

**SUI SOUTHERN GAS
COMPANY LIMITED**

**UN-CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2019**

SUI SOUTHERN GAS COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

		September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-current assets			
Property, plant and equipment	6	130,628,860	129,720,492
Intangible assets		14,940	21,413
Right of use assets	8	315,684	-
Long term investments	9	1,206,818	1,236,149
Net investment in finance lease		174,495	188,949
Long term loans and advances		181,597	184,039
Long term deposits		18,801	18,801
Total non-current assets		132,541,195	131,369,843
Current assets			
Stores, spares and loose tools		2,221,726	2,363,680
Stock-in-trade		1,879,944	1,799,292
Current maturity of net investment in finance lease		57,814	57,814
Customers' installation work-in-progress		218,498	211,349
Trade debts	10	90,507,185	84,156,885
Loans and advances		2,271,949	2,184,117
Advances, deposits and short term prepayments		262,885	202,441
Interest accrued	11	13,606,752	13,110,415
Other receivables	12	281,325,985	272,693,110
Taxation - net		18,996,623	19,536,007
Cash and bank balances		522,716	338,294
Total current assets		411,872,077	396,653,404
Total assets		544,413,272	528,023,247

The annexed notes 1 to 34 form an integral part of this unconsolidated condensed interim financial information.

Dr. Shamshad Akhtar
Chairperson

Imran Maniar
Managing Director

Muhammad Amin Rajput
Chief Financial Officer

SUI SOUTHERN GAS COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

		September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital:			
1,000,000,000 ordinary shares of Rs. 10 each		10,000,000	10,000,000
Issued, subscribed and paid-up capital		8,809,163	8,809,163
Reserves		4,907,401	4,907,401
Surplus on re-measurement of FVTOCI securities		170,290	199,621
Surplus on revaluation of property plant and equipment		21,043,031	21,043,031
Accumulated losses		(47,573,094)	(42,981,531)
Total equity		(12,643,209)	(8,022,315)
LIABILITIES			
Non-current liabilities			
Long term finance	13	36,769,645	36,919,543
Long term deposits		18,057,487	17,559,361
Employee benefits		6,051,462	5,847,259
Obligation against pipeline		865,054	879,331
Deferred credit	14	4,761,846	4,844,471
Contract liabilities	15	4,708,327	4,402,391
Lease liability		153,942	-
Long term advances		3,058,954	3,070,033
Total non-current liabilities		74,426,717	73,522,389
Current liabilities			
Current portion of long term finance	13	8,607,116	9,837,805
Short term borrowings	16	12,801,155	16,294,237
Trade and other payables	17	442,013,839	417,608,590
Current portion of obligation against pipeline		55,237	54,014
Current portion of Deferred credit	14	384,415	394,735
Current portion of contract liabilities	15	169,567	166,933
Current portion lease liability		114,244	-
Unclaimed dividend		285,434	285,434
Interest accrued	18	18,198,757	17,881,425
Total current liabilities		482,629,764	462,523,173
Total liabilities		557,056,481	536,045,562
Contingencies and commitments	19		
Total equity and liabilities		544,413,272	528,023,247

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SUI SOUTHERN GAS COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

		Quarter ended	
		September 30, 2019	September 30, 2018
		(Un-Audited)	
		(Rupees in '000)	
	Note		
Sales	20	82,184,702	55,808,644
Sales tax	20	(12,233,736)	(7,127,756)
		<u>69,950,966</u>	<u>48,680,888</u>
Gas development surcharge	21	742,311	15,487,237
RLNG differential margins	22	(272,479)	(4,212,852)
		<u>469,832</u>	<u>11,274,385</u>
Net sales		<u>70,420,798</u>	<u>59,955,273</u>
Cost of sales	23	(79,005,383)	(61,699,808)
Gross Loss		<u>(8,584,585)</u>	<u>(1,744,535)</u>
Administrative and selling expenses		(1,170,656)	(1,123,320)
Other operating expenses	24	(32,078)	(1,410,597)
Impairment loss against financial assets		(325,439)	-
		<u>(1,528,173)</u>	<u>(2,533,917)</u>
		<u>(10,112,758)</u>	<u>(4,278,452)</u>
Other operating income	25	7,269,684	3,124,170
Operating Loss		<u>(2,843,074)</u>	<u>(1,154,282)</u>
Finance cost		(1,161,555)	(1,756,950)
Loss before taxation		<u>(4,004,629)</u>	<u>(2,911,232)</u>
Taxation	26	(586,934)	(312,488)
Loss for the period		<u>(4,591,563)</u>	<u>(3,223,720)</u>
Basic and diluted loss per share (Rupees)		<u>(5.21)</u>	<u>(3.66)</u>

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SUI SOUTHERN GAS COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Quarter ended	
	September 30, 2019	September 30, 2018
	(Un-Audited)	
	----- (Rupees in '000) -----	
Loss for the period	(4,591,563)	(3,223,720)
Other comprehensive income		
Items that will not be reclassified subsequently to consolidated statement of profit or loss		
Unrealised loss on re-measurement of FVTOCI securities	(29,331)	(34,561)
Total comprehensive loss for the period	<u><u>(4,620,894)</u></u>	<u><u>(3,258,281)</u></u>

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SUI SOUTHERN GAS COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

Quarter ended
 September 30, 2019 September 30, 2018
 (Un-Audited)

Note ----- (Rupees in '000) -----

CASH FLOW FROM OPERATING ACTIVITIES			
		(4,004,629)	(2,911,232)
	27	3,583,304	4,006,949
	28	9,281,773	624,933
		(884,205)	(1,215,472)
		(25,551)	(28,283)
		(487,542)	(298,579)
		498,126	710,818
		(85,390)	(297,880)
		25,263	14,671
		(47,551)	(71,625)
		7,853,598	534,300
CASH FLOW FROM INVESTING ACTIVITIES			
		(2,763,687)	(1,942,643)
		(288)	(120)
		(33,933)	(33,933)
		52,603	33,366
		23,517	26,106
		1,849	-
		(2,719,939)	(1,917,224)
CASH FLOW FROM FINANCING ACTIVITIES			
		(1,374,334)	(1,013,534)
		(6,253)	(3,265)
		(75,568)	-
		(1,456,155)	(1,016,799)
		3,677,504	(2,399,723)
		(15,955,943)	(9,349,548)
		(12,278,439)	(11,749,271)
Cash and cash equivalent comprises:			
		522,716	243,730
		(12,801,155)	(11,993,001)
		(12,278,439)	(11,749,271)

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SUI SOUTHERN GAS COMPANY LIMITED
UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Issued, subscribed and paid-up capital	Capital reserves	Revenue reserves	Surplus on re- measurement of FVTOCI securities (Rupees in '000)	Surplus on revaluation of property plant and	Accumulated losses	Total
Balance as at July 1, 2018 (Audited)-Restated	8,809,163	234,868	4,672,533	334,805	13,673,415	(24,586,763)	3,138,021
Total comprehensive loss for the quarter ended September 30, 2018							
Loss for the period	-	-	-	-	-	(3,223,720)	(3,223,720)
Other comprehensive loss for the period	-	-	-	(34,561)	-	-	(34,561)
Total comprehensive loss for the period	-	-	-	(34,561)	-	(3,223,720)	(3,258,281)
Balance as at September 30, 2018 (Restated)	8,809,163	234,868	4,672,533	300,244	13,673,415	(27,810,483)	(120,260)
Balance as at June 30, 2019 (Audited)	8,809,163	234,868	4,672,533	199,621	21,043,031	(42,981,531)	(8,022,315)
Total comprehensive loss for the quarter ended September 30, 2019							
Loss for the period	-	-	-	-	-	(4,591,563)	(4,591,563)
Other comprehensive loss for the period	-	-	-	(29,331)	-	-	(29,331)
Total comprehensive loss for the period	-	-	-	(29,331)	-	(4,591,563)	(4,620,894)
Balance as at September 30, 2019	8,809,163	234,868	4,672,533	170,290	21,043,031	(47,573,094)	(12,643,209)

The annexed notes 1 to 34 form an integral part of this unconsolidated condensed interim financial information.

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SUI SOUTHERN GAS COMPANY LIMITED
NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

1. STATUS AND NATURE OF BUSINESS

- 1.1** Sui Southern Gas Company Limited ("the Company") is a public limited Company incorporated in Pakistan and is listed on Pakistan Stock Exchange. The main activity of the Company is transmission and distribution of natural gas in Sindh and Balochistan. The Company is also engaged in certain activities related to the gas business including the manufacturing and sale of gas meters and construction contracts for laying of pipelines.

The registered office of the Company is situated at SSGC House, Sir Shah Suleman Road, Block 14, Gulshan e Iqbal, Karachi. The Company's pipe coating plant is situated at Plot No. F-76 Site Avenue Karachi (Here 3/4", 1" & 2" pipe is coated for Distribution South Karachi) and the Company Khadeji P&C Base Camp M-9 Motorway Karachi.

The addresses of other regional offices of the Company are as follows:

<u>Region</u>	<u>Address</u>
Karachi West	Site Office, Karachi. Plot No. F/36 & F/37 Site Area Karachi.
Karachi East	Plot # 21/1, Sector 22, Korangi Industrial Area, Karachi.
Karachi	Azad Trade Center Near Civic Center Karachi.
Hyderabad	SSGC Regional Office, Opp. New Eidgah, National Highway Qasimabad, Hyderabad.
Nawabshah	SSGC Regional Office, Near Sikandar Art Gallery Housing Society, Nawabshah.
Sukkur	SSGC Regional Office, Golimar Road, SITE Area Sukkur.
Larkana	SSGC Regional Office, Near Shaikh Zaid Women Hospital, Larkana.
Quetta	SSGC Office, Samungli Road, Quetta.

1.2 Regulatory framework

Under the provisions of license given by the Oil and Gas Regulatory Authority (OGRA), the Company is provided a minimum annual return before taxation of 17.43% per annum of the net average operating fixed assets (net of deferred credit) for the year, excluding financial and other non-operating expenses and non-operating income. The determination of annual required return is reviewed by OGRA, under the terms of the license for transmission, distribution and sale of natural gas, targets and parameters set by OGRA. Income earned in excess or short of the above guaranteed return is payable to or recoverable from the Government of Pakistan (GoP) and is adjusted from or to the gas development surcharge balance payable to / receivable from the GoP.

1.3 Financial Performance

During the quarter, the Company has incurred a loss after tax of Rs. 4,592 million resulting in increase in its accumulated losses to Rs. 47,573 million and diminishing equity to Rs. 12,643 million after including the impact of staggering as disclosed in note 2.2 to this unconsolidated condensed interim financial information. As at period end, current liabilities exceed its current asset by Rs. 70,758 million.

The Company's financial performance for the quarter has deteriorated mainly because of higher UFG, certain additional disallowances by OGRA on account of UFG, continued non-implementation /

disallowances by OGRA of the impact of UFG due to RLNG Volume Handling already approved by the ECC and staggering of losses due to dismissal of Company's petitions by Sindh High Court (refer note 1.4).

In order to improve the financial position and performance of the Company, the management / Board of Directors (Board) have taken / planned following steps:

- Economic Coordination Committee (ECC) in its meeting dated May 11, 2018 approved the summary submitted by the Petroleum Division under which the Company was allowed UFG based on RLNG handling basis (volumetric basis) in the sale price of RLNG in the form of distribution loss due to swapping arrangements and consumption of RLNG in its franchise area. However, in its determination on Final Revenue requirement for FY 2018-19 OGRA did not consider implementing the aforementioned decision and advised to take up the matter with SNGPL in consultation with Ministry of Energy (Petroleum Division). The Company has reiterated its earlier position of higher UFG due to RLNG and as a result OGRA has initiated a process of hiring of services of International Technical, Commercial and Management Auditors for determining actual UFG of Gas Companies in respect of Indigenous gas as well as imported RLNG. ECC also constituted a Committee comprising Secretaries, Petroleum & Finance to sort out the issue between the Company & Sui Northern Gas Pipelines limited (SNGPL).
- Government of Pakistan (Finance Division) in its letter dated July 06, 2020, GoP being majority shareholder has acknowledged the funding requirements of the Company and has shown commitment to extend all support to maintain the going concern status of the Company.
- The Company has devised a Board approved Strategy to control UFG in coming years and the same is under implementation.
- Under new tariff regime, the company will also be entitled to the guaranteed return on operating asset from 17% to 17.43% from FY 2019 for next two years.
- Banks have also waived the debt to equity covenant for financial years 2018-19 and 2019-20. However, the Company has never defaulted in payment of any installment of principal and interest thereon and some of the loans have been totally paid off to date.

Board / management believes that in view of above mentioned steps / plans, the Company's profitability and financial position will improve in the next few years.

1.4 Determination of revenue requirement

The Oil and Gas Regulatory Authority (OGRA) in its order dated December 02, 2010, and May 24, 2011, treated Royalty Income from Jamshoro Joint Venture Limited, Profit from Meter Manufacturing, Late Payment Surcharge (LPS), and Sale of Gas Condensate as operating income, which OGRA had previously allowed as non-operating income in its decision dated September 24, 2010, for the year ended June 30, 2010. OGRA also in its aforesaid decision reduced benchmark of the allowable Unaccounted for Gas (UFG) from 7% to 4.25% - 5%.

Being aggrieved by the above decision, the Company had filed an appeal against the decision of OGRA in the High Court of Sindh ("the Court"), on which the Court provided interim relief, whereby, OGRA was directed to determine the revenue requirements on the same principles as per its decision of September 24, 2010, pertaining to FY 2010 till final decision of the Court. However, with regard to UFG benchmark,

OGRA was directed to carry out an impact assessment study and submit its report to the Court. Afterwards, management estimated the revenue requirement of the Company for the financial years 2011 to 2015 based on the interim relief of the Court, and OGRA also accepted position taken up by the Company for the said financial years, subject to the final decision of the Court.

On November 25, 2016, the Sindh High Court dismissed the Company's petitions through its judgement. Consequently, OGRA in its decision dated December 22, 2016 and October 26, 2017 for determination of FRR for FY 2016 and 2017 respectively allowed UFG at 4.5% and treated Royalty Income from Jamshoro Joint Venture Limited, Profit from Meter Manufacturing, Late Payment Surcharge, and Sale of Gas Condensate as operating income. The Company has filed civil petition for leave to appeal in the Supreme Court of Pakistan on January 25, 2017, against the abovementioned Sindh High Court judgement. But the management has considered OGRA's decision in preparation of this unconsolidated condensed interim financial information for the quarter ended September 30, 2019.

2 BASIS FOR PREPARATION

2.1 Statement of compliance

The unconsolidated condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34, "Interim Financial Reporting" and the provisions and directives issued under the Companies Act, 2017. In case where the requirements differ, the provisions of and directives issued under the Companies Act, 2017 shall prevail. For the determination of Gas Development Surcharge, the directives of OGRA and the OGRA Ordinance, 2002 have been followed. Moreover, Gas Development Surcharge recorded in this unconsolidated condensed interim financial information is based on FRR determined by OGRA for the financial year ended June 30, 2019. However, in this unconsolidated condensed interim financial information, exceptional UFG disallowances made in DFRR for FY 2018-19 pertaining to internal consumption, UFG on transmission and distribution (RLNG), OGRA disallowed Line pack as well as Loss due to sabotage have not been followed which have been re-claimed and expected to be allowed in the decision on Motion for Review (MFR) Petition already filed and also reclaimed in FRR petition for FY 2019-20.

This unconsolidated condensed interim financial information does not include all information required for annual audited unconsolidated financial statements and should be read in conjunction with the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2019.

2.2 Staggering of Losses arising due to Sindh High Court decision

As disclosed in note 1.4, OGRA has disallowed certain expenses for the years ended 2011 to 2015. Consequently, management had approached Securities and Exchange Commission of Pakistan (SECP) through its letter dated December 14, 2016 to allow staggered recognition of the disallowed expenses of Rs. 36,718 million in 3 years. The permission from SECP was sought based on the grounds that recognition of such disallowances in one year will reflect very adverse results and financial position of the Company, considering that OGRA's determination of some significant aspects of revenue requirements are provisional and are likely to be revised.

Accordingly, SECP through its letter dated December 20, 2016 has granted permission to stagger disallowed expense in the audited unconsolidated financial statements for the years ended June 30, 2016 and 2017 subject to the conditions that disallowed expense will be staggered on equal basis, facts and circumstances are adequately disclosed and compliance with the disclosure requirement of IFRSs for departing with IFRSs.

Based on above 50% impact (Rs. 18,359 million) of the decision of Sindh High Court for financial years 2011 to 2015 was accounted for in FY 2015-16. The remaining Rs. 18,359 million was required to be accounted for in FY 2016-17. However, considering financial position of the Company and the fact that the loss of Rs. 36,718 million pertains to 5 financial years, a summary was moved by Ministry of Energy (Petroleum Division) to Economic Coordination Committee (ECC) for allowing staggering of Rs. 18,359 million in five years. The ECC approved the summary through letter dated May 31, 2018 advising SECP to allow staggering of remaining Rs. 18,359 million in five years. The Company approached SECP after considering ECC decision, who through its letter dated June 27, 2018 advised the board to make the necessary decision to present a true and fair view of the Company's financial position and performance. Based on the letter received from SECP, the OGRA, in its decision dated December 24, 2018, endorsed the staggering of remaining Rs. 18,359 million over a period of five years (FY 2016-17 to FY 2020-21) and the same practice was carried out till FY 2018-19. However management has decided to record remaining balance of staggering i.e Rs 7,344 million in FY 2019-20 which has been proportionally (Rs.1,836 million) accounted for in this unconsolidated condensed interim financial information.

Further, the OGRA, in its decision dated December 24, 2018 also directed the Company to review its dividend payout policy for future year till such time the above adjustment impact is dispelled.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation applied for the preparation of this unconsolidated condensed interim financial information are the same as those applied in preparation of the annual unconsolidated audited financial statements of the Company for the year ended June 30, 2019 except for the following:

IFRS 16 : "Leases"

The Company has adopted IFRS 16: "Leases", which replaces IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains Lease', SIC-15 'Operating Lease - Incentive' and SIC-27 'Evaluating the substance of transaction involving the legal form of Lease'.

IFRS 16 introduced a single, on balance sheet lease accounting model for leases. 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 IAS -17 standard i.e. lessors continue to classify leases as finance or operating lease.

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

The Company has applied IFRS 16 for the first time as of July 01, 2019 using the cumulative catch-up approach in accordance with the transition provisions set out in IFRS 16. This approach allows the application of IFRS 16 retrospectively without restating the prior-years figures while accounting for the aggregate amount of any transition effects by way of an adjustment to equity and presenting the comparative period in line with previous rules.

The following summary reconciles the Company's operating lease commitments to the lease liability recognized on initial application of IFRS 16 at July 01, 2019.

	(Rs '000)
Lease liability recognized at July 01, 2019	334,617

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 statements of financial position as at September 30, 2019

	(Rs '000)
Increase in right of use assets	347,263
Decrease in prepayments - prepaid rent	(12,646)
Increase in total assets	<u>334,617</u>
Increase in lease liability	<u>(334,617)</u>
Decrease in net assets	<u><u>-</u></u>

Impact on profit or loss

The Company operates under fixed tariff regime, therefore, adoption of IFRS 16 has no impact on the Company's profitability as the impact is considered as a pass through item.

IFRS 14: "Regulatory Deferral Account"

IFRS 14 'Regulatory Deferral Accounts' effective for annual periods beginning on or after July 01, 2019. IFRS 14 is intended to encourage rate-regulated entities to adopt IFRS while bridging the gap with similar entities that already apply IFRS, but which do not recognize regulatory deferral accounts. This would be achieved by requiring separate presentation of the regulatory deferral account balances (and movements in these balances) in the statement of financial position, statement of profit or loss and statement of comprehensive income. Further, the Standard also requires to disclose multiple earnings per share. However, considering Company's Regulator Deferral amount as part of Circular Debt an application for exemption from implementation of International Financial Reporting Standard (IFRS) 14- Regulatory Deferral Accounts has been submitted with SECP. Accordingly, no such requirements of IFRS 14 has been followed in the preparation of this unconsolidated condensed interim financial information.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of unconsolidated condensed interim financial information in conformity with the approved accounting standards, as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of policies and the reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates. The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited unconsolidated financial statements for the year ended June 30, 2019. Further, the charge in respect of staff retirement benefits has been recognised on the basis of actuarial's projection for the ensuing year; hence it does not include consideration for actuarial gains / losses which will be determined at the year end.

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. However, it does not change the requirements regarding which items should be measured or disclosed at fair value. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. The application of this standard does not have an impact on this unconsolidated condensed interim financial information except certain additional disclosures as given in note 31 to this unconsolidated condensed interim financial information.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited unconsolidated financial statements as at and for the year ended June 30, 2019.

6. PROPERTY, PLANT AND EQUIPMENT

September 30, June 30,
2019 2019
(Un-audited) (Audited)
----- (Rupees in '000) -----

Operating assets	117,922,570	118,193,544
Capital work-in-progress	12,706,290	11,526,948
	<u>130,628,860</u>	<u>129,720,492</u>

Details of additions and disposals of property, plant and equipment are as follows:

	September 30, 2019		September 30, 2018
		(Un-audited)	
		----- (Rupees in '000) -----	
	Cost of additions / transfers from CWIP	Written down value of (transfers / disposals)	Cost of additions / transfers from CWIP
		value of (transfers / disposals)	value of (transfers / disposals)
Operating assets			
Buildings on leasehold land	76,904	-	5,415
Gas distribution system	898,903	-	1,329,933
Gas transmission pipelines	546,601	-	1,644,679
Telecommunication	-	-	2,957
Plant and machinery	42,776	(348)	15,337
Tools and equipment	3,828	-	7,524
Motor vehicles	42,689	(11,216)	83,650
Furniture and fixtures	12,088	-	1,000
Office equipment	1,138	-	12,824
Computers and ancillary equipments	49,926	(17)	-
Construction equipment	-	(51)	595
Compressor	113,295	-	14,067
	<u>1,788,148</u>	<u>(11,632)</u>	<u>3,117,981</u>
			<u>(9,969)</u>
	Capital expenditure incurred	Transfer to operating assets	Capital expenditure incurred
			Transfer to operating assets
Capital work in progress:			
Projects:			
- Gas distribution system	1,428,241	(898,903)	1,394,003
- Gas transmission system	94,224	(546,601)	190,417
- Cost of buildings under construction and others	14,067	(76,904)	11,737
	<u>1,536,532</u>	<u>(1,522,408)</u>	<u>1,596,157</u>
			<u>(2,980,027)</u>

During the period, there has been net increase in respect of stores and spares held for capital projects and others amounting to Rs. 1,152 million (September 30, 2018: Decrease of Rs. 163 million).

- 7 As at September 30, 2019, the Company has aggregate deferred tax asset on deductible temporary differences amounting to Rs. 29,988 million (June 30, 2019: Rs. 29,312 million) out of which deferred tax asset amounting to Rs.15,121 million has been recognised and remaining balance of Rs 14,867 million is unrecognised. As at period end, the Company's minimum tax credit amounted to Rs.2,968 million (June 30, 2019: Rs. 2,813 million) having expiry period ranging between 2022 and 2024.

		September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
8	RIGHT OF USE ASSETS	Note	------(Rupees in '000)-----
	Opening balance	-	-
	Impact on application of IFRS 16	347,263	-
	Additions during the year	-	-
		<u>347,263</u>	<u>-</u>
	Movement during the year		
	Additions	-	-
	Less: depreciation charge for the year	8.1 31,579	-
	Ending balance	<u>31,579</u>	<u>-</u>
	Cost	347,263	-
	Accumulated depreciation	<u>(31,579)</u>	<u>-</u>
	Net book value	<u>315,684</u>	<u>-</u>

- 8.1 The rate of depreciation is based on the term of the respective agreement and ranges from 33% to 40% per annum.

9 LONG TERM INVESTMENTS

Investment in related parties	1,148,714	1,167,762
Other investments	<u>58,104</u>	<u>68,387</u>
	<u>1,206,818</u>	<u>1,236,149</u>

10. TRADE DEBTS

secured	24,775,425	26,903,030
unsecured	<u>81,689,800</u>	<u>72,886,457</u>
	106,465,225	99,789,487
Provision against financial assets	<u>(15,958,040)</u>	<u>(15,632,602)</u>
	<u>90,507,185</u>	<u>84,156,885</u>

- 10.1 As K-Electric Limited (KE) has been defaulting and not making payment of Late Payment Surcharge (LPS) and the Company filed a suit in the High Court of Sindh in November 2012, for recovery of its aggregate claim, the Company effective from July 01, 2012 decided to account for LPS from KE on receipt basis as per IFRS 15 "Revenue from Contract with Customers" based on opinion from Firms of Chartered Accountants.

In accordance with the revised accounting treatment, the trade debts includes Rs. 33,344 million (June 30, 2019: Rs. 32,888 million) as at September 30, 2019 receivables from KE against sale of indigenous gas.

Out of this, Rs. 29,652 million (June 30, 2019: Rs. 29,652 million) are overdue. However, the aggregate legal claim of the Company from KE amounts to Rs. 104,546 million (June 30, 2019: Rs. 100,319 million). This amount has been arrived at as per the practice of the Company to charge LPS to customers who do not make timely payments.

Considering that the Company has valid legal claim for recovery of LPS together with outstanding principal amount, the Company filed the aforementioned suit against KE amounting to Rs. 55,705 million. The above suit has been filed based on the following grounds:

- As per the agreement dated June 30, 2009 which was entered between the Company and KE for making outstanding payment in 18 installments, the Company was entitled to charge LPS on outstanding principal amount at rate of:
 - a. Highest OD rate being paid by the Company or;
 - b. Highest rate at which interest is payable on gas producer bills.
- As per the above agreement and as per the audited financial statements of KE as at June 30, 2010, KE, itself, acknowledged and recognized LPS till June 30, 2010, in its books of account which confirm management's assertion that the Company has legal claim over KE for charging of LPS.

KE also filed case against the Company in the High Court of Sindh for recovery of damages / losses of Rs. 61,614 million as KE claimed that the Company had not supplied the committed quantity of natural gas to KE. However, the legal counsel of the Company is of the view that claim of KE is not valid and is not as per terms of the agreement where it was agreed that the Company would make excess supply of natural gas if KE would make timely payments. As KE defaulted on many instances in making payments on due dates, the Company was not bound to supply excess quantity of natural gas as per terms of the agreement.

Management has consulted with its legal counsel, who is of the view that the Company has a strong case over recovery of the outstanding amount due to which management considers outstanding balance good and recoverable. The legal counsel is also of the opinion that the Company has a good claim over LPS on outstanding balance, but considering that the matter is in dispute, as discussed above, the Company has decided to recognize LPS from KE when either such claimed amounts are recovered or when these are decreed and their recovery is assured.

In March, 2014, management signed a payment plan with KE in order to streamline the payment modalities in relation to current monthly bills and old outstanding principal amount, in which the issue of LPS was not addressed. The plan expired on March 31, 2015, and first addendum was included to the original payment plan effective from April 1, 2015 till March 31, 2016. Upon expiry, the second addendum was included to the original payment plan on June 18, 2016 effective from April 1, 2016 till March 31, 2017. Currently, management is in a process to negotiate payment plan, which has not been finalised till the issue of this unconsolidated condensed interim financial information but the supply of gas and payment is continuing as per old plan.

It has been agreed during various meetings with KE and the Company to appoint a firm of Chartered Accountants to reconcile the balances appearing in their respective books which is still pending. Subsequent to period end, term of reference has been signed and shared with KE however no response has been received from KE.

- 10.2** As Pakistan Steel Mills Corporation (Private) Limited (PSML) has been defaulting and not making payment of Late Payment Surcharge (LPS), the Company effective from July 01, 2012 decided to account for LPS from PSML on receipt basis as per IFRS 15 "Revenue from Contract with Customers" based on opinion from Firms of Chartered Accountants.

In accordance with the revised accounting treatment, the trade debts includes Rs. 23,912 million (June 30, 2019: Rs. 23,661 million) including overdue balance of Rs. 22,999 million (June 30, 2019: Rs. 23,598 million) receivable from PSML. However, the aggregate legal claim of the Company from PSML amounts to Rs. 62,868 million (June 30, 2019: Rs. 61,217 million). This amount has been arrived at as per the practice of the Company to charge LPS to customers who do not make timely payments.

The Company filed a suit in the High Court of Sindh in April 2016, for recovery of its aggregate claim amounting to Rs. 41,354 million balance upto February 2016, along with LPS. On April 6, 2016, the High Court of Sindh passed an order restraining PSML from creating any third party interest in relation to its assets including but not limited to immovable assets owned by it.

PSML has filed its counter claim approximately of Rs. 38,660 million on account of losses due to low gas pressure provided to PSML from March 2015 to December 2016. Legal counsel of the Company is of the view that due to vagaries of litigation nothing could be expressed with any degree of certainty in the contested matters.

Although PSML's financial position is adverse, and it has no capacity to repay its obligations on its own, management is confident that the entire amount will be ultimately recovered because PSML is a government-owned entity and is continuously being supported by the Government of Pakistan.

		September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
	Note	------(Rupees in '000)-----	
11. INTEREST ACCRUED			
Interest accrued on late payment of bills / invoices from:			
- WAPDA		3,912,818	3,741,367
- SNGPL		7,832,801	7,546,501
- JJVL		578,798	578,798
		<u>12,324,418</u>	<u>11,866,666</u>
Interest accrued on sales tax refund		487,739	487,739
Interest accrued on loan to related party	11.1.	<u>906,995</u>	<u>868,410</u>
		<u>13,719,152</u>	<u>13,222,815</u>
Provision against impaired accrued income		<u>(112,400)</u>	<u>(112,400)</u>
		<u>13,606,752</u>	<u>13,110,415</u>

- 11.1** This amount represents interest accrued on amount due from SSGC LPG (Private) Limited (a wholly owned subsidiary). The amount includes interest accrued on a short term loan amounting to Rs. 871 million (June 30, 2019: Rs. 832 million) and interest accrued on late payment of bills against sale of LPG amounting to Rs. 36 million (June 30,2019: Rs. 36 million).

		September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
		------(Rupees in '000)-----	
12. OTHER RECEIVABLES	Note		
Gas development surcharge receivable from GoP	12.1	141,035,385	140,160,555
Receivable from SNGPL for differential tariff		322,207	-
Receivable from HCPCL	12.2	4,157,839	4,157,839
Staff pension fund		-	7,133
Receivable for sale of gas condensate		42,949	42,107
Sui Northern Gas Pipelines Limited	12.3	78,863,496	71,884,848
Jamshoro Joint Venture Limited	12.4&12.5	11,616,486	11,530,044
SSGC LPG (Private) Limited		30,328	30,129
Sales tax receivable	12.6	47,202,653	46,812,396
Sindh sales tax receivable		112,976	112,976
Receivable against asset contribution	12.7	433,389	451,011
Miscellaneous receivable		95,151	90,946
		<u>283,912,859</u>	<u>275,279,984</u>
Provision against other receivables		<u>(2,586,874)</u>	<u>(2,586,874)</u>
		<u>281,325,985</u>	<u>272,693,110</u>

12.1 Gas Development Surcharge

Opening balance	140,160,555	53,499,313
Recognized during the period	742,311	84,884,740
Recognized in OCI claim under IAS 19	-	1,311,533
Subsidy for LPG air mix operations	132,519	464,969
Ending balance	<u>141,035,385</u>	<u>140,160,555</u>

12.2 Receivable from Habibullah Coastal Power Company Private Limited (HCPCL)

Amount of LD Charges as per Arbitration Award	3,938,382	3,938,382
Subsequent LDs raised by HCPCL on Award Principle	219,457	219,457
Total Receivable	<u>4,157,839</u>	<u>4,157,839</u>

12.2.1 HCPCL initiated arbitral proceedings on November 30, 2015 in the International Chamber of Commerce Singapore (ICC) against the Company on account of short / non-supply of contractual gas volumes and disputed compounding of interest i.e. Late Payment Surcharge on gas bills thereon for the period from January 2009 to March 2017.

On April 30, 2018, ICC issued decision in favor of HCPCL and the Company was made liable to make payment to HCPCL as a final reward in the form of indemnity, liquidated damages (LD), interest on LD and legal and professional charges. The said final reward was adjusted by HCPCL against running gas bills issued by the Company.

Earlier in January 2018, the Company approached Ministry of Energy (Petroleum Division) regarding waiver of LDs claimed by WAPDA / CCPA-G from HCPCL against non-supply of Electricity to WAPDA which was being passed to the Company by HCPCL.

The matter was submitted to Economic Coordination Committee of the Cabinet (ECC) for consideration and ECC in its meeting held on February 07, 2018 approved in principle, the proposal regarding waiver of LDs with the direction to Petroleum Division to work out modalities in consultation with stakeholders.

LDs adjusted by HCPCL against running gas bills are recoverable from HCPCL as per ECC aforementioned decision amounting to Rs. 3,626 million for the Award Period along with LPS amounting to Rs. 312 million and further LDs deducted by HCPCL following Award principles amounting to Rs. 162 million and Rs. 58 million upto June 30, 2018 and for the year ended June 30, 2019 respectively.

The 20 years GSA with HCPCL expired in September 2019. Prior to the expiry of GSA, MOE communicated the Company to continue supplying gas to HCPCL in order to avoid suspension of electricity to national grid. In the month of October 2019, HCPCL carried out a set off of Rs. 586.5 million from the Company's outstanding bills on account of LDs imposed by WAPDA after the expiry of gas allocation on December 31, 2018. The Company disconnected gas supply to HCPCL on October 3, 2019. Subsequently the Company opted for encashment of HCPCL Bank Guarantees to recover outstanding recoverables. In response, HCPCL filed Suit 1570 of 2019 against the Company and obtained stay from the honorable High Court of Sindh against encashment of Bank Guarantees. HCPCL is in negotiations with the Company to finalize the modalities under ECC decision for waiver of LDs and sign a new GSA to resume gas supply.

		September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
12.3	Receivable balance from SNGPL comprises of the following:	Note	------(Rupees in '000)-----
	Uniform cost of gas		15,818,845
	Lease rentals		306,447
	Contingent rent		3,535
	LSA Margins		2,141,778
	Capacity and utilisation charges of RLNG	12.3.1	38,131,587
	RLNG transportation income		22,461,304
			<u>78,863,496</u>
			<u>15,818,845</u>

12.3.1 The Company has invoiced an amount of Rs. 76,342 million, including Sindh Sales Tax of Rs. 8,926 million, till September 30, 2019 to SNGPL in respect of capacity and utilization charges (terminal charges), LSA margins and transportation charges relating to RLNG.

SNGPL has disputed the terminal charges that have not been allowed to it by OGRA, terminal charges of a third party i.e. Pak-Arab Fertilizer Company Limited (PAFCL) and terminal charges with respect to those quantities which were not supplied to SNGPL. SNGPL is of the view that it will only pay terminal charges as per OGRA Notification and for those quantities which are actually supplied to SNGPL and not the actual cost billed by the Company. For quantity supplied to PAFCL, PAFCL is making payment directly to the company according to the payment plan finalized in which PAFCL was required to make eight equal monthly installments of Rs. 201 million per month. Till July 2019, the Company has received all eight installments.

In June 2016, the Economic Coordination Committee (ECC) approved the policy guidelines that all charges under LSA including, but not limited to capacity and utilization charges as well as retainage are to be included at actual. OGRA in its decision dated October 7, 2016 regarding determination of RLNG price, has allowed the terminal charges at actual.

The Ministry of Energy in pursuance of the decision of ECC vide case submitted on September 03, 2015 has allocated 71 BCF RLNG volume to the Company in order to resolve the matter of short supply, with the direction to enter into an agreement with SNGPL for RLNG allocated volumes with the condition that either the Company will make payment to SNGPL for the RLNG sold in its franchise area or will return these volumes when dedicated pipeline is available.

OGRA, in its letter dated November 20, 2018, in pursuance of decision of the ECC, with the consent of SNGPL and the Company, has determined the price mechanism for purchase and sale of allocated RLNG volumes.

Based on initialed agreement between the Company and SNGPL dated January 25, 2021, SNGPL is raising invoice for RLNG volumes retained by the Company from June 01, 2020 based on RLNG reconciliation statement mutually agreed. The rate is based on OGRA decision dated November 20, 2018. SNGPL has started payments of such invoices issued by the Company from June 2020 onwards on monthly basis.

- 12.4** This include amount receivable in respect of royalty income, sale of liquefied petroleum gas, sale of natural gas liquids, Federal Excise Duty and Sindh Sales Tax on Franchise Services.

As at period end, amount payable to JJVL is Rs. 8,528 million (June 30, 2019: Rs. 8,528 million) in respect of processing charges is disclosed in note 17 in this unconsolidated condensed interim financial information.

- 12.5** During the year 2013-14, the Supreme Court of Pakistan (SCP) passed an order dated December 04, 2013 with respect to the Constitution Petition No. 5 of 2011 and Human Rights Case No.15744 - P of 2009, whereby the Implementation Agreement of Badin gas field dated August 12, 2003 signed between the Company and Jamshoro Joint Venture Limited (JJVL) was declared void from the date of its inception. The SCP constituted a committee to calculate royalty payments (on the LPG extracted to date) on the basis of the Saudi Aramco reference price plus freight charges instead of the "Reference Price" for the full period during which the Implementation Agreement had been operational. However, the freight amount is yet to be finalized for which the SCP has appointed an Advocate Supreme Court to determine the matter and accordingly the same has been submitted by him.

As per SCP order dated June 13, 2018 a firm of chartered accountants was appointed to determine the receivable / payable from / to JJVL wherein freight matter was also included and the report has been submitted by the firm. However the freight matter is still pending and the SCP will settle the same and an appropriate order shall be passed in this respect. As per SCP order dated January 9, 2019, in respect of freight matter charges, SCP directed JJVL to deposit Rs. 249 million as JJVL's admitted liability for freight charges for the period 2005-2013. The Company has received such amount as directed by SCP on February 24, 2020 and further amount in this respect will be determined / settled by SCP in due course.

- 12.6** Sales tax refunds arise due to uniform purchase price adjustment with SNGPL and zero rating of sales tax on gas sales for various industries. Sales Tax refunds are processed through FBR's Sales Tax Automated

Refund Repository (STARR) system. Due to several snags in the functioning of STARR, valid input sales tax claims of the Company are deferred. Realizing the problems of STARR, in August 2010, dispensation from processing of sales tax refunds through the STARR system was allowed by FBR through a letter and substantial refunds were released after issuance of this letter under corporate guarantee (subject to post refund audit). However, above said dispensation was also withdrawn by FBR in May 2012. After withdrawal of said dispensation, the deferred refunds are issued to the Company on the basis of manual verification of documents (third party vendor sales tax returns) by tax authorities. The management is making vigorous efforts for realization of these refunds. Subsequent to the period end, the Company has made extensive efforts and accordingly refunds of around Rs. 11,900 million were released.

- 12.7 This represents receivable from Mari Petroleum Company Limited, Spud Energy Pty Limited, PKP Exploration Limited and Government Holdings (Private) Limited (referred as BJV); in respect of Zarghun gas transmission pipeline under pipeline contribution agreement. The receivable has been recognised using discounted cashflow technique.

	September 30,	June 30,
	2019	2019
	(Un-audited)	(Audited)
Note	------(Rupees in '000)-----	

13. LONG-TERM FINANCE

Secured

Loans from banking companies	13.1&13.2	44,408,355	45,786,848
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Unsecured

Front end fee of foreign currency loan	23,950	23,950
Customer finance	188,211	194,464
Government of Sindh loans	756,245	752,086
	968,406	970,500
Subtotal	45,376,761	46,757,348

Less: current portion shown under current liabilities

Loans from banking companies	(8,395,000)	(9,625,000)
Customer finance	(25,449)	(26,138)
Government of Sindh loans	(186,667)	(186,667)
	(8,607,116)	(9,837,805)
	36,769,645	36,919,543

- 13.1 A long term finance facility amounting to Rs. 15,000 million was sanctioned in October 2015 from a syndicate of banks. During the period, repayment of Rs. 1500 million has been made.
- 13.2 A long term finance facility amounting to Rs. 39,800 million was sanctioned in May 2016 from a syndicate of banks. As at September 30, 2019 the Company has utilised Rs. 34,200 million out of the total sanctioned amount. During the period repayment of Rs. 275 million has been made. The financial arrangements have been secured by GoP guarantee and ranking charge created by way of hypothecation over all present and future movable fixed Regasified Liquefied Natural Gas assets of the Company including but not limited to compressor stations, transmission pipelines, distribution pipelines, pipeline construction machinery and equipments.

14. DEFERRED CREDIT

September 30, June 30,
2019 2019
(Un-audited) (Audited)
Note -----(Rupees in '000)-----

Government of Pakistan contributions / grants

Opening Balance	3,064,028	3,285,092
Additions / adjustments during the year	3,182	89,596
Transferred to unconsolidated statement of profit or loss	(62,186)	(310,660)
Ending balance	3,005,024	3,064,028

Government of Sindh (Conversion of loan into grant)

Opening Balance	2,025,211	2,133,559
Additions during the year	(23)	6,367
Transferred to unconsolidated statement of profit or loss	(28,690)	(114,715)
Ending balance	1,996,498	2,025,211

Government of Sindh grants

Opening Balance	149,967	173,218
Transferred to unconsolidated statement of profit or loss 14.1&14.2	(5,228)	(23,251)
Ending balance	144,739	149,967
	5,146,261	5,239,206
Less: Current portion of deferred credit	(384,415)	(394,735)
	<u>4,761,846</u>	<u>4,844,471</u>

14.1. This represents amount received from the Government of Pakistan for supply of gas to new towns and villages and is recognised as grant when the conditions specified by the Government are met and is amortised over the useful life of related projects.

14.2. Pipelines constructed / built under deferred credit arrangement are not given 17.43% minimum guaranteed return. However, Unaccounted for Gas ("UFG") losses on such pipelines are considered in the determination of the Company's guaranteed return.

15. Contract Liabilities

Contribution from customer	15.1&15.2	1,414,187	1,406,461
Advance received from customers for laying of mains, etc.		3,294,140	2,995,930
		<u>4,708,327</u>	<u>4,402,391</u>

15.1. Contribution from consumers

Opening Balance	1,573,394	1,016,899
Additions / adjustments during the year	52,752	721,747
Transferred to unconsolidated statement of profit or loss	(42,392)	(165,252)
	1,583,754	1,573,394
Less: Current portion of contributions from consumers	(169,567)	(166,933)
Ending balance	<u>1,414,187</u>	<u>1,406,461</u>

15.2 The Company has recognised the contract liabilities in respect of the amount received from the customer as contribution towards the cost of supplying and laying transmission, service and main lines.

16. SHORT TERM BORROWINGS

These represent facilities for short term running finance / short term money market loan available from various banks amounting to Rs. 25,000 million (June 30, 2019: Rs. 25,000 million) and carry mark-up ranging from 0.00% to 0.20% (June 30, 2019: 0.20%) above the average one month KIBOR. These facilities are secured by first pari passu second amendment to the joint hypothecation agreement and ranking charge over present and future stock in trade and book debts of the Company.

The aggregate unavailed short term borrowing facilities amounted to Rs.12,199 million (June 30, 2019: Rs. 8,706 million).

		September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
	Note	------(Rupees in '000)-----	
17. TRADE AND OTHER PAYABLES			
Creditors for:			
- Indegenious gas	17.1	345,294,486	332,632,340
- RLNG		56,610,274	44,018,023
		<u>401,904,760</u>	<u>376,650,363</u>
Payable to SNGPL for differential tariff		-	1,681,019
RLNG differential margin payable to GoP		11,580,836	9,305,131
Engro Elengy Terminal (Private) Limited		1,710,189	1,984,729
Accrued liabilities		3,438,225	4,240,256
Provision for compensated absences - non executives		303,441	303,441
Payable to pension		83,043	-
Payable to staff gratuity fund		4,791,663	5,091,663
Deposits / retention money		665,749	668,656
Advance for sharing right of way		18,088	18,088
Withholding tax payable		171,257	186,402
Sales tax & Federal excise duty payable		258,679	311,293
Sindh sales tax payable		109,536	131,616
Processing Charges payable to JJVL		8,528,447	8,528,447
Gas infrastructure development cess payable		7,291,564	7,338,595
Unclaimed Term Finance Certificate redemption profit		1,800	1,800
Workers's profit participation fund		174,515	174,515
Others		982,047	992,576
		<u>442,013,839</u>	<u>417,608,590</u>

- 17.1 As at September 30, 2019, amount of Rs. 262,678 million (June 30, 2019: Rs. 241,478 million) is payable to Oil and Gas Development Company Limited, Pakistan Petroleum Limited and Government Holdings (Private) Limited in respect of gas purchases along with interest of Rs. 15,832 million (June 30, 2019: Rs. 15,832 million) on their balances which have been presented in note 18.1 to this unconsolidated condensed interim financial information.

18. INTEREST ACCRUED	Note	September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
		------(Rupees in '000)-----	
Long term financing - loans from banking companies		1,433,390	760,139
Long term deposits from customers		113,861	440,115
Short term borrowings		375,878	405,542
Late payment surcharge on processing charges		438,392	438,392
Late payment surcharge on gas development surcharge		4,826	4,826
Late payment surcharge on gas supplies	18.1.	15,832,411	15,832,411
		<u>18,198,758</u>	<u>17,881,425</u>

- 18.1 As disclosed in note 10.1 and 10.2, effective from July 1, 2012, the Company has been accounting for LPS from KE and PSML on receipt basis as per IFRS 15 "Revenue from Contract with Customers" based on opinion from firms of Chartered Accountants.. However, the Company continued recognition of the LPS expense payable on outstanding payables of the Government Controlled E & P Companies i.e. Oil and Gas Development Company Limited (OGDCL), Pakistan Petroleum Limited (PPL) and Government Holding (Private) Limited (GHPL) to comply with the requirements of the accounting standards, as such standards do not allow the Company to offset its LPS income against the mark-up expense in absence of legal right of set off, despite the fact that the Company has never paid such LPS to Government Controlled E&P Companies. Therefore, the management approached MP & NR through its letter dated September 1, 2016 to allow similar treatment of its LPS payable to the Government Controlled E&P Companies due to special and unusual circumstances arising from circular debt. The Company's request was also based on, besides the unique situation of circular debt, past settlement record on net basis which was approved by ECC in 2001 and the fact that OGDCL, PPL and GHPL have adopted the accounting policy whereby such LPS incomes will be recorded in their financial statements only when the same are received.

In response to the Company's above request, the MP & NR vide their letter dated January 3, 2017 has supported the contention of the Company that it will not recognize LPS expense payable to the Government Controlled E & P Companies (OGDCL, PPL and GHPL), effective from July 1, 2012, till the time Company receives payment for LPS income from KE and PSML and it would be settled simultaneously subject to fulfillment of all the codal formalities. Based on the letter received from MP & NR, and the legal opinion, the Company has reversed the LPS expense on delayed payments on gas supplies effective from July 1, 2012. Further it has been decided that the Company will record and pay such expense in the period only when it receives LPS income from KE and PSML.

Had the management not reversed the LPS expense payable from July 1, 2012 to June 30, 2016 of Rs. 26,222 million and recorded LPS expense for the year ended June 30, 2017; June 30, 2018; June 30, 2019 and for the period ended September 30, 2019 amounting to Rs. 7,569 million; Rs. 7,477 million; Rs. 10,525 and Rs. 4,265 million respectively on outstanding payables to Government Controlled E&P

Companies, the effect on this unconsolidated condensed interim financial information would be as follows:

(Rupees in million)

- Increase in loss before tax	4,265
- Increase in loss after tax / accumulated loss	3,028
- Increase in loss per share - rupees	3.44
 - increase in accumulated losses	 56,058
- Increase trade payables	56,058
- Increase deferred tax liability	17,270

19. CONTINGENCIES AND COMMITMENTS

September 30, 2019	June 30, 2019
(Un-audited)	(Audited)
----- (Rupees in '000)-----	----- (Rupees in '000)-----

19.1 Commitments for capital and other expenditures	5,354,448	5,279,534
19.2 Guarantees issued on behalf of the Company	5,409,337	5,377,792

- 19.3 Jamshoro Power Company Limited [(JPCL) WAPDA] has lodged claims against the Company amounting to Rs. 144,120 million (June 30, 2019: Rs. 144,120 million) for short supply of gas under the provisions of an agreement dated April 10, 1995, between the Company and JPCL. JPCL has raised another claim of Rs. 5.793 million (June 30, 2019: Rs. 5.793 million) for the alleged low Gas Calorific Value (GCV) measurement for the period from January 2002 to December 2002 and for the month of February 2003 as compared to the actual GCV billed by the Company. The MP & NR vide its letter dated April 24, 2017, has also directed that the outstanding issues pertaining to the claims by JPCL be resolved and has proposed that a committee be constituted comprising of members from two companies and the concerned ministries to resolve the matter as it involves parties who represent / relate to Government of Pakistan.

In respect of JPCL major claim i.e. on account of short supply of gas following clause of the agreement is important which does not support JPCL claim.

“Subject to availability and the terms and conditions specified herein the Company agrees to sell and deliver to the customer and the customer agrees to buy and accept a quantity of not less than 62 MMCF of Quality Natural Gas per day at its power station at Jamshoro”.

It is evident from foregoing clause of the agreement, that JPCL has raised a claim not supported by the agreement and that the supply of gas to the customer was subject to the availability and it is/was not any firm commitment on the part of the Company.

No provision has been made against the said claims, as management is confident that ultimately these claims will not be payable. Further, management believes that in case matter is decided against the Company, the entire amount will be claimed from the OGRA in the determination of revenue requirements of the Company.

- 19.4** As disclosed in note 18.1, the management has reversed LPS expense with effect from July 01, 2012 to June 30, 2016 amounting to Rs. 26,222 million on Government Controlled E&P Companies liabilities and has not recorded LPS expense for the year ended June 30, 2017, June 30, 2018, June 30, 2019 and for the quarter ended September 30, 2019 amounting to Rs. 7,569 million, Rs. 7,477 million, Rs. 10,525 million and Rs.4,265 million in this unconsolidated condensed interim financial information. The Company will record and pay such LPS expense in the period only when it receives LPS income on amount receivable from KE and PSML.
- 19.5** Arbitration proceedings between JJVL and the Company has been initiated under the Pakistan Arbitration Act 1940 to settle the outstanding disputes between the parties. Accordingly, both the parties have appointed their respective arbitrators and filed their respective claims.

Supreme Court of Pakistan (SCP) through its decision dated June 13, 2018 upheld the termination by the Company and stated that the termination was validly done and the Company was within its legal and contractual right to do so and appointed a firm of Chartered Accountant to conduct a complete audit of JJVL within a period of two months to ascertain and determine the amount to be paid by JJVL to the Company. Based on the Court order, the Company shut down the supply of gas to JJVL plant accordingly.

Subsequently, SCP through its order dated November 16, 2018, based on the report by a firm of chartered accountants, determined that Rs. 1,500 million is the undisputed amount that shall be paid within 8 weeks by JJVL, which has been accordingly received by the Company along-with the interest accrued thereon. However, with respect to the GIDC, tax challans and other matters, SCP will settle the same and an appropriate order be passed in this regard. Management informed us that once the matter is finalized by the Court any change in receivable or payable position shall be recognized in the year in which the SCP order has been passed.

After cancellation of MoUs by SCP on June 13, 2018, JJVL submitted a proposal based on profit sharing to SCP which was forwarded to the Company by SCP. The SCP was also informed that the Company is in the process of hiring a consultant for providing professional advice on the best option available with respect to the LPG/NGL Extraction business.

The Company after concurrence of its Board informed SCP that it does not accept the proposal submitted by JJVL and asked SCP to appoint a firm of Chartered Accountants to come up with an agreement mutually beneficial for both the parties. After considering all the points, SCP appointed a third party firm of Chartered Accountants which shall deemed to be the receivers of the Court and would supervise the Project. In addition, firm is to determine an appropriate sharing arrangement for both parties which shall be final, subject to the approval of the Supreme Court of Pakistan.

Subsequently, the firm of chartered accountants after consultation with both parties came up with a mechanism of revenue sharing of 57% to the Company and 43% to JJVL on ad-hoc basis and an agreement was signed between the Company and JJVL and submitted to SCP for its approval and the same was validated by SCP in its order dated December 29, 2018. SCP also directed the Company to resume the supply of gas to JJVL plant based on the new terms provided in the agreement. The agreement is valid for 1.5 years from the date of agreement and unless renewed by the parties through mutual written consent it shall stand terminated automatically. Accordingly, in June 2020 the said agreement stands expired and since then no gas has been supplied to JJVL plant.

Moreover, the firm has to submit the 'Determination Report' as per the agreement in order to finalize the revenue sharing percentage. Accordingly, the same has been submitted by the firm to SCP in December 2020 after having inputs / working from both the parties. Currently, the matter is pending in SCP and the final Company's consideration will be subject to conclusion of this matter at SCP.

Due to the ongoing freight case hearings by SCP, the arbitration under the Pakistan Arbitration Act, 1940 as amended from time to time is currently adjourned till the final order of the SCP and all the disputed matters taken to arbitration will be finalized once the SCP passes its order.

		Quarter ended	
		September 30, 2019	September 30, 2018
		(Un-audited)	
		------(Rupees in '000)-----	
20. Sales	Note		
Gross Sales - Indigenous gas		69,335,024	42,023,552
Gross Sales - RLNG		12,849,678	13,785,092
		<u>82,184,702</u>	<u>55,808,644</u>
Sales tax - Indigenous gas		(10,343,534)	(5,657,799)
Sales tax - RLNG		(1,890,202)	(1,469,957)
		<u>(12,233,736)</u>	<u>(7,127,756)</u>
21. GAS DEVELOPMENT SURCHARGE (GDS)			
GDS recovered during the year		(945,546)	822,593
Price increase adjustment for the year		3,656,271	15,687,888
Impact of staggering		(1,835,892)	(917,946)
Subsidy for LPG air mix operations		(132,522)	(105,298)
		<u>742,311</u>	<u>15,487,237</u>
22. RLNG Differential Margins			
RLNG Differential Margin - OGRA		(2,275,705)	(1,536,700)
RLNG Differential Margin - SNGPL		2,003,226	(2,676,152)
		<u>(272,479)</u>	<u>(4,212,852)</u>
23. COST OF SALES			
Cost of gas	23.1	73,574,435	56,878,909
Transmission and distribution costs		5,430,948	4,820,899
		<u>79,005,383</u>	<u>61,699,808</u>
23.1 Cost of gas			
Opening gas in pipelines		1,214,410	689,805
RLNG Purchases		11,243,081	7,861,451
Indigenous gas purchases		63,718,097	49,627,711
		<u>76,175,588</u>	<u>58,178,967</u>
Gas consumed internally		(1,296,687)	(382,600)
Closing gas in pipelines		(1,304,466)	(917,458)
		<u>(2,601,153)</u>	<u>(1,300,058)</u>
		<u>73,574,435</u>	<u>56,878,909</u>

		Quarter ended	
		September 30, 2019	September 30, 2018
		(Un-audited)	
		----- (Rupees in '000) -----	
24. OTHER OPERATING EXPENSES	Note		
Auditors' remuneration		1,768	2,901
Sports expenses		18,792	18,154
Corporate social responsibility		10,000	1,340
Exchange loss		-	1,244,630
Provision against impaired stores and spares		1,518	10,647
Provision against impaired debt and other receivables		-	132,925
		<u>32,078</u>	<u>1,410,597</u>
25. OTHER OPERATING INCOME			
Income from financial assets			
Income for receivable against asset contribution		11,187	9,829
Interest income on loan to related party		38,585	33,737
Income from net investment in finance lease from SNGPL		9,063	11,652
Return on term deposits and profit and loss bank account		14,076	4,842
		<u>72,911</u>	<u>60,061</u>
Interest income on late payment of gas bills from			
- Jamshoro Joint Venture Limited (JJVL)		-	77,446
- Water & Power Development Authority (WAPDA)		171,451	36,089
		<u>171,451</u>	<u>113,535</u>
Dividend income		1,849	-
Income from other than financial assets			
Late payment surcharge		375,835	258,318
Sui Northern Gas Pipelines Limited (SNGPL)		286,301	280,576
Sale of gas condensate - net		(4,488)	(5,808)
Income from LPG NGL - net		(104,939)	6,944
Meter manufacturing division profit - net		3,116	1,292
Meter rentals		197,480	191,678
RLNG Transportation income		2,383,200	1,801,515
Recognition of income against deferred credit and contract liability		133,267	128,739
Income from LPG air mix distribution - net		22,007	32,172
Income from sale of tender documents		1,182	1,166
Scrap sales		1,208	24,030
Recoveries from customer		15,490	19,805
Liquidity damaged recovered		6,921	(12,920)
Gain on disposal of property, plant and equipment		40,971	23,397
Amortization of Government grant		5,228	5,830
Exchange gain		3,420,234	-
Rental income from SSGC LPG (Pvt) Limited		130	193
LSA margins against RLNG		231,175	190,181
Miscellaneous		9,155	3,465
		<u>7,269,684</u>	<u>3,124,170</u>

26. TAXATION	Quarter ended	
	September 30,	September 30,
	2019	2018
	(Un-audited)	
	----- (Rupees in '000) -----	
- Current	(586,934)	(312,488)
- Deferred	-	-
	<u>(586,934)</u>	<u>(312,488)</u>

27. ADJUSTMENTS FOR NON-CASH AND OTHER ITEMS

Provisions	833,672	733,351
Depreciation on owned assets	1,923,900	1,826,749
Depreciation on right of use assets	31,579	-
Amortization of intangibles	6,761	7,875
Finance cost	1,125,873	1,723,486
Amortization of transaction cost	5,666	11,466
Amortization of government grant	(5,228)	(5,830)
Recognition of income against deferred credit and contract liability	(131,519)	(132,732)
Dividend income	(1,849)	-
Interest income and return on term deposits	(521,600)	(442,520)
Income from net investment in finance lease	(9,063)	(11,652)
(Gain) / Loss on disposal of property plant and equipment	(40,971)	(23,397)
Decrease in long term advances	(11,079)	6,272
Decrease in deferred credit and contract liability	347,145	291,884
Decrease in obligation against pipeline	20,880	21,998
Impact of IFRS 16: Finance cost	9,137	-
	<u>3,583,304</u>	<u>4,006,949</u>

28. WORKING CAPITAL CHANGES

(Increase) / decrease in current assets

Stores and spares	135,450	157,969
Stock-in-trade	(79,895)	(330,749)
Customers' installation work-in-progress	(7,149)	(13,306)
Trade debts	(6,675,739)	1,160,480
Advances, deposits and short term prepayments	(73,090)	33,940
Other receivables	(8,640,010)	(22,655,325)
	<u>(15,340,433)</u>	<u>(21,646,991)</u>
Increase in current liabilities		
Trade and other payables	24,622,206	22,271,924
	<u>9,281,773</u>	<u>624,933</u>

29. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiary companies, associated companies due to common directorship, Government related entities, staff retirement benefits plans, directors and key management personnel (including their associates). Purchase and sale of gas from / to related parties are determined at rates finalised and notified by the Oil and Gas Regulatory Authority. Remuneration of key management personnel are in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out as per agreed terms.

The details of transactions with related parties not disclosed elsewhere in this unconsolidated condensed interim financial information are as follows:

		Quarter ended	
		September 30, 2019	September 30, 2018
		(Un-audited)	
		------(Rupees in '000)-----	
	Relationship		
* Attock Cement Limited	Associate		
- Billable charges		-	16,676
Government related entities			
- Purchase of fuel and lubricant		9,706	11,475
- Billable charges		7,986,784	6,918,233
- Income from net investment in finance lease		9,063	11,652
- Gas purchases		32,405,744	24,267,365
- Sale of gas meters		6,690	3,497
- Insurance premium		26,187	26,592
- Electricity expenses		86,588	62,721
- Interest income		457,752	316,665
- Markup expense on short term finance		36,588	1,657
- Markup expense on long term finance		181,692	120,598
- RLNG Transportation income		2,383,200	1,801,515
- LPG Purchases		79,655	-
- Income against LNG service agreement		231,175	190,181
* Habib Bank Limited	Associate		
- Profit on investment		-	245
- Markup expense on short term finance		-	77,335
- Markup expense on long term finance		-	147,399
- Billable charges		-	4,147
Key management personnel			
- Remuneration		45,212	52,914
Minto & Mirza	Associate		
- Professional charges		-	1,500

		Quarter ended	
		September 30, 2019	September 30, 2018
		(Un-audited)	
		------(Rupees in '000)-----	
Relationship			
SSGC LPG (Private) Limited	Wholly owned subsidiary		
- Interest on loan		38,585	33,737
- Reimbursement of Management Fee		-	3,955
- Rental Income		130	193
Staff retirement benefit plans	Associate		
- Contribution to provident fund		92,224	85,821
- Contribution to pension fund		198,856	228,755
- Contribution to gratuity fund		78,863	134,397
* Thatta Cement Company Limited	Associate		
- Gas sales		-	851
* Petroleum Institute of Pakistan	Associate		
- Subscription/Contribution		-	980
* Current period transactions with these parties have not been disclosed as they did not remain related parties during the period.			

29.1. Sale of gas meters is made at cost plus method. The Company is the only manufacturer of gas meters in the country.

29.2. Contribution to the defined contribution and benefit plans are in accordance with the terms of the entitlement of the employees and / or actuarial advice.

29.3. Remuneration to the executive officers of the Company and loans and advances to them are determined in accordance with the terms of their employment. Mark-up free security deposits for gas connections to the executive staff of the Company is received at rates prescribed by the Government of Pakistan.

29.4. Amount (due to) / receivable from / investment in related parties

The details of amount due with related parties not disclosed elsewhere in this unconsolidated condensed interim financial information are as follows:

		September 30, 2019	June 30, 2019
		(Unaudited)	(Audited)
		------(Rupees in '000)-----	
Relationship			
Government related entities - various			
- Billable charges		63,622,683	62,745,107
- Mark up accrued on borrowings		(6,657,332)	(5,158,965)

	September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	----- (Rupees in '000) -----	
Relationship		
Government related entities - various		
- Net investment in finance lease	306,446	224,440
- Gas purchases	269,747,035	247,927,553
- Gas meters & Spare Parts	573,248	360,181
- Uniform cost of gas	15,818,846	15,818,845
- Cash at bank	30,431	5,527
- Stock Loan	4,912	4,912
- Payable to insurance	(475,517)	(475,580)
- Gas supply deposit	(51,283)	(43,392)
- Interest expense accrued - Late payment surcharge on gas supplies	(15,832,411)	(15,832,411)
- Interest income accrued - late payment on gas bills	11,745,620	11,287,868
- Professional Charges	57	57
- Contingent rent	3,535	3,535
- Capacity and utilisation charges of RLNG	38,131,587	33,298,113
- RLNG Transportation Income	22,461,304	20,642,231
- LSA Margins	2,141,778	1,897,684
- LPG Purchases	(37,847)	-
- Advance for Sharing Right of Way	(18,088)	(18,088)
SSGC LPG (Private) Limited		
	Wholly owned subsidiary	
- Long term investment	1,000,000	1,000,000
- Short term loan	1,535,103	1,535,103
- Interest on loan	906,995	868,410
- LPG Sales	5,698	5,698
- Rental Income receivable	847	649
- Receivable of management fee	23,782	23,782

30. OPERATING SEGMENTS

IFRS 8 -Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. As a result, management has identified the following two segments:

- 1) Gas transmission and distribution (sale of gas); and
- 2) Meter manufacturing (manufacturing and sale of gas meters).

Segment revenue and results

The following is analysis of the Company's revenue and results by reportable segment.

	Quarter ended			
	Segment revenue		Segment Profit / (loss)	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	(Un-audited)			
	----- (Rupees in '000) -----			
Gas transmission and distribution	69,950,966	48,680,888	(4,286,960)	(1,891,116)
Meter manufacturing	443,321	366,933	3,116	1,292
Total segment results	<u>70,394,287</u>	<u>49,047,821</u>	<u>(4,283,844)</u>	<u>(1,889,824)</u>
Unallocated - other expenses				
- Other operating expenses			(32,078)	(1,277,671)
Unallocated - other income				
- Non-operating income			311,293	256,263
Loss before tax			<u>(4,004,629)</u>	<u>(2,911,232)</u>

The above revenue includes sale of meters by meter manufacturing segment to gas transmission and distribution amounting to Rs. 516 million (September 30, 2018: Rs. 439 million).

Segment assets and liabilities

	September 30, 2019 (Un-audited) ------(Rupees in '000)-----	June 30, 2019 (Audited)
Segment assets		
Gas transmission and distribution	521,186,812	504,533,812
Meter manufacturing	765,836	762,427
Total segment assets	521,952,648	505,296,239
Unallocated		
- Loans and advances	2,453,546	2,368,156
- Taxation - net	18,996,623	19,532,819
- Interest accrued	487,739	487,739
- Cash and bank balances	522,716	338,294
	22,460,624	22,727,008
Total assets as per unconsolidated condensed item statement of financial position	544,413,272	528,023,247
Segments liabilities		
Gas transmission and distribution	550,756,998	529,912,584
Meter manufacturing	248,021	285,719
Total segment liabilities	551,005,019	530,198,303
Unallocated		
- Employee benefits	6,051,462	5,847,259
Total liabilities as per unconsolidated condensed item statement of financial position	557,056,481	536,045,562

31. FAIR VALUE OF MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transactions between market participants at the measurement date.

31.1. Fair value of financial instruments

Financial assets which are tradeable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

The table below analyses financial instruments carried at fair value. The different levels has been defined as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the financial assets which are carried at fair value:

As at September, 2019			
Level 1	Level 2	Level 3	Total
-----Rupees in '000-----			

Assets

Fair value through OCI Financial Assets

Quoted equity securities	206,817	-	-	206,817
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As at June 30, 2019			
Level 1	Level 2	Level 3	Total
-----Rupees in '000-----			

Assets

Fair value through OCI Financial Assets

Quoted equity securities	236,148	-	-	236,148
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The Company has not disclosed the fair values of all other financial assets and liabilities as their carrying amounts are reasonable approximation of their fair values.

31.2. Fair value of other assets

Freehold land and leasehold land are stated at revalued amount as at reporting date, the fair value hierarchy is as follows:

As at September 30, 2019	
Level 2	Fair Value
-----Rupees in '000-----	
Freehold land	10,512,545
Leasehold land	11,216,886
	<u>21,729,431</u>

As at June 30, 2019	
Level 2	Fair Value
-----Rupees in '000-----	
Freehold Land	10,512,545
Leasehold Land	11,216,886
	<u>21,729,431</u>

32. EVENTS AFTER THE REPORTING DATE

On March 11, 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, allowing easy installments to customers, facilitating continued business through social-distancing and easing pressure on credit and liquidity. Due to Covid-19, receivables increased because of easy installements provided by Government of Pakistan and similarly there was an increase shown in theft and PUG because of disclosure of disconnection activities in the areas where billing recovery is significantly low.

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

33. GENERAL

33.1 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

33.2 Corresponding figures have been rearranged and reclassified, wherever necessary.

34. DATE OF AUTHORISATION

This unconsolidated condensed interim financial information were authorised for issue in Board of Directors meeting held on 16 October, 2021.

Dr. Shamshad Akhtar
Chairperson

Imran Maniar
Managing Director

Muhammad Amin Rajput
Chief Financial Officer

**SUI SOUTHERN GAS
COMPANY LIMITED**
**CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION (UN-AUDITED)**
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

SUI SOUTHERN GAS COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

		September 30, 2019 (Un-audited) ------(Rupees in '000)-----	June 30, 2019 (Audited)
	Note		
ASSETS			
Non-current assets			
Property, plant and equipment	6	133,684,554	132,803,572
Intangible assets		23,002	29,475
Right of use assets	8	315,684	-
Deferred Tax		200,811	193,319
Long term investments	9	206,818	236,148
Net investment in finance lease		174,495	188,949
Long term loans and advances		181,597	184,039
Long-term deposits		39,249	42,596
Total non-current assets		134,826,210	133,678,098
Current assets			
Stores, spares and loose tools		2,224,490	2,365,773
Stock-in-trade		1,954,253	1,889,640
Current maturity of net investment in finance lease		57,814	57,814
Customers' installation work-in-progress		218,498	211,349
Trade debts	10	90,530,678	84,191,799
Loans and advances		736,846	651,391
Advances, deposits and short term prepayments		325,933	255,651
Interest accrued	11	12,699,757	12,242,005
Other receivables	12	281,345,942	272,723,898
Taxation - net		19,180,050	19,717,006
Other financial assets		116,000	116,000
Cash and bank balances		1,128,988	836,483
Total current assets		410,519,249	395,258,809
Total assets		545,345,459	528,936,907

The annexed 1 to 34 form an integral part of this consolidated condensed interim financial information.

Dr. Shamshad Akhtar
Chairperson

Imran Maniar
Managing Director

Muhammad Amin Rajput
Chief Financial Officer

SUI SOUTHERN GAS COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

		September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital:			
1,000,000,000 ordinary shares of Rs. 10 each		10,000,000	10,000,000
Issued, subscribed and paid-up capital		8,809,163	8,809,163
Reserves		4,907,401	4,907,401
Surplus on re-measurement of FVTOCI securities		170,290	199,621
Surplus on revaluation of property plant and equipment		21,950,532	21,950,532
Accumulated losses		(48,045,697)	(43,450,758)
Total equity		(12,208,311)	(7,584,041)
LIABILITIES			
Non-current liabilities			
Long term finance	13	36,769,645	36,919,543
Long term deposits		18,388,091	17,873,911
Employee benefits		6,082,131	5,875,230
Obligation against pipeline		865,054	879,331
Deferred credit	14	4,761,846	4,844,471
Contract liabilities	15	4,708,327	4,402,391
Lease liability		153,942	-
Long term advances		3,058,954	3,070,033
Total non-current liabilities		74,787,990	73,864,910
Current liabilities			
Current portion of long term finance	13	8,607,116	9,837,805
Short term borrowings	16	12,801,155	16,294,237
Trade and other payables	17	442,131,263	417,723,048
Short term deposits		18,591	18,407
Current portion of obligation against pipeline		55,237	54,014
Current portion of Deferred credit	14	384,415	394,735
Current portion of contract liabilities	15	169,567	166,933
Current portion lease liability		114,244	-
Unclaimed dividend		285,434	285,434
Interest accrued	18	18,198,758	17,881,425
Total current liabilities		482,765,780	462,656,038
Total liabilities		557,553,770	536,520,948
Contingencies and commitments	19		
Total equity and liabilities		545,345,459	528,936,907

The annexed 1 to 34 form an integral part of this consolidated condensed interim financial information.

Dr. Shamshad Akhtar
Chairperson

Imran Maniar
Managing Director

Muhammad Amin Rajput
Chief Financial Officer

SUI SOUTHERN GAS COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

		Quarter ended	
		September 30, 2019	September 30, 2018
		(Un-Audited)	
		------(Rupees in '000)-----	
	Note		
Sales	20	82,184,702	55,808,644
Sales tax	20	(12,233,736)	(7,127,756)
		69,950,966	48,680,888
Gas development surcharge	21	742,311	15,487,237
RLNG differential margins	22	(272,479)	(4,212,852)
		469,832	11,274,385
Net sales		70,420,798	59,955,273
Cost of sales	23	(79,005,383)	(61,703,763)
Gross Loss		(8,584,585)	(1,748,490)
Administrative and selling expenses		(1,205,692)	(1,149,173)
Other operating expenses	24	(32,241)	(1,410,822)
Impairment loss against financial assets		(325,439)	-
		(1,563,372)	(2,559,995)
		(10,147,957)	(4,308,485)
Other operating income	25	7,300,958	3,136,564
Operating Loss		(2,846,999)	(1,171,921)
Finance cost		(1,161,583)	(1,757,469)
Loss before taxation		(4,008,582)	(2,929,390)
Taxation	26	(586,357)	(315,400)
Loss for the period		(4,594,939)	(3,244,790)
Basic and diluted loss per share (Rupees)		(5.22)	(3.68)

The annexed 1 to 34 form an integral part of this consolidated condensed interim financial information.

Dr. Shamshad Akhtar
Chairperson

Imran Maniar
Managing Director

Muhammad Amin Rajput
Chief Financial Officer

SUI SOUTHERN GAS COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Quarter ended	
	September 30, 2019	September 30, 2018
	(Un-Audited)	
	----- (Rupees in '000) -----	
Loss for the period	(4,594,939)	(3,244,790)
Other comprehensive income		
Items that will not be reclassified subsequently to consolidated statement of profit or loss		
Unrealised loss on re-measurement of FVTOCI securities of available for sale securities	(29,331)	(34,560)
Total comprehensive loss for the period	<u><u>(4,624,270)</u></u>	<u><u>(3,279,350)</u></u>

The annexed 1 to 34 form an integral part of this consolidated condensed interim financial information.

Dr. Shamshad Akhtar
Chairperson

Imran Maniar
Managing Director

Muhammad Amin Rajput
Chief Financial Officer

SUI SOUTHERN GAS COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOW
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

Quarter ended
September 30, 2019 September 30, 2018
(Un-Audited)
Note ----- (Rupees in '000) -----

CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(4,008,582)	(2,929,390)
Adjustments for non-cash and other items	27	3,657,941	4,083,076
Working capital changes	28	9,318,702	705,814
Financial charges paid		(1,790,911)	(1,948,781)
Employee benefits paid		(25,551)	(28,283)
Payment for retirement benefits		(488,289)	(298,579)
Long term deposits received - net		514,180	717,356
Deposits paid-net		185	(3,193)
Loans and advances to employees - net		(85,390)	(297,880)
Interest income and return on term deposits received		932,259	750,250
Income taxes paid		(56,880)	(77,761)
Net cash generated from operating activities		7,967,664	672,629
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(2,769,670)	(1,983,200)
Payments for intangible assets		(288)	(120)
Payment for obligation against pipeline		(33,933)	(33,933)
Proceeds from sale of property, plant and equipment		52,603	33,366
Lease rental from net investment in finance lease		23,517	26,106
Dividend received		1,849	-
Net cash used in investing activities		(2,725,922)	(1,957,781)
CASH FLOW FROM FINANCING ACTIVITIES			
Repayments of local currency loans		(1,374,334)	(1,013,534)
Repayment of customer finance		(6,253)	(3,265)
Repayment of lease liability		(75,568)	-
Net cash used in financing activities		(1,456,155)	(1,016,799)
Net increase / (decrease) in cash and cash equivalents		3,785,587	(2,301,951)
Cash and cash equivalents at beginning of the period		(15,457,754)	(8,968,016)
Cash and cash equivalents at end of the period		(11,672,167)	(11,269,967)
Cash and cash equivalent comprises:			
Cash and bank balances		1,128,988	723,034
Short term borrowings		(12,801,155)	(11,993,001)
		(11,672,167)	(11,269,967)

The annexed 1 to 34 form an integral part of this consolidated condensed interim financial information.

Dr. Shamshad Akhtar
Chairperson

Imran Maniar
Managing Director

Muhammad Amin Rajput
Chief Financial Officer

SUI SOUTHERN GAS COMPANY LIMITED
CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

	Issued, subscribed and paid-up capital	Capital reserves	Revenue reserves	Surplus on re- measurement of FVTOCI securities	Surplus on revaluation of property plant and	Accumulated losses	Total
	(Rupees in '000)						
Balance as at July 1, 2018 (Audited)-Restated	8,809,163	234,868	4,672,533	334,805	13,673,415	(25,088,726)	2,636,058
Total comprehensive loss for the quarter ended September 30, 2018							
Loss for the period	-	-	-	-	-	(3,244,790)	(3,244,790)
Other comprehensive loss for the period	-	-	-	(34,560)	-	-	(34,560)
Total comprehensive loss for the period	-	-	-	(34,560)	-	(3,244,790)	(3,279,350)
Balance as at September 30, 2018 (Restated)	8,809,163	234,868	4,672,533	300,245	13,673,415	(28,333,516)	(643,292)
Balance as at June 30, 2019	8,809,163	234,868	4,672,533	199,621	21,950,532	(43,450,758)	(7,584,041)
Total comprehensive loss for the quarter ended September 30, 2019							
Loss for the period	-	-	-	(29,331)	-	(4,594,939)	(4,594,939)
Other comprehensive loss for the period	-	-	-	(29,331)	-	-	(29,331)
Total comprehensive loss for the period	-	-	-	(29,331)	-	(4,594,939)	(4,624,270)
Balance as at September 30, 2019	8,809,163	234,868	4,672,533	170,290	21,950,532	(48,045,697)	(12,208,311)

The annexed 1 to 34 form an integral part of this consolidated condensed interim financial information.

Dr. Shamshad Akhtar	Imran Maniar	Muhammad Amin Rajput
Chairperson	Managing Director	Chief Financial Officer

SUI SOUTHERN GAS COMPANY LIMITED
NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER ENDED SEPTEMBER 30, 2019

1. THE GROUP AND ITS OPERATIONS

1.1 The "Group" consists of:

Holding Company

- Sui Southern Gas Company Limited

	Percentage of Holding	
	2019	2018
Subsidiary Companies		
- SSGC LPG (Private) Limited	100	100
- Sui Southern Gas Provident Fund Trust Company (Private) Limited	100	100

The Group is principally engaged in transmission and distribution of natural gas and liquefied petroleum gas in Sindh and Balochistan. Brief profiles of the Holding Company and subsidiaries are as follows:

Sui Southern Gas Company Limited

Sui Southern Gas Company Limited ("the Company") is a public limited Company incorporated in Pakistan and is listed on Pakistan Stock Exchange. The main activity of the Company is transmission and distribution of natural gas in Sindh and Balochistan. The Company is also engaged in certain activities related to the gas business including the manufacturing and sale of gas meters and construction contracts for laying of pipelines.

The registered office of the Company is situated at SSGC House, Sir Shah Suleman Road, Block 14, Gulshan e Iqbal, Karachi. The Company's pipe coating plant is situated at Plot No. F-76 Site Avenue Karachi (Here 3/4", 1" & 2" pipe is coated for Distribution South Karachi and the Company Khadeji P&C Base Camp M-9 Motorway Karachi).

The addresses of other regional offices of the Company are as follows:

Region	Address
Karachi West	Site Office, Karachi. Plot No. F/36 & F/37 Site Area Karachi.
Karachi East	Plot # 21/1, Sector 22, Korangi Industrial Area, Karachi.
Karachi Central	Azad Trade Center Near Civic Center Karachi.
Hyderabad	SSGC Regional Office, Opp. New Eidgah, National Highway Qasimabad, Hyderabad.
Nawabshah	SSGC Regional Office, Near Sikandar Art Gallery Housing Society, Nawabshah.
Sukkur	SSGC Regional Office, Golimar Road, SITE Area Sukkur.
Larkana	SSGC Regional Office, Near Shaikh Zaid Women Hospital, Larkana.
Quetta	SSGC Office, Samungli Road, Quetta.

Sui Southern Gas Provident Fund Trust Company (Private) Limited

Sui Southern Gas Provident Fund Trust Company (Private) Limited is a wholly owned subsidiary of Sui Southern Gas Company Limited. Its registered office is situated at ST-4/B, Block-14, Sir Shah Suleman Road, Gulshan-e-Iqbal, Karachi and was formed to facilitate administration of employees retirement funds of the Holding Company.

SSGC LPG (Private) Limited

SSGC LPG (Private) Limited is a wholly owned subsidiary of Sui Southern Gas Company Limited. Its registered office is situated at LDC building Karachi terminal main university road, Karachi and its main activity is supply of liquefied petroleum gas and provision of terminal and storage services.

The Subsidiary Company acquired the assets including:

- LPG import terminal, bulk storage at North West industrial Zone, Port Qasim Karachi and
- Bottling plants at Sara-e-Gadai Stop, Kot Najeebullah Road, Industrial Estate Hattar-22610 Haripur, KPK and Sheikhupura Bedad Road, Muridke Punjab through the High Court of Sindh auction during October 2011.

The main activity of the Subsidiary Company is sourcing, marketing and sales of Liquefied Petroleum Gas (LPG) and provision of terminal and storage services.

1.2 Basis of consolidation

- This consolidated condensed interim financial information include the financial information of the Holding Company and its Subsidiary Companies, together "the Group".
- The condensed interim financial information of the subsidiaries are prepared for the same reporting period as the Holding Company for the purpose of consolidation, using consistent accounting policies.
- The assets, liabilities, income and expenses of subsidiaries have been consolidated on a line by line basis.
- Material intra-group balances and transactions have been eliminated.

1.3 Regulatory framework

Under the provisions of license given by the Oil and Gas Regulatory Authority (OGRA), the Holding Company is provided a minimum annual return before taxation of 17.43% per annum of the net average operating fixed assets (net of deferred credit) for the year, excluding financial and other non-operating expenses and non-operating income. The determination of annual required return is reviewed by OGRA under the terms of the license for transmission, distribution and sale of natural gas, targets and parameters set by OGRA. Income earned in excess / short of the above guaranteed return is payable to / recoverable from the Government of Pakistan (GoP) and is adjusted from / to the Gas Development Surcharge balance payable to / receivable from the GoP.

1.4 Financial Performance

During the quarter, the Holding Company has loss after tax of Rs. 4,592 million resulting in increase in its accumulated losses to Rs. 47,573 million and diminishing equity to Rs. 12,643 million after including the impact of staggering as disclosed in note 2.2 to this consolidated condensed interim financial information. As at period end, current liabilities exceed its current asset by Rs. 70,758 million.

The Holding Company's financial performance for the quarter has deteriorated mainly because of higher UFG, certain additional disallowances by OGRA on account of UFG, continued non-implementation / disallowances by OGRA of the impact of UFG due to RLNG Volume Handling already approved by the ECC and staggering of losses due to dismissal of Holding Company's petitions by Sindh High Court (refer note 1.5).

In order to improve the financial position and performance of the Holding Company, the management / Board of Directors (Board) have taken / planned following steps:

- Economic Coordination Committee (ECC) in its meeting dated May 11, 2018 approved the summary submitted by the Petroleum Division under which the Holding Company was allowed UFG based on RLNG handling basis (volumetric basis) in the sale price of RLNG in the form of distribution loss due to swapping arrangements and consumption of RLNG in its franchise area. However, in its determination on Final Revenue requirement for FY 2018-19 OGRA did not consider implementing the aforementioned decision and advised to take up the matter with SNGPL in consultation with Ministry of Energy (Petroleum Division). The Holding Company has reiterated its earlier position of higher UFG due to RLNG and as a result OGRA has initiated a process of hiring of services of International Technical, Commercial and Management Auditors for determining actual UFG of Gas Companies in respect of Indigenous gas as well as imported RLNG. ECC also constituted a Committee comprising Secretaries, Petroleum & Finance to sort out the issue between the Holding Company & Sui Northern Gas Pipeline Company Limited (SNGPL).
- Government of Pakistan (Finance Division) in its letter dated July 06, 2020, being majority shareholder has acknowledged the funding requirements of the Holding Company and has shown commitment to extend all support to maintain the going concern status of the Holding Company.
- The Holding Company has devised a Board approved Strategy to control UFG in coming years and the same is under implementation.
- Under new tariff regime, the Holding Company is entitled to the guaranteed return on operating asset from 17% to 17.43% from FY 2019 for next two years.
- Banks have also waived the debt to equity covenant for financial years 2018-19 and 2019-20. However, the Holding Company has never defaulted in payment of any installment of principal and interest thereon and some of the loans have been totally paid off to date.

Board / management believes that in view of above mentioned steps / plans, the Holding Company's profitability and financial position will improve in the next few years.

1.5 Determination of revenue requirement

The Oil and Gas Regulatory Authority (OGRA) in its order dated December 02, 2010, and May 24, 2011, treated Royalty Income from Jamshoro Joint Venture Limited, Profit from Meter Manufacturing, Late Payment Surcharge (LPS), and Sale of Gas Condensate as operating income, which OGRA had previously allowed as non-operating income in its decision dated September 24, 2010, for the year ended June 30, 2010. OGRA also in its aforesaid decision reduced benchmark of the allowable Unaccounted for Gas (UFG) from 7% to 4.25% - 5%.

Being aggrieved by the above decision, the Holding Company had filed an appeal against the decision of OGRA in the High Court of Sindh ("the Court"), on which the Court provided interim relief, whereby,

OGRA was directed to determine the revenue requirements on the same principles as per its decision of September 24, 2010, pertaining to FY 2010 till final decision of the Court. However, with regard to UFG benchmark, OGRA was directed to carry out an impact assessment study and submit its report to the Court. Afterwards, management estimated the revenue requirement of the Holding Company for the financial years 2011 to 2015 based on the interim relief granted by the Court, and OGRA also accepted position taken up by the Holding Company for the said financial years, subject to the final decision of the Court.

On November 25, 2016, the Sindh High Court dismissed the Holding Company's petitions through its judgement. Consequently, OGRA in its decision dated December 22, 2016 and October 26, 2017 for determination of FRR for FY 2016 and 2017 respectively allowed UFG at 4.5% and treated Royalty Income from Jamshoro Joint Venture Limited, Profit from Meter Manufacturing, Late Payment Surcharge, and Sale of Gas Condensate as operating income. The Holding Company has filed civil petition for leave to appeal in the Supreme Court of Pakistan on January 25, 2017, against the abovementioned Sindh High Court judgement. But the management has considered OGRA's decision in preparation of this consolidated condensed interim financial information for the quarter ended September 30, 2019.

2 BASIS FOR PREPARATION

2.1 Statement of compliance

The consolidated condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34, "Interim Financial Reporting" and the provisions and directives issued under the Companies Act, 2017. In case where the requirements differ, the provisions of and directives issued under the Companies Act, 2017 shall prevail. For the determination of Gas Development Surcharge, the directives of OGRA and the OGRA Ordinance, 2002 have been followed. Moreover, Gas Development Surcharge recorded in this consolidated condensed interim financial information is based on FRR determined by OGRA for the financial year ended June 30, 2019. However, in this consolidated condensed interim financial information, exceptional UFG disallowances made in DFRR for FY 2018-19 pertaining to internal consumption, UFG on transmission and distribution (RLNG), OGRA disallowed Line pack as well as Loss due to sabotage have not been followed which have been reclaimed and expected to be allowed in the decision on Motion for Review (MFR) Petition already filed and also reclaimed in FRR petition for FY 2019-20.

This consolidated condensed interim financial information does not include all information required for annual audited consolidated financial statements and should be read in conjunction with the annual audited consolidated financial statements of the Group for the year ended June 30, 2019.

2.2 Staggering of Losses arising due to Sindh High Court decision

As disclosed in note 1.5 to this consolidated condensed interim financial information, OGRA has disallowed certain expenses for the years ended 2011 to 2015. Consequently, management had approached Securities and Exchange Commission of Pakistan (SECP) through its letter dated December 14, 2016 to allow staggered recognition of the disallowed expenses of Rs. 36,718 million in 3 years. The permission from SECP was sought based on the grounds that recognition of such disallowances in one year will reflect very adverse results and financial position of the Holding Company, considering that OGRA's determination of some significant aspects of revenue requirements are provisional and are likely to be revised.

Accordingly, SECP through its letter dated December 20, 2016 has granted permission to stagger disallowed expense in the annual audited consolidated financial statements for the years ended / ending June 30, 2016 and 2017 subject to the conditions that disallowed expense will be staggered on equal basis, facts and circumstances are adequately disclosed and compliance with the disclosure requirement of IFRSs for departing with IFRSs.

Based on above 50% impact (Rs. 18,359 million) of the decision of Sindh High Court for financial years 2011 to 2015 was accounted for in FY 2015-16. The remaining Rs. 18,359 million was required to be accounted for in FY 2016-17. However, considering financial position of the Holding Company and the fact that the loss of Rs. 36,718 million pertains to 5 financial years, a summary was moved by Ministry of Energy (Petroleum Division) to Economic Coordination Committee (ECC) for allowing staggering of Rs. 18,359 million in five years. The ECC approved the summary through letter dated May 31, 2018 advising SECP to allow staggering of remaining Rs. 18,359 million in five years. The Holding Company approached SECP after considering ECC decision, who through its letter dated June 27, 2018 advised the board to make the necessary decision to present a true and fair view of the Holding Company's financial position and performance. Based on the letter received from SECP, the OGRA, in its decision dated December 24, 2018, endorsed the staggering of remaining Rs. 18,359 million over a period of five years (FY 2016-17 to FY 2020-21) and the same practice was carried out till FY 2018-19. However management has decided to record remaining balance of staggering i.e Rs 7,344 million in FY 2019-20 which has been proportionally (Rs.1,836 million) accounted for in this consolidated condensed interim financial information.

Further, the OGRA, in its decision dated December 24, 2018 also directed the Holding Company to review its dividend payout policy for future year till such time the above adjustment impact is dispelled

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation applied for the preparation of this consolidated condensed interim financial information are the same as those applied in preparation of the annual consolidated audited financial statements of the Group for the year ended June 30, 2019 except for the following:

IFRS 16 : "Leases"

The Holding Company has adopted IFRS 16: "Leases", which replaces IAS 17 'Leases', IFRIC 4 'Determining whether an arrangement contains Lease', SIC-15 'Operating Lease - Incentive' and SIC-27 'Evaluating the substance of transaction involving the legal form of Lease'.

IFRS 16 introduced a single, on balance sheet lease accounting model for leases. 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 IAS -17 standard i.e. lessors continue to classify leases as finance or operating lease.

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

The Holding Company has applied IFRS 16 for the first time as of July 01, 2019 using the cumulative catch-up approach in accordance with the transition provisions set out in IFRS 16. This approach allows the application of IFRS 16 retrospectively without restating the prior-years figures while accounting for the aggregate amount of any transition effects by way of an adjustment to equity and presenting the comparative period in line with previous rules.

The following summary reconciles the Holding Company's operating lease commitments to the lease liability recognized on initial application of IFRS 16 at July 01, 2019.

	(Rs '000)
Lease liability recognized at July 01, 2019	334,617

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 statements of financial position as at September 30, 2019

	(Rs '000)
Increase in right of use assets	347,263
Decrease in prepayments - prepaid rent	(12,646)
Increase in total assets	334,617
Increase in lease liability	(334,617)
Decrease in net assets	-

Impact on profit or loss

The Holding Company operates under fixed tariff regime, therefore, adoption of IFRS 16 has no impact on the Holding Company's profitability as the impact is considered as a pass through item.

IFRS 14: "Regulatory Deferral Account"

IFRS 14 'Regulatory Deferral Accounts' effective for annual periods beginning on or after July 01, 2019. IFRS 14 is intended to encourage rate-regulated entities to adopt IFRS while bridging the gap with similar entities that already apply IFRS, but which do not recognize regulatory deferral accounts. This would be achieved by requiring separate presentation of the regulatory deferral account balances (and movements in these balances) in the statement of financial position, statement of profit or loss and statement of comprehensive income. Further, the Standard also requires to disclose multiple earnings per share. However, considering Holding Company's Regulator Deferral amount as part of Circular Debt an application for exemption from implementation of International Financial Reporting Standard (IFRS) 14- Regulatory Deferral Accounts has been submitted with SECP. Accordingly, no such requirements of IFRS 14 has been followed in the preparation of this consolidated condensed interim financial information.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated condensed interim financial information in conformity with the approved accounting standards, as applicable in Pakistan requires the management to make estimates, assumptions and use judgments that affect the application of policies and the reported amounts of assets and liabilities and income and expenses. Actual results may differ from these estimates. The significant judgments made by the management in applying the Holding Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual audited consolidated financial statements for the year ended June 30, 2019. Further, the charge in respect of staff retirement benefits has been recognised on the basis of actuarial's projection for the ensuing year; hence it does not include consideration for actuarial gains / losses which will be determined at the year end.

IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. However, it does not change the requirements regarding which items should be measured or disclosed at fair value. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. The application of this standard does not have an impact on this consolidated condensed interim financial information except certain additional disclosures as given in note 31.

5. FINANCIAL RISK MANAGEMENT

The Group's financial risk management objectives and policies are consistent with those disclosed in the annual audited consolidated financial statements as at and for the year ended June 30, 2019.

6. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2019 (Un-audited) ------(Rupees in '000)-----	June 30, 2019 (Audited)
Operating assets	120,932,636	121,230,695
Capital work-in-progress	12,751,918	11,572,877
	<u>133,684,554</u>	<u>132,803,572</u>

Details of additions and disposals of property, plant and equipment are as follows:

	September 30, 2019		September 30, 2018	
		(Un-audited)		
	------(Rupees in '000)-----			
	Cost of additions / transfers from CWIP	Written down value of (transfers / disposals)	Cost of additions / transfers from CWIP	Written down value of (transfers / disposals)
Operating assets				
Buildings on leasehold land	76,904	-	5,415	-
Gas distribution system	898,903	-	1,329,933	-
Gas transmission pipelines	546,601	-	1,644,679	-
Telecommunication	-	-	2,957	-
Plant and machinery	42,776	(348)	15,337	-
Tools and equipment	3,828	-	7,524	-
Motor vehicles	42,689	(11,216)	83,650	(9,969)
Furniture and fixtures	12,088	-	1,000	-
Office equipment	1,138	-	12,824	-
Computers and ancillary equipments	49,926	(17)	-	-
Construction equipment	-	(51)	595	-
Compressor	113,295	-	14,067	-
	<u>1,788,148</u>	<u>(11,632)</u>	<u>3,117,981</u>	<u>(9,969)</u>
	Capital expenditure incurred	Transfer to operating assets	Capital expenditure incurred	Transfer to operating assets
Capital work in progress:				
Projects:				
- Gas distribution system	1,428,241	(898,903)	1,394,003	(1,329,933)
- Gas transmission system	94,224	(546,601)	190,417	(1,644,679)
- Cost of buildings under construction and others	14,067	(76,904)	11,737	(5,415)
	<u>1,536,532</u>	<u>(1,522,408)</u>	<u>1,596,157</u>	<u>(2,980,027)</u>

During the period, there has been net increase / (Decrease) in respect of stores and spares held for capital projects and others amounting to Rs. 1,152 million (September 30, 2018: Rs. (163) million).

7. As at September 30, 2019, the Holding Company has aggregate deferred tax asset on deductible temporary differences amounting to Rs. 29,988 million (June 30, 2019: Rs. 29,312 million) out of which deferred tax asset amounting to Rs.15,121 million has been recognised and remaining balance of Rs 14,867 million is unrecognised. As at period end, the Holding Company's minimum tax credit amounted to Rs.2,968 million (June 30, 2019: Rs. 2,813 million) having expiry period ranging between 2022 and 2024.

		September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
	Note	------(Rupees in '000)-----	
8. RIGHT-OF-USE ASSETS			
Opening balance		-	-
Impact on application of IFRS 16		347,263	-
Additions during the year		-	-
		<u>347,263</u>	<u>-</u>
Movement during the year			
Additions		-	-
Less: depreciation charge for the year	8.1	<u>31,579</u>	<u>-</u>
Ending balance		<u>31,579</u>	<u>-</u>
Cost		347,263	-
Accumulated depreciation		<u>(31,579)</u>	<u>-</u>
Net book value		<u><u>315,684</u></u>	<u><u>-</u></u>

- 8.1 The rate of depreciation is based on the term of the respective agreement and ranges from 33% to 40% per annum

9. LONG TERM INVESTMENTS

Investment in related parties	148,714	167,761
Other investments	<u>58,104</u>	<u>68,387</u>
	<u><u>206,818</u></u>	<u><u>236,148</u></u>

10. TRADE DEBTS

secured	24,783,510	26,937,870
unsecured	<u>81,741,807</u>	<u>72,923,130</u>
	<u>106,525,317</u>	<u>99,861,000</u>
Provision against financial assets	<u>(15,994,639)</u>	<u>(15,669,201)</u>
	<u><u>90,530,678</u></u>	<u><u>84,191,799</u></u>

- 10.1 As K-Electric Limited (KE) has been defaulting and not making payment of Late Payment Surcharge (LPS) and the Holding Company filed a suit in the High Court of Sindh in November 2012, for recovery of its aggregate claim, the Holding Company effective from July 01, 2012 decided to account for LPS from KE on receipt basis as per IFRS 15 "Revenue from Contract with Customers" based on opinion from firms of Chartered Accountants.

In accordance with the revised accounting treatment, the trade debts includes Rs. 33,344 million (June 30,

2019: Rs. 32,888 million) as at September 30, 2019 receivables from KE against sale of indigenous gas. Out of this, Rs. 29,652 million (June 30, 2019: Rs. 29,652 million) are overdue. However, the aggregate legal claim of the Holding Company from KE amounts to Rs. 104,546 million (June 30, 2019: Rs. 100,319 million). This amount has been arrived at as per the practice of the Holding Company to charge LPS to customers who do not make timely payments.

Considering that the Holding Company has valid legal claim for recovery of LPS together with outstanding principal amount, the Holding Company filed the aforementioned suit against KE amounting to Rs. 55,705 million. The above suit has been filed based on the following grounds:

As per the agreement dated June 30, 2009 which was entered between the Holding Company and KE for making outstanding payment in 18 installments, the Holding Company was entitled to charge LPS on outstanding principal amount at rate of:

- a. Highest OD rate being paid by the Holding Company or;
- b. Highest rate at which interest is payable on gas producer bills.

As per the above agreement and as per the audited financial statements of KE as at June 30, 2010, KE, itself, acknowledged and recognized LPS till June 30, 2010, in its books of account which confirm management's assertion that the Holding Company has legal claim over KE for charging of LPS.

KE also filed case against the Holding Company in the High Court of Sindh for recovery of damages / losses of Rs. 61,614 million as KE claimed that the Holding Company had not supplied the committed quantity of natural gas to KE. However, the legal counsel of the Holding Company is of the view that claim of KE is not valid and is not as per terms of the agreement where it was agreed that the Holding Company would make excess supply of natural gas if KE would make timely payments. As KE defaulted on many instances in making payments on due dates, the Holding Company was not bound to supply excess quantity of natural gas as per terms of the agreement.

Management has consulted with its legal counsel, who is of the view that the Holding Company has a strong case over recovery of the outstanding amount due to which management considers outstanding balance good and recoverable. The legal counsel is also of the opinion that the Holding Company has a good claim over LPS on outstanding balance, but considering that the matter is in dispute, as discussed above, the Holding Company has decided to recognize LPS from KE when either such claimed amounts are recovered or when these are decreed and their recovery is assured.

In March, 2014, management signed a payment plan with KE in order to streamline the payment modalities in relation to current monthly bills and old outstanding principal amount, in which the issue of LPS was not addressed. The plan expired on March 31, 2015, and first addendum was included to the original payment plan effective from April 1, 2015 till March 31, 2016. Upon expiry, the second addendum was included to the original payment plan on June 18, 2016 effective from April 1, 2016 till March 31, 2017. Currently, management is in a process to negotiate payment plan, which has not been finalised till the issue of this consolidated condensed interim financial information but the supply of gas and payment is continuing as per old plan.

It has been agreed during various meetings with KE and the Holding Company to appoint a firm of Chartered Accountants to reconcile the balances appearing in their respective books which is still pending. Subsequent to period end, term of reference has been signed and shared with KE however no response has been received from KE.

- 10.2** As Pakistan Steel Mills Corporation (Private) Limited (PSML) has been defaulting and not making payment of Late Payment Surcharge (LPS), the Holding Company effective from July 01, 2012 decided to account for LPS from PSML on receipt basis as per IFRS 15 "Revenue from Contract with Customers" based on opinion from firms of Chartered Accountants.

In accordance with the revised accounting treatment, the trade debts includes Rs. 23,912 million (June 30, 2019: Rs. 23,661 million) including overdue balance of Rs. 22,999 million (June 30, 2019: Rs. 23,598 million) receivable from PSML. However, the aggregate legal claim of the Holding Company from PSML amounts to Rs. 62,868 million (June 30, 2019: Rs. 61,217 million). This amount has been arrived at as per the practice of the Holding Company to charge LPS to customers who do not make timely payments.

The Holding Company filed a suit in the High Court of Sindh in April 2016, for recovery of its aggregate claim amounting to Rs. 41,354 million along with LPS. On April 6, 2016, the High Court of Sindh passed an order restraining PSML from creating any third party interest in relation to its assets including but not limited to immovable assets owned by it.

PSML has filed its counter claim approximately of Rs. 38,660 million on account of losses due to low gas pressure provided to PSML from March 2015 to December 2016. Legal counsel of the Holding Company is of the view that due to vagaries of litigation nothing could be expressed with any degree of certainty in the contested matters.

Although PSML's financial position is adverse, and it has no capacity to repay its obligations on its own, management is confident that the entire amount will be ultimately recovered because PSML is a government-owned entity and is continuously being supported by the Government of Pakistan.

11. INTEREST ACCRUED

Interest accrued on late payment of bills / invoices from:

	September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
	------(Rupees in '000)-----	
- WAPDA	3,912,818	3,741,367
- SNGPL	7,832,801	7,546,501
- JJVL	578,798	578,798
	<u>12,324,418</u>	<u>11,866,666</u>
Interest accrued on sales tax refund	487,739	487,739
	<u>12,812,157</u>	<u>12,354,405</u>
Provision against impaired accrued income	(112,400)	(112,400)
	<u><u>12,699,757</u></u>	<u><u>12,242,005</u></u>

12. OTHER RECEIVABLES	Note	September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
		----- (Rupees in '000) -----	
Gas development surcharge receivable from GoP	12.1	141,035,385	140,160,555
Receivable from SNGPL for differential tariff		322,207	-
Receivable from HCPCL	12.2	4,157,839	4,157,839
Staff pension fund		-	7,133
Receivable for sale of gas condensate		42,949	42,107
Sui Northern Gas Pipelines Limited	12.3	78,863,496	71,884,848
Jamshoro Joint Venture Limited	12.4&12.5	11,616,486	11,530,044
Sales tax receivable	12.6	47,243,048	46,867,579
Sindh sales tax receivable		112,976	112,976
Receivable against asset contribution	12.7	433,389	451,011
Accrued markup		9,816	5,660
Miscellaneous receivable		95,225	91,020
		<u>283,932,816</u>	<u>275,310,772</u>
Provision against other receivables		<u>(2,586,874)</u>	<u>(2,586,874)</u>
		<u>281,345,942</u>	<u>272,723,898</u>

12.1 Gas Development Surcharge

Opening balance	140,160,555	53,499,313
Recognized during the period	742,311	84,884,740
Recognized in OCI claim under IAS 19	-	1,311,533
Subsidy for LPG air mix operations	132,519	464,969
ending balance	<u>141,035,385</u>	<u>140,160,555</u>

12.2 Receivable from Habibullah Coastal Power Company Private Limited (HCPCL)

Amount of LD Charges as per Arbitration Award	3,938,382	3,938,382
Subsequent LDs raised by HCPCL on Award Principle	219,457	219,457
Total Receivable	<u>4,157,839</u>	<u>4,157,839</u>

12.2.1 HCPCL initiated arbitral proceedings on November 30, 2015 in the International Chamber of Commerce Singapore (ICC) against the Holding Company on account of short / non-supply of contractual gas volumes and disputed compounding of interest i.e. Late Payment Surcharge on gas bills thereon for the period from January 2009 to March 2017.

On April 30, 2018, ICC issued decision in favor of HCPCL and the Holding Company was made liable to make payment to HCPCL as a final reward in the form of indemnity, liquidated damages (LD), interest on LD and legal and professional charges. The said final reward was adjusted by HCPCL against running gas bills issued by the Holding Company.

Earlier in January 2018, the Holding Company approached Ministry of Energy (Petroleum Division) regarding waiver of LDs claimed by WAPDA / CCPA-G from HCPCL against non-supply of Electricity to WAPDA which was being passed to the Holding Company by HCPCL.

The matter was submitted to Economic Coordination Committee of the Cabinet (ECC) for consideration

and ECC in its meeting held on February 07, 2018 approved in principle, the proposal regarding waiver of LDs with the direction to Petroleum Division to work out modalities in consultation with stakeholders.

LDs adjusted by HCPCL against running gas bills are recoverable from HCPCL as per ECC aforementioned decision amounting to Rs. 3,626 million for the Award Period along with LPS amounting to Rs. 312 million and further LDs deducted by HCPCL following Award principles amounting to Rs. 162 million and Rs. 58 million upto June 30, 2018 and for the year ended June 30, 2019 respectively.

The 20 years GSA with HCPCL expired in September 2019. Prior to the expiry of GSA, MOE communicated the Holding Company to continue supplying gas to HCPCL in order to avoid suspension of electricity to national grid. In the month of October 2019, HCPCL carried out a set off of Rs. 586.5 million from the Holding Company's outstanding bills on account of LDs imposed by WAPDA after the expiry of gas allocation on December 31, 2018. The Holding Company disconnected gas supply to HCPCL on October 3, 2019. Subsequently the Holding Company opted for encashment of HCPCL Bank Guarantees to recover outstanding recoverables. In response, HCPCL filed Suit 1570 of 2019 against the Holding Company and obtained stay from the honorable High Court of Sindh against encashment of Bank Guarantees. HCPCL is in negotiations with the Holding Company to finalize the modalities under ECC decision for waiver of LDs and sign a new GSA to resume gas supply.

		September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
12.3	Receivable balance from SNGPL comprises of the following:	------(Rupees in '000)-----	
	Uniform cost of gas	15,818,845	15,818,845
	Lease rentals	306,447	224,440
	Contingent rent	3,535	3,535
	LSA Margins	2,141,778	1,897,684
	Capacity and utilisation charges of RLNG	38,131,587	33,298,113
	RLNG transportation income	22,461,304	20,642,231
		78,863,496	71,884,848

- 12.3.1** The Holding Company has invoiced an amount of Rs. 76,342 million, including Sindh Sales Tax of Rs. 8,926 million, till September 30, 2019 to SNGPL in respect of capacity and utilization charges (terminal charges), LSA margins and transportation charges relating to RLNG.

SNGPL has disputed the terminal charges that have not been allowed to it by OGRA, terminal charges of a third party i.e. Pak-Arab Fertilizer Company Limited (PAFCL) and terminal charges with respect to those quantities which were not supplied to SNGPL. SNGPL is of the view that it will only pay terminal charges as per OGRA Notification and for those quantities which are actually supplied to SNGPL and not the actual cost billed by the Holding Company. For quantity supplied to PAFCL, PAFCL is making payment directly to the Holding Company according to the payment plan finalized in which PAFCL was required to make eight equal monthly installments of Rs. 201 million per month. Till July 2019, the Holding Company has received all eight installments.

In June 2016, the Economic Coordination Committee (ECC) approved the policy guidelines that all charges under LSA including, but not limited to capacity and utilization charges as well as retainage are to be included at actual. OGRA in its decision dated October 7, 2016 regarding determination of RLNG price, has allowed the terminal charges at actual.

The Ministry of Energy in pursuance of the decision of ECC vide case submitted on September 03, 2015 has allocated 71 BCF RLNG volume to the Holding Company in order to resolve the matter of short supply, with the direction to enter into an agreement with SNGPL for RLNG allocated volumes with the condition that either the Holding Company will make payment to SNGPL for the RLNG sold in its franchise area or will return these volumes when dedicated pipeline is available.

OGRA, in its letter dated November 20, 2018, in pursuance of decision of the ECC, with the consent of SNGPL and the Holding Company, has determined the price mechanism for purchase and sale of allocated RLNG volumes.

Based on initialed agreement between the Holding Company and SNGPL dated January 25, 2021, SNGPL is raising invoice for RLNG volumes retained by the Holding Company from June 01, 2020 based on RLNG reconciliation statement mutually agreed. The rate is based on OGRA decision dated November 20, 2018. SNGPL has started payments of such invoices issued by the Holding Company from June 2020 onwards on monthly basis.

- 12.4** This include amount receivable in respect of royalty income, sale of liquefied petroleum gas, sale of natural gas liquids, Federal Excise Duty and Sindh Sales Tax on Franchise Services.

As at period end, amount payable to JJVL is Rs. 8,528 million (June 30, 2019: Rs. 8,528 million) in respect of processing charges is disclosed in note 17 in this consolidated condensed interim financial information.

- 12.5** During the year 2013-14, the Supreme Court of Pakistan (SCP) passed an order dated December 04, 2013 with respect to the Constitution Petition No. 5 of 2011 and Human Rights Case No.15744 - P of 2009, whereby the Implementation Agreement of Badin gas field dated August 12, 2003 signed between the Holding Company and Jamshoro Joint Venture Limited (JJVL) was declared void from the date of its inception. The SCP constituted a committee to calculate royalty payments (on the LPG extracted to date) on the basis of the Saudi Aramco reference price plus freight charges instead of the "Reference Price" for the full period during which the Implementation Agreement had been operational. However, the freight amount is yet to be finalized for which the SCP has appointed an Advocate Supreme Court to determine the matter and accordingly the same has been submitted by him.

As per SCP order dated June 13, 2018 a firm of Chartered Accountants was appointed to determine the receivable / payable from / to JJVL wherein freight matter was also included and the report has been submitted by the firm. However the freight matter is still pending and the SCP will settle the same and an appropriate order shall be passed in this respect. As per SCP order dated January 9, 2019, in respect of freight matter charges, SCP directed JJVL to deposit Rs. 249 million as JJVL's admitted liability for freight charges for the period 2005-2013. The Holding Company has received such amount as directed by SCP on February 24, 2020 and further amount in this respect will be determined / settled by SCP in due course.

- 12.6** Sales tax refunds arise due to uniform purchase price adjustment with SNGPL and zero rating of sales tax on gas sales for various industries. Sales Tax refunds are processed through FBR's Sales Tax Automated Refund Repository (STARR) system. Due to several snags in the functioning of STARR, valid input sales tax claims of the Holding Company are deferred. Realizing the problems of STARR, in August 2010, dispensation from processing of sales tax refunds through the STARR system was allowed by FBR through a letter and substantial refunds were released after issuance of this letter under corporate guarantee (subject to post refund audit). However, above said dispensation was also withdrawn by FBR in May 2012. After withdrawal of said dispensation, the deferred refunds are issued to the Holding Company on the basis of manual verification of documents (third party vendor sales tax returns) by tax authorities. The management is making vigorous efforts for realization of these refunds. Subsequent to the period end, the Holding Company has made extensive efforts and accordingly refunds of around Rs. 11,900 million were released.
- 12.7** This represents receivable from Mari Petroleum Company Limited, Spud Energy Pty Limited, PKP Exploration Limited and Government Holdings (Private) Limited (referred as BJV); in respect of Zarghun gas transmission pipeline under pipeline contribution agreement. The receivable has been recognised using discounted cashflow technique.

		September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
13. LONG-TERM FINANCE	Note	------(Rupees in '000)-----	
Secured			
Loans from banking companies	13.1&13.2	44,408,355	45,786,848
Unsecured			
Front end fee of foreign currency loan		23,950	23,950
Customer finance		188,211	194,464
Government of Sindh loans		756,245	752,086
		<u>968,406</u>	<u>970,500</u>
Subtotal		45,376,761	46,757,348
Less: current portion shown under current liabilities:			
Loans from banking companies		(8,395,000)	(9,625,000)
Customer finance		(25,449)	(26,138)
Government of Sindh loans		(186,667)	(186,667)
		<u>(8,607,116)</u>	<u>(9,837,805)</u>
		<u>36,769,645</u>	<u>36,919,543</u>

- 13.1** A long term finance facility amounting to Rs. 15,000 million was sanctioned in October 2015 from a syndicate of banks. During the period, repayment of Rs. 1500 million has been made.
- 13.2** A long term finance facility amounting to Rs. 39,800 million was sanctioned in May 2016 from a syndicate of banks. As at September 30, 2019 the Holding Company has utilised Rs. 34,200 million out of the total sanctioned amount. During the period repayment of Rs. 275 million has been made. The financial arrangements have been secured by GoP guarantee and ranking charge created by way of

hypothecation over all present and future movable fixed Regasified Liquefied Natural Gas assets of the Holding Company including but not limited to compressor stations, transmission pipelines, distribution pipelines, pipeline construction machinery and equipments.

		September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
		------(Rupees in '000)-----	
14. DEFERRED CREDIT	Note		
Government of Pakistan contributions / grants			
Opening balance		3,064,028	3,285,092
Additions / adjustments during the year		3,182	89,596
Transferred to consolidated statement of profit or loss		(62,186)	(310,660)
Ending balance		3,005,024	3,064,028
Government of Sindh (Conversion of loan into grant)			
Opening balance		2,025,211	2,133,559
Additions during the year		(23)	6,367
Transferred to consolidated statement of profit or loss		(28,690)	(114,715)
Ending balance		1,996,498	2,025,211
Government of Sindh grants			
Opening balance		149,967	173,218
Transferred to consolidated statement of profit or loss		(5,228)	(23,251)
Adjustment		-	-
Ending balance		144,739	149,967
		5,146,261	5,239,206
Less: Current portion of deferred credit		(384,415)	(394,735)
		<u>4,761,846</u>	<u>4,844,471</u>
15. Contract Liabilities			
Contribution from customer	15.1&15.2	1,414,187	1,406,461
Advance received from customers for		3,294,140	2,995,930
		<u>4,708,327</u>	<u>4,402,391</u>
15.1 Contribution from customer			
Opening balance		1,573,394	1,016,899
Additions / adjustments during the year		52,752	721,747
Transferred to consolidated statement of profit or loss		(42,392)	(165,252)
		1,583,754	1,573,394
Less: Current portion of contributions from customer		(169,567)	(166,933)
Ending balance		<u>1,414,187</u>	<u>1,406,461</u>
15.2	The Holding Company has recognised the contract liabilities in respect of the amount received from the customer as contribution towards the cost of supplying and laying transmission, service and main lines.		

16. SHORT TERM BORROWINGS

These represent facilities for short term running finance / short term money market loan available from various banks amounting to Rs. 25,000 million (June 30, 2019: Rs. 25,000 million) and carry mark-up ranging from 0.00% to 0.20% (June 30, 2019: 0.20%) above the average one month KIBOR. These facilities are secured by first pari passu second amendment to the joint hypothecation agreement and ranking charge over present and future stock in trade and book debts of the Holding Company.

The aggregate unavailed short term borrowing facilities amounted to Rs.12,199 million (June 30, 2019: Rs. 8,706 million).

		September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
	Note	------(Rupees in '000)-----	
17. TRADE AND OTHER PAYABLES			
Creditors for:			
- Indegenious gas	17.1	345,294,486	332,632,340
- RLNG		56,610,274	44,018,023
		<u>401,904,760</u>	<u>376,650,363</u>
Payable to SNGPL for differential tariff		-	1,681,019
RLNG differential margin payable to GoP		11,580,836	9,305,131
Engro Elengy Terminal (Private) Limited		1,710,189	1,984,729
Accrued liabilities		3,463,299	4,267,281
Provision for compensated absences - non executives		303,441	303,441
Payable to pension		83,043	-
Payable to staff gratuity fund		4,791,663	5,091,663
Deposits / retention money		665,749	668,656
Advance for sharing right of way		18,088	18,088
Withholding tax payable		182,152	189,193
Sales tax & Federal excise duty payable		259,909	311,293
Sindh sales tax payable		112,656	132,163
Processing Charges payable to JJVL		8,528,447	8,528,447
Gas infrastructure development cess payable		7,291,564	7,338,595
Advances from customers and distributors		16,289	38,091
Transport and advertisement services		35,928	14,772
Unclaimed Term Finance Certificate redemption profit		1,800	1,800
Workers's profit participation fund		174,515	174,515
Provision		10,921	8,051
Others		996,014	1,015,757
		<u>442,131,263</u>	<u>417,723,048</u>

- 17.1 As at September 30, 2019, amount of Rs. 262,678 million (June 30, 2019: Rs. 241,478 million) is payable to Oil and Gas Development Company Limited, Pakistan Petroleum Limited and Government Holdings (Private) Limited in respect of gas purchases along with interest of Rs. 15,832 million (June 30, 2019: Rs. 15,832 million) on their balances which have been presented in note 18.1 in this consolidated condensed interim financial information.

18. INTEREST ACCRUED	Note	September 30, 2019 (Un-audited)	June 30, 2019 (Audited)
		----- (Rupees in '000) -----	
Long term financing - loans from banking companies		1,433,390	760,139
Long term deposits from customers		113,861	440,115
Short term borrowings		375,878	405,542
Late payment surcharge on processing charges		438,392	438,392
Late payment surcharge on gas development surcharge		4,826	4,826
Late payment surcharge on gas supplies	18.1.	15,832,411	15,832,411
		<u>18,198,758</u>	<u>17,881,425</u>

- 18.1 As disclosed in note 10.1 and 10.2, effective from July 1, 2012, the Holding Company has been accounting for LPS from KE and PSML on receipt basis as per IFRS 15 "Revenue from Contract with Customers" based on opinion from firms of Chartered Accountants.. However, the Holding Company continued recognition of the LPS expenses payable on outstanding payables of the Government Controlled E & P Companies i.e. Oil and Gas Development Company Limited (OGDCL), Pakistan Petroleum Limited (PPL) and Government Holding (Private) Limited (GHPL) to comply with the requirements of the accounting standards, as such standards do not allow the Holding Company to offset its LPS income against the mark-up expense in absence of legal right of set off, despite the fact that the Holding Company has never paid such LPS to Government Controlled E&P Companies. Therefore, the management approached MP & NR through its letter dated September 1, 2016 to allow similar treatment of its LPS payable to the Government Controlled E&P Companies due to special and unusual circumstances arising from circular debt. The Holding Company's request was also based on, besides the unique situation of circular debt, past settlement record on net basis which was approved by ECC in 2001 and the fact that OGDCL, PPL and GHPL have adopted the accounting policy whereby such LPS incomes will be recorded in their financial statements only when the same are received.

In response to the Holding Company's above request, the MP & NR vide their letter dated January 3, 2017 has supported the contention of the Holding Company that it will not recognize LPS expense payable to the Government Controlled E & P Companies (OGDCL, PPL and GHPL), effective from July 1, 2012, till the time Holding Company receives payment for LPS income from KE and PSML and it would be settled simultaneously subject to fulfillment of all the codal formalities. Based on the letter received from MP & NR, and the legal opinion, the Holding Company has reversed the LPS expense on delayed payments on gas supplies effective from July 1, 2012. Further it has been decided that the Holding Company will record and pay such expense in the period only when it receives LPS income from KE and PSML.

Had the management not reversed the LPS expense payable from July 1, 2012 to June 30, 2016 of Rs. 26,222 million and recorded LPS expense for the year ended June 30, 2017; June 30, 2018; June 30, 2019 and for the quarter ended September 30, 2019 amounting to Rs. 7,569 million; Rs. 7,477 million; Rs. 10,525 and Rs. 4,265 million respectively on outstanding payables to Government Controlled E&P

Companies, the effect in this consolidated condensed interim financial information would be as follows:

(Rupees in million)

- Increase in loss before tax	4,265
- Increase in loss after tax / accumulated loss	3,028
- Increase in loss per share - rupees	3.44
- increase in accumulated losses	56,058
- Increase trade payables	56,058
- Increase deferred tax liability	17,270

	September 30, 2019 (Un-audited) ----- (Rupees in '000)-----	June 30, 2019 (Audited)
19. CONTINGENCIES AND COMMITMENTS		
19.1 Commitments for capital and other expenditures	<u><u>5,354,448</u></u>	<u><u>5,279,534</u></u>
19.2 Guarantees issued on behalf of the Group	<u><u>5,409,337</u></u>	<u><u>5,482,762</u></u>
19.3 Jamshoro Power Company Limited [(JPCL) WAPDA] has lodged claims against the Holding Company amounting to Rs. 144,120 million (June 30, 2019: Rs. Rs. 144,120 million) for short supply of gas under the provisions of an agreement dated April 10, 1995, between the Holding Company and JPCL. JPCL has raised another claim of Rs. 5.793 million (June 30, 2019: Rs. 5.793 million) for the alleged low Gas Calorific Value (GCV) measurement for the period from January 2002 to December 2002 and for the month of February 2003 as compared to the actual GCV billed by the Holding Company. The MP & NR vide its letter dated April 24, 2017, has also directed that the outstanding issues pertaining to the claims by JPCL be resolved and has proposed that a committee be constituted comprising of members from two companies and the concerned ministries to resolve the matter as it involves parties who represent / relate to Government of Pakistan.		

In respect of JPCL major claim i.e. on account of short supply of gas following clause of the agreement is important which does not support JPCL claim.

“Subject to availability and the terms and conditions specified herein the Holding Company agrees to sell and deliver to the customer and the customer agrees to buy and accept a quantity of not less than 62 MMCF of Quality Natural Gas per day at its power station at Jamshoro”.

It is evident from foregoing clause of the agreement, that JPCL has raised a claim not supported by the agreement and that the supply of gas to the customer was subject to the availability and it is/was not any firm commitment on the part of the Holding Company.

No provision has been made against the said claims, as management is confident that ultimately these claims will not be payable. Further, management believes that in case matter is decided against the Holding Company, the entire amount will be claimed from the OGRA in the determination of revenue requirements of the Holding Company.

