیگر ملکی و کثیر الملکی کمپنیوں کیلئے مختلف پائپ لائنز کے تعمیری منصوبہ جات میں مصروف عمل ہے۔ MOL, SNGPL پاکستان لیپڈ کے مختلف گیس کنوؤں جیسا کہ مرمر زئی، منڈلی، مائی خیل اور ملوڑی کیلئے ضلع کوہاٹ/ہنگو میں بہاؤ/ٹرنک لائنز اور فائبر آپٹک کیبل (FOC) کی انجینئرنگ اور تعمیری ذمہ داریاں، پچھلے پندرہ سال سے نبھاتی رہی ہے۔ گیس کی فراہمی کو مستحکم کرنے میں MOL پاکستان ایک بہت اہم کردار ادا کر رہی ہے۔ حال ہی میں MOL پاکستان کی تفویض کردہ "12"/10 قطر کی 22 کلومیٹر طویل پائپ لائن کی مردان خیل۔ 1 کنوئیں سے کمپنی کے نظام تک کی تعمیر کے کام کی تکمیل ہوئی ہے۔ اس کام کی تکمیل پر 4 کروڑ مکعب فٹ گیس روزانہ کمپنی کے نظام میں شامل ہو چکی ہے۔ MOL پاکستان نے دو مزید کنوؤں کو فعال کیا ہے جو کہ مردان خیل 2 اور 3 ہیں ان کو نظام سے متصل کرنے کے لیے "8"/6 قطر کی 15 کلومیٹر طویل پائپ لائن کی مکمل انجینئرنگ و تعمیر اور FOC بچانے کی ذمہ داری بھی کمپنی کو تفویض کی گئی ہے جو کہ ہمارے کام کے معیار اور بروقت تکمیل پر اعتماد کا مظہر ہے۔ آپ کی کمپنی نے اس منصوبے پر تعمیریاتی کام کا آغاز کر دیا ہے اور تین سے چار ماہ کے دوران یہ کام مکمل کر لیا جائے گا۔ اس منصوبے کی تکمیل سے نہ صرف SNGPL کے نظام میں 3 کروڑ مکعب فٹ روزانہ گیس شامل ہوگی بلکہ ملک میں جاری گیس کی کمی کے خاتمے میں مدد ملے گی۔

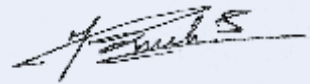
## اظہار تشکر (Acknowledgements)

ڈائریکٹرز، حکومت پاکستان، وزارت توانائی (پٹرولیم ڈویژن)، اوگرا اور متعلقہ سرکاری و غیر سرکاری اداروں کی مسلسل حمایت اور حوصلہ افزائی اور اس عرصے کے دوران کمپنی کے تمام ملازمین کی محنت اور خدمات پر مشکور و ممنون ہیں۔

مخائب بورڈ



(احمد لطیف)  
مینجنگ ڈائریکٹر انتظام اعلیٰ



(محمد سعید مہدی)  
چیرمین - بورڈ آف ڈائریکٹرز

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

لاہور

تاریخ 28 اپریل، 2018



## ڈائریکٹرز جائزہ (Directors' Review)

ہم بہسرت، تیسری سہ ماہی ختمہ 31 مارچ 2018ء کیلئے غیر پینٹال شدہ مالیاتی گوشوارہ جات پیش کر رہے ہیں۔ زیر نظر عرصہ، آپ کی کمپنی نے 5 ارب 98 کروڑ (تقریباً) بعد از محصل منافع حاصل کیا جبکہ گزشتہ سال کے اسی عرصے کے دوران یہ منافع 6 ارب 10 کروڑ (تقریباً) تھا۔ عرصہ ختمہ 31 مارچ 2017ء فی حصہ 9 روپے 63 پیسے منافع کے مقابلے میں موجودہ اسی عرصے میں فی حصہ منافع 9 روپے 43 پیسے ہے۔

گزشتہ عرصے کے مقابلے میں موجودہ عرصے میں منافع میں کمی کی وجوہات درج ذیل ہیں۔

\* غیر محسوب برائے گیس (UFG) کے حوالے سے اوگرا کے مطالعے کے نتیجے میں، یکم جولائی 2017ء سے UFG کو شمار کرنے کی غرض سے معیارات پر نظر ثانی کی جا چکی ہے۔ لہذا غیر صارف اور مردوش امن و امان والے علاقوں میں استعمال شدہ گیس کو اب UFG کی متعین حد میں شامل کر لیا گیا ہے جبکہ پہلے، متعین حد سے بالا مقدار، اوگرا کی جانب سے اجازت شدہ تھی۔ UFG کی متعین حد میں 4.5% سے 6.3% تک اضافے نے کچھ حد تک تلافی کی ہے لیکن بنیادی طور پر یہ اہم کارکردگی اشاریوں کی 50% تک حصول سے مشروط ہے جو کہ عبوری بنیادوں پر اوگرا کی جانب سے مالی سال 17-2018 کیلئے ERR میں دیئے گئے ہیں۔ اگر UFG کو گزشتہ سال کے معیار پر ہی شمار کیا جاتا تو UFG کی شرح 10.47% کے بجائے 8.56% ہوتی اور UFG کی مد میں عدم اجازت کی رقم 5 ارب 52 کروڑ روپے (تقریباً) کے بجائے 14 ارب 91 کروڑ روپے (تقریباً) ہوتی اور منافع بعد از محصل 60 کروڑ 60 لاکھ روپے اور فی حصہ منافع 67 پیسے سے بڑھ جاتا۔

