Sui Southern Gas Company Limited

SSGC

Un-Audited Condensed Interim Financial Information for the nine months period ended March 31, 2024

DELIVERING VALUE BEYOND ENERGY

SSGC | Sui Southern Gas Company Limited

Unconsolidated Condensed Interim Financial Information (Un-Audited)
for the nine months period ended March 31, 2024

CORPORATE PROFILE

BOARD OF DIRECTORS

AS ON MARCH 31, 2024

Dr. Shamshad Akhtar	Chairperson
Mr. Muhammad Raziuddin Monem	Director
Ms. Saira Najeeb Ahmed	Director
Mr. Shakeel Qadir Khan	Director
Mr. Shahbaz Tahir Nadeem	Director
Mr. Shoaib Javed Hussain	Director
Dr. Sohail Razi Khan	Director
Mr. Ayaz Dawood	Director

MANAGING DIRECTOR
Mr. Imran Maniar

COMPANY SECRETARY
Mr. Mateen Sadiq

AUDITORS
M/s. BDO Ebrahim & Co., Chartered Accountants

LEGAL ADVISOR
M/s. Liaquat Merchant Associates (LMA)

REGISTERED OFFICE
SSGC House Sir Shah Suleman Road
Gulshan-e-Iqbal, Block 14, Karachi – 75300, Pakistan

CONTACT DETAILS
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Web: www.ssgc.com.pk

SHARE REGISTRAR
CDC Share Registrar Services Limited,
CDC House, 99-B, Block B, SMCHS,
Main Sharah-e-Faisal, Karachi.
Ph: 021-111-111-500

BOARD OF DIRECTORS' COMMITTEES

As on March 31, 2024

Board Human Resource and Remuneration & Nomination Committee

Dr. Shamshad Akhtar	Chairperson
Mr. Muhammad Raziuddin Monem	Director
Ms. Saira Najeeb Ahmed	Director
Mr. Shahbaz Tahir Nadeem	Director
Mr. Shoaib Javed Hussain	Director

Board Finance and Procurement Committee

Ms. Saira Najeeb Ahmed	Chairperson
Dr. Sohail Razi Khan	Director
Mr. Ayaz Dawood	Director
Mr. Shakeel Qadir Khan	Director
Mr. Shahbaz Tahir Nadeem	Director

Board Audit Committee

Mr. Ayaz Dawood	Chairman
Ms. Saira Najeeb Ahmed	Director
Dr. Sohail Razi Khan	Director
Mr. Shahbaz Tahir Nadeem	Director
Mr. Shoaib Javed Hussain	Director

Board Risk Management, Litigation and HSEQA Committee

Mr. Muhammad Raziuddin Monem	Chairman
Mr. Shakeel Qadir Khan	Director

Special Committee of Directors on UFG

Dr. Shamshad Akhtar	Chairperson
Mr. Shakeel Qadir Khan	Director
Dr. Sohail Razi Khan	Director
Mr. Shakeel Qadir Khan	Director
Mr. Shahbaz Tahir Nadeem	Director

DIRECTORS' REVIEW

For Nine Months Period Ended March 31, 2024

The Board of Directors of SSGC is pleased to present the nine-month financial statements for the period ended March 31, 2024.

Financial Overview

During the nine months of FY 2023-24, SSGC has demonstrated exceptional progress in operational efficiency and financial performance. Building upon the momentum established in the first half of FY 2023-24, the Company has achieved a remarkable reduction in Unaccounted-for Gas (UFG), bringing it down to 10.74% from 17.70% in the corresponding period last year. This unprecedented improvement reflects SSGC's unwavering commitment to operational excellence, process optimization, and a high-performance organizational culture.

Recognizing the significant impact of UFG on profitability, the Board of Directors, in collaboration with management, continued to spearhead transformative initiatives undertaken by the dedicated UFG Division. These efforts have been strategically aligned with OGRA's Key Monitoring Indicators (KMI), aiming for 100% compliance in FY 2023-24. As part of a long-term solution for UFG reduction in leakage-prone and aging networks, SSGC has intensified its distribution network rehabilitation program. The initial target of 750 km has now been doubled to 1,500 km, with 1,095 km successfully completed by March 2024. Looking ahead, the Company is committed to rehabilitating 7,500 km of the distribution pipeline network over the next three years, further reinforcing its dedication to sustainable efficiency gains.

Financial Highlights

(Rupees in Million)	March 2024	March 2023	Variance
Profit / (Loss) before Taxation	9,835	(14,773)	24,608
Taxation	(3,203)	(2,577)	626
Profit / (Loss) after Taxation	6,632	(17,350)	23,982
Earnings / (Loss) Per Share (Rs.)	7.53	(19.70)	27.23

Despite challenging operating environment, SSGC's resolute focus on strategic efficiency has resulted in significant UFG improvements. Over the period from FY 2018-19 to FY 2022-23, the Company successfully achieved a cumulative UFG reduction of approximately 21 BCF, demonstrating its consistent commitment to address operational challenges. Enhanced project execution and streamlined operations have further strengthened financial capitalization, increasing from Rs. 17 billion (FY 2022-23) to a projected Rs. 25 billion in FY 2023-24. In alignment with cutting-edge technological advancements, SSGC has implemented a state-of-the-art SCADA system on 50 TBS sites, ensuring precise operational control remotely. Additionally, intensified efforts are underway to achieve a regulatory and legal resolution of the Balochistan UFG issue.

The financial statements have been prepared in accordance with OGRA's Final Revenue Requirement determination of FY 2022-23, ensuring strict regulatory compliance. The Company's future outlook remains robust, bolstered by strategic investments in network rehabilitation, zonal management, and technological enhancements. These initiatives reaffirm SSGC's commitment to deliver reliable and sustainable gas supplies while continuously enhancing customer satisfaction.

Profitability and Financial Adjustments

SSGC's profitability is primarily governed by the Guaranteed Return Formula prescribed by OGRA, based on the Weighted Average Cost of Capital (WACC). For this period, SSGC was allowed a 23.45% Return on Average Net Operating Fixed Assets before financial charges and taxes in FY 2022-23 (March 2023: 16.60%). However, adjustments related to efficiency benchmarks, including UFG, Human Resource Benchmark Costs, and Provision for Doubtful Debts, impact the overall financial results.

In accordance with OGRA's determination for FY 2022-23 issued on October 1, 2024, UFG disallowance recorded in these nine-month financial results amounted to Rs. 8,412 million (March 2023: Rs. 25,437 million). The finance cost for the period stood at Rs. 9,823 million (March 2023: Rs. 5,228 million).

Operationally, Karachi has consistently maintained UFG below 6%, significantly better than OGRA's benchmark of 7.4%. Encouraging improvements have also been observed in Interior Sindh and Balochistan, where UFG has declined to 9% (from 13.97%) and 38.72% (from 61.55%), respectively. Achieving a sustainable UFG structure in Balochistan remains contingent on policy decisions at the Federal level, and SSGC continues to advocate actively for necessary interventions.

Operational Enhancements

SSGC continues to reinforce its organizational structure through advanced training, upskilling, and optimization of resources. The Small Business Unit (SBU) model, successfully implemented in Karachi and Balochistan, has now been expanded across the franchise area, enhancing operational efficiency and customer service.

The Weighted Average Cost of Gas (WACOG) was increased by 6.27%, from Rs. 939.75 per MMCF to Rs. 998.67 per MMCF. However, with an 18.64 BCF reduction in UFG volumes, the overall UFG disallowance declined by Rs. 17,025 million, demonstrating the success of strategic initiatives.

Provision for Impaired Debts

While OGRA allows provisions for impaired debts related to disconnected customers, SSGC's adoption of IFRS-9 mandates provisioning based on Expected Credit Losses, including live customers. This forward-looking approach impacts profitability, but notably, no ECL disallowance was recognized during this period (March 2023: Rs. 422 million).

Major Projects and Future Outlook

SSGC remains firmly committed to operational and financial sustainability, with key projects including:

- Completion of a 32-km segment of the 30-inch transmission pipeline to enhance gas supply from Upper Sindh to Karachi.
- Successful completion of pipeline projects in Quetta, improving gas supply reliability and UFG reduction.
- Advancement of seven distribution pipeline projects in Karachi, with four pipelines already commissioned and three on track for completion by June 2024.
- Implementation of a 24-inch, 31-km high-pressure pipeline to reinforce pressure and supply in Karachi West and Hub, set for completion by June 2024.
- Enhanced Meter Manufacturing Plant performance, achieving 97% local production post-technology transfer. A significant revival of SNGPL business has resulted in orders totaling 1.26 million meters, with deliveries initiated in January 2024.
- Strengthened HSE&QA measures, ensuring active monitoring and compliance.
- Expanded gas theft control operations, leveraging legal frameworks and recovery mechanisms.

Acknowledgments

The Board extends its deepest gratitude to shareholders, valued customers, and employees for their unwavering commitment and dedication. We also appreciate the continued support and guidance of the Government of Pakistan, the Ministry of Energy (Petroleum Division), and OGRA, whose collaboration remains instrumental in achieving our corporate objectives.

On behalf of the Board.

Dr. Shamshad Akhtar
Chairperson

M. Amin Rajput
Managing Director

Dated: February 22, 2025
Place: Karachi

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		--------(Rupees in '000)--------	
ASSETS			
Non-current assets			
Property, plant and equipment	5	**198,557,783**	187,414,345
Right of use assets		**94,008**	73,637
Intangible assets		**215,208**	195,756
Long term investments	6	**1,341,662**	1,235,412
Long term loans		**631,122**	691,249
Long term deposits		**20,741**	20,128
Deferred taxation		**9,428,830**	8,366,320
Total non-current assets		**210,289,354**	197,996,847
Current assets			
Stores, spares and loose tools		**3,829,490**	3,664,088
Stock-in-trade		**4,132,820**	3,444,930
Customers' installation work-in-progress		**283,191**	266,312
Trade debts	7	**134,422,891**	118,245,036
Loans and advances		**701,855**	1,164,562
Advances, deposits and short term prepayments		**412,329**	592,648
Interest accrued	8	**20,061,527**	18,595,308
Other receivables	9	**796,337,364**	707,415,925
Taxation - net		**12,101,749**	13,844,382
Cash and bank balances		**752,773**	384,019
Total current assets		**973,035,989**	867,617,210
Total assets		**1,183,325,343**	1,065,614,057

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

Dr. Shamshad Akhtar	**Muhammad