- 19.4 As disclosed in note 18.1 to this consolidated condensed interim financial information, the management has reversed LPS expense with effect from July 01, 2012 to June 30, 2016 amounting to Rs. 26,222 million on Government Controlled E&P Companies liabilities and has not recorded LPS expense for the year ended June 30, 2017, June 30, 2018, June 30, 2019 and for the quarter ended September 30, 2019 amounting to Rs. 7,569 million, Rs. 7,477 million, Rs. 10,525million and Rs.4,265 million in this consolidated condensed interim financial information. The Holding Company will record and pay such LPS expense in the period only when it receives LPS income on amount receivable from KE and PSML.
- 19.5 Arbitration proceedings between JJVL and the Holding Company has been initiated under the Pakistan Arbitration Act 1940 to settle the outstanding disputes between the parties. Accordingly, both the parties have appointed their respective arbitrators and filed their respective claims.

Supreme Court of Pakistan (SCP) through its decision dated June 13, 2018 upheld the termination by the Holding Company and stated that the termination was validly done and the Holding Company was within its legal and contractual right to do so and appointed a firm of Chartered Accountant to conduct a complete audit of JJVL within a period of two months to ascertain and determine the amount to be paid by JJVL to the Holding Company. Based on the Court order, the Holding Company shut down the supply of gas to JJVL plant accordingly.

Subsequently, SCP through its order dated November 16, 2018, based on the report by a firm of chartered accountants, determined that Rs. 1,500 million is the undisputed amount that shall be paid within 8 weeks by JJVL, which has been accordingly received by the Holding Company along-with the interest accrued thereon. However, with respect to the GIDC, tax challans and other matters, SCP will settle the same and an appropriate order be passed in this regard. Management is of the view that once the matter is finalized by the SCP any change in receivable or payable position shall be recognized in the year in which the SCP order has been passed.

After cancellation of MoUs by SCP on June 13, 2018, JJVL submitted a proposal based on profit sharing to SCP which was forwarded to the Holding Company by SCP. The SCP was also informed that the Holding Company is in the process of hiring a consultant for providing professional advice on the best option available with respect to the LPG/NGL Extraction business.

The Holding Company after concurrence of its Board informed SCP that it does not accept the proposal submitted by JJVL and asked SCP to appoint a firm of Chartered Accountants to come up with an agreement mutually beneficial for both the parties. After considering all the points, SCP appointed a third party firm of Chartered Accountants which shall be deemed to be the receivers of the SCP and would supervise the Project. In addition, firm is to determine an appropriate sharing arrangement for both parties which shall be final, subject to the approval of the Supreme Court of Pakistan.

Subsequently, the firm of Chartered Accountants after consultation with both parties came up with a mechanism of revenue sharing of 57% to the Holding Company and 43% to JJVL on ad-hoc basis and an agreement was signed between the Holding Company and JJVL and submitted to SCP for its approval and the same was validated by SCP in its order dated December 29, 2018. SCP also directed the Holding Company to resume the supply of gas to JJVL plant based on the new terms provided in the agreement. The agreement was valid for 1.5 years from the date of agreement and unless renewed by the parties through mutual written consent it shall stand terminated automatically. Accordingly, in June 2020 the said agreement stands expired and since then no gas has been supplied to JJVL plant.

Moreover, the firm has to submit the 'Determination Report' as per the agreement in order to finalize the revenue sharing percentage. Accordingly, the same has been submitted by the firm to SCP in December 2020 after having inputs / working from both the parties. Currently, the matter is pending in SCP and the final Holding Company's consideration will be subject to conclusion of this matter at SCP.

Due to the ongoing freight case hearings by SCP, the arbitration under the Pakistan Arbitration Act, 1940 as amended from time to time is currently adjourned till the final order of the SCP and all the disputed matters taken to arbitration will be finalized once the SCP passes its order.

		Quarter ended	
		September 30 2019	September 30 2018
		(Un-audited)	
		----- (Rupees in '000) -----	
20. Sales	Note		
Gross Sales-Indigenous gas		69,335,024	42,023,552
Gross Sales-RLNG		12,849,678	13,785,092
		<u>82,184,702</u>	<u>55,808,644</u>
Sales tax - Indigenous gas		(10,343,534)	(5,657,799)
Sales tax - RLNG		(1,890,202)	(1,469,957)
		<u>(12,233,736)</u>	<u>(7,127,756)</u>
21. GAS DEVELOPMENT SURCHARGE (GDS)			
GDS recovered during the period		(945,546)	822,593
Price increase adjustment for the period		3,656,271	15,687,888
Impact of staggering		(1,835,892)	(917,946)
Subsidy for LPG air mix operations		(132,522)	(105,298)
		<u>742,311</u>	<u>15,487,237</u>
22. RLNG Differential Margins			
RLNG Differential Margin - OGRA		(2,275,705)	(1,536,700)
RLNG Differential Margin - SNGPL		2,003,226	(2,676,152)
		<u>(272,479)</u>	<u>(4,212,852)</u>
23. COST OF SALES			
Cost of gas	23.1	73,574,435	56,878,909
Transmission and distribution costs		5,430,948	4,824,854
		<u>79,005,383</u>	<u>61,703,763</u>
23.1 Cost of gas			
Opening gas in pipelines		1,214,410	689,805
RLNG Purchases		11,243,081	7,861,451
Gas purchases		63,718,097	49,627,711
		<u>76,175,588</u>	<u>58,178,967</u>
Gas consumed internally		(1,296,687)	(382,600)
Closing gas in pipelines		(1,304,466)	(917,458)
		<u>(2,601,153)</u>	<u>(1,300,058)</u>
		<u>73,574,435</u>	<u>56,878,909</u>

		Quarter ended	
		September 30 2019	September 30 2018
		(Un-audited)	
		------(Rupees in '000)-----	
24. OTHER OPERATING EXPENSES			
Auditors' remuneration		1,931	3,126
Sports expenses		18,792	18,154
Corporate social responsibility		10,000	1,340
Exchange loss		-	1,244,630
Provision against impaired stores and spares		1,518	10,647
Provision against impaired debt and other receivables		-	132,925
		<u>32,241</u>	<u>1,410,822</u>
25. OTHER OPERATING INCOME			
Income from financial assets			
Income for receivable against asset contribution		11,187	9,829
Income from net investment in finance lease from SNGPL		9,063	11,652
Return on term deposits and profit and loss bank account		30,368	12,108
		<u>50,618</u>	<u>33,589</u>
Interest income on late payment of gas bills from			
- Jamshoro Joint Venture Limited (JJVL)		-	77,446
- Water & Power Development Authority (WAPDA)		171,451	36,089
		<u>171,451</u>	<u>113,535</u>
Dividend income		1,849	-
Income from other than financial assets			
Late payment surcharge		375,835	258,318
Sui Northern Gas Pipelines Limited (SNGPL)		286,301	280,576
Sale of gas condensate - net		(4,488)	(5,808)
Income from LPG NGL - net		(51,430)	45,836
Meter manufacturing division profit - net		3,116	1,292
Meter rentals		197,480	191,678
RLNG Transportation income		2,383,200	1,801,515
Recognition of income against deferred credit and contract liability		133,267	128,739
Income from LPG air mix distribution - net		22,007	32,172
Income from sale of tender documents		1,182	1,166
Scrap sales		1,208	24,030
Recoveries from consumers		15,490	19,805
Liquidity damaged recovered		6,921	(12,920)
Gain on disposal of property, plant and equipment		40,971	23,397
Amortization of Government grant		5,228	5,830
Exchange gain		3,420,234	-
LSA margins against RLNG		231,175	190,181
Miscellaneous		9,343	3,633
		<u>7,300,958</u>	<u>3,136,564</u>
26. TAXATION			
- Current		(586,357)	(315,400)
- Deferred		-	-
		<u>(586,357)</u>	<u>(315,400)</u>

	Quarter ended	
	September 30	September 30
	2019	2018
	(Un-audited)	
	----- (Rupees in '000) -----	
27. ADJUSTMENTS FOR NON-CASH AND OTHER ITEMS		
Provisions	836,692	736,412
Depreciation on owned assets	1,957,270	1,868,347
Depreciation on right of use assets	31,579	-
Amortization of intangibles	6,761	7,875
Finance cost	1,164,120	1,754,954
Amortization of transaction cost	5,666	11,466
Amortization of government grant	(5,228)	(5,830)
Recognition of income against deferred credit and contract liability	(131,519)	(132,732)
Dividend income	(1,849)	-
Interest income and return on term deposits	(521,600)	(442,520)
Income from net investment in finance lease	(9,063)	(11,652)
(Gain) / Loss on disposal of property plant and equipment	(40,971)	(23,397)
Decrease in long term advances	(11,079)	6,272
Decrease in deferred credit and contract liability	347,145	291,884
Decrease in obligation against pipeline	20,880	21,997
Impact of IFRS 16: Finance cost	9,137	-
	<u>3,657,941</u>	<u>4,083,076</u>

28. WORKING CAPITAL CHANGES

(Increase) / decrease in current assets

Stores and spares	134,780	157,497
Stock-in-trade	(60,509)	(321,895)
Customers' installation work-in-progress	(7,149)	(13,306)
Trade debts	(6,658,619)	1,147,506
Advances, deposits and short term prepayments	(80,478)	84,440
Other receivables	(8,604,748)	(24,431,547)
	<u>(15,276,723)</u>	<u>(23,377,305)</u>

Increase in current liabilities

Trade and other payables	24,595,425	24,083,119
	<u>9,318,702</u>	<u>705,814</u>

29. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiary companies, associated companies due to common directorship, Government related entities, staff retirement benefits plans, directors and key management personnel (including their associates). Purchase and sale of gas from / to related parties are determined at rates finalised and notified by the Oil and Gas Regulatory Authority. Remuneration of key management personnel are in accordance with the terms of the employment / appointment. Other transactions with the related parties are carried out as per agreed terms.

The details of transactions with related parties not disclosed elsewhere in this consolidated condensed interim financial information are as follows:

		Quarter ended	
		September 30,	September 30,
		2019	2018
		(Un-audited)	
		------(Rupees in '000)-----	
	Relationship		
* Attock Cement Limited	Associate		
- Billable charges		-	16,676
Government related entities			
- Purchase of fuel and lubricant		9,706	11,475
- Billable charges		7,986,784	6,918,233
- Income from net investment in finance lease		9,063	11,652
- Gas purchases		32,405,744	24,267,365
- Sale of gas meters		6,690	3,497
- Insurance premium		26,187	26,592
- Electricity expenses		86,588	62,721
- Interest income		457,752	316,665
- Markup expense on short term finance		36,588	1,657
- Markup expense on long term finance		181,692	120,598
- RLNG Transportation income		2,383,200	1,801,515
- LPG Purchases		79,655	-
- Income against LNG service agreement		231,175	190,181
* Habib Bank Limited	Associate		
- Profit on investment		-	245
- Markup expense on short term finance		-	77,335
- Markup expense on long term finance		-	147,399
- Billable charges		-	4,147
Key management personnel			
- Remuneration		45,212	52,914
Minto & Mirza	Associate		
- Professional charges		-	1,500
Staff retirement benefit plans	Associate		
- Contribution to pension fund		198,856	228,755
- Contribution to gratuity fund		78,863	134,397
* Thatta Cement Holding Company Limited	Associate		
- Gas sales		-	851
* Petroleum Institute of Pakistan	Associate		
- Subscription/Contribution		-	980

* Current period transactions with these parties have not been disclosed as they did not remain related parties during the period.

29.1 Sale of gas meters is made at cost plus method. The Holding Company is the only manufacturer of gas meters in the country.

29.2 Contribution to the defined contribution and benefit plans are in accordance with the terms of the entitlement of the employees and / or actuarial advice.

29.3 Remuneration to the executive officers of the Holding Company and loans and advances to them are determined in accordance with the terms of their employment. Mark-up free security deposits for gas connections to the executive staff of the Holding Company is received at rates prescribed by the Government of Pakistan.

29.4 Amount (due to) / receivable from / investment in related parties

The details of amount due with related parties not disclosed elsewhere in this consolidated condensed interim financial information are as follows:

	September 30, 2019 (Unaudited)	June 30, 2019 (Audited)
	------(Rupees in '000)-----	
Relationship		
Government related entities - various		
- Billable charges	63,622,683	62,745,107
- Mark up accrued on borrowings	(6,657,332)	(5,158,965)
- Net investment in finance lease	306,446	224,440
- Gas purchases	269,747,035	247,927,553
- Gas meters & Spare Parts	573,248	360,181
- Uniform cost of gas	15,818,846	15,818,845
- Cash at bank	30,431	5,527
- Stock Loan	4,912	4,912
- Payable to insurance	(475,517)	(475,580)
- Gas supply deposit	(51,283)	(43,392)
- Interest expense accrued - Late payment surcharge on gas supplies	(15,832,411)	(15,832,411)
- Interest income accrued - late payment on gas bills	11,745,619	11,287,868
- Professional Charges	57	57
- Contingent rent	3,535	3,535
- Capacity and utilisation charges of RLNG	38,131,587	33,298,113
- RLNG Transportation Income	22,461,304	20,642,231
- LSA Margins	2,141,778	1,897,684
- LPG Purchases	(37,847)	-
- Advance for Sharing Right of Way	(18,088)	(18,088)

30. OPERATING SEGMENTS

IFRS 8 -Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Holding Company that are regularly reviewed by the chief operating decision maker in order to allocate resources to segments and to assess their performance. As a result, management has identified the following two segments:

- 1) Gas transmission and distribution (sale of gas); and
- 2) Meter manufacturing (manufacturing and sale of gas meters).

Segment revenue and results

The following is analysis of the Group's revenue and results by reportable segment.

	Quarter ended			
	Segment revenue		Segment loss	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	(Un-audited)			
	----- (Rupees in '000) -----			
Gas transmission and distribution	69,950,966	48,680,888	(4,268,327)	(1,882,386)
Meter manufacturing	443,321	366,933	3,116	1,292
Total segment results	<u>70,394,287</u>	<u>49,047,821</u>	<u>(4,265,211)</u>	<u>(1,881,094)</u>
Unallocated - other expenses				
- Other operating expenses			(32,241)	(1,277,896)
Unallocated - other income				
- Non-operating income			288,870	229,600
Loss before tax			<u>(4,008,582)</u>	<u>(2,929,390)</u>

The above revenue includes sale of meters by meter manufacturing segment to gas transmission and distribution amounting to Rs. 516 million (September 30, 2018: Rs. 439 million).

	September 30, 2019 (Un-audited)	June 30, 2018 (Audited)
	----- (Rupees in '000) -----	
Segment assets and liabilities		
Segment assets		
Gas transmission and distribution	522,864,403	506,297,822
Meter manufacturing	765,836	762,427
Total segment assets	523,630,239	507,060,249
Unallocated		
- Loans and advances	918,443	835,430
- Taxation - net	19,180,050	19,717,006
- Interest accrued	487,739	487,739
- Cash and bank balances	1,128,988	836,483
Total assets as per consolidated Condensed interim statement of financial position	<u>21,715,220</u>	<u>21,876,658</u>
	<u>545,345,459</u>	<u>528,936,907</u>
Segments liabilities		
Gas transmission and distribution	551,223,618	530,359,999
Meter manufacturing	248,021	285,719
Total segment liabilities	551,471,639	530,645,718
Unallocated		
- Employee benefits	6,082,131	5,875,230
Total liabilities as per consolidated condensed interim statement of financial position	<u>557,553,770</u>	<u>536,520,948</u>

31. FAIR VALUE OF MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transactions between market participants at the measurement date.

31.1 Fair value of financial instruments

Financial assets which are tradeable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

The table below analyses financial instruments carried at fair value. The different levels has been defined as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the financial assets which are carried at fair value:

As at September, 2019			
Level 1	Level 2	Level 3	Total
-----Rupees in '000-----			
Assets			
Fair value through OCI Financial Assets			
Quoted equity securities	206,817	-	206,817

As at June 30, 2019			
Level 1	Level 2	Level 3	Total
-----Rupees in '000-----			

Assets

Fair value through OCI Financial Assets			
Quoted equity securities	236,148	-	236,148

The Holding Company has not disclosed the fair values of all other financial assets and liabilities as their carrying amounts are reasonable approximation of their fair values.

31.2 Fair value of other assets

Freehold land and leasehold land are stated at revalued amount as at reporting date, the fair value hierarchy is as follows:

	As at September 30, 2019	
	Level 2	Fair Value
	-----Rupees in '000-----	
Freehold land	10,862,545	10,862,545
Leasehold land	11,763,436	11,763,436
	<u>22,625,981</u>	<u>22,625,981</u>

	As at June 30, 2019	
	Level 2	Fair Value
	-----Rupees in '000-----	
Freehold Land	10,862,545	10,862,545
Leasehold Land	11,763,436	11,763,436
	<u>22,625,981</u>	<u>22,625,981</u>

32. EVENTS AFTER THE REPORTING DATE

On March 11, 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 Group 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, allowing easy installments to customers, facilitating continued business through social-distancing and easing pressure on credit and liquidity. Due to Covid-19, receivables increased because of easy installements provided by Government of Pakistan and similarly there was an increase shown in theft and PUG because of disclosure of disconnection activities in the areas where billing recovery is significantly low.

These conditions are non-adjusting events and impacted the economic and risk environment in which the Group operates.

33. GENERAL

33.1 Figures have been rounded off to the nearest thousand rupees unless otherwise stated.

33.2 Corresponding figures have been rearranged and reclassified, wherever necessary.

34. DATE OF AUTHORISATION

This consolidated condensed interim financial information were authorised for issue in Board of Directors meeting held on 16 October, 2021.

Dr. Shamshad Akhtar
Chairperson

Imran Maniar
Managing Director

Muhammad Amin Rajput
Chief Financial Officer