\* مالیاتی لاگت میں دوران عرصہ 2 ارب 15 کروڑ روپے کے اضافے نے منافع کو کافی حد تک متاثر کیا ہے۔ مالیاتی لاگت میں اس اضافے کی بنیادی وجہ اہم قومی مفاد والے بروقت تکمیل کئے گئے پراجیکٹس کیلئے لیے جانے والے قرضہ جات پر چارجز کی ادائیگی ہے۔ گزشتہ اسی عرصے کے دوران ان پراجیکٹس پر کام ہو رہا تھا لہذا مالیاتی لاگت کمپیٹا تیز ہو گئی تھی تاہم بعد از تکمیل ان پراجیکٹس پر آنے والی مالیاتی لاگت کو نفع و نقصان کی مد میں شمار کیا گیا۔

تمام اقتصادی و مالیاتی دشواریوں کے باوجود، کمپنی منافع بخش صورت حال کو برقرار رکھنے کے لئے مسلسل کوشاں ہے۔ بورڈ آف ڈائریکٹرز، انتظامیہ اور کمپنی ملازمین پر امید ہیں کہ آنے والے دنوں میں کمپنی کی کارکردگی مزید بہتر ہوگی۔

## منصوبہ جات (Projects)

مُعبہ منصوبہ جات نے 8 سے 42 انچ قطر کی (بشمول کٹرک لیٹ لائنز) 279.23 کلومیٹر طویل ترسیل پائپ لائنز اور ان ترسیل لائنوں کے ساتھ تیسری سہ ماہی مالی سال 18-2017 تک 566.22 کلومیٹر طویل مرکزی تقابلی پائپ لائنز بھی نظام کی صلاحیت میں اضافے، گیس کی رسد اور صارفین کے اطمینان کیلئے گیس پریشر میں بہتری کے حوالے سے فعال کردی گئی ہیں۔

ملک میں جاری شدید توانائی بحران کے تناظر میں، حکومت پاکستان گیس فراہمی میں کمی کو پورا کرنے کیلئے 120 کروڑ مکعب فٹ روزانہ قدرتی گیس کی بلا نقطہ درآمد کرنے کے بھرپور انتظامات کر رہی ہے اور اب تک 120-110 کروڑ مکعب فٹ روزانہ گیس نظام میں شامل ہو رہی ہے۔

کمپنی نے درج ذیل امور مکمل اور فعال کر دیئے ہیں:

(اول) نظام میں توسیعی منصوبہ کے ذریعے 1 ارب 20 کروڑ مکعب فٹ گیس کی ترسیل۔

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

کی بنیاد پر گیس کی فراہمی کیلئے گیس پائپ لائن کی تنصیب۔

(سوم) نندی پور پاور پلانٹ کیلئے پائپ لائن کی تنصیب کا کام۔

مزید برآں، تریسویں بیراج کے نزدیک زیر تکمیل 1400 میگا واٹ صلاحیت کے پنجاب پاور پلانٹ کیلئے 100 فیصد اشتراکی لاگت کی بنیاد پر پائپ لائن کی تنصیب کے کام کا آغاز ہو چکا ہے۔ جن کیلئے پہلی ٹینڈر تک اور حصول میٹریل کے کام کا بھی آغاز کر دیا گیا ہے۔ یہ منصوبہ ستمبر 2018ء تک مکمل ہو جائے گا۔

حکومت پاکستان نے بتدریج کم ہوتے ہوئے گیس ذرائع اور تمام شعبہ جات میں بڑھتی ہوئی طلب کے مد نظر LNG ٹرمینلز کے ذریعے مزید 1 ارب 20 کروڑ مکعب فٹ روزانہ مائع گیس کی درآمد کا فیصلہ کیا ہے، جس کیلئے مزید ایک اور فوری طور پر کراچی سے لاہور 1 ارب 20 کروڑ مکعب فٹ روزانہ ترسیل کی حامل پائپ لائن کی ضرورت محسوس ہوئی۔ حکومت پاکستان کے اس فیصلے کی روشنی میں دونوں گیس کمپنیوں کو اپنی حدود میں اس اضافی 1 ارب 20 کروڑ مکعب فٹ روزانہ مائع قدرتی گیس



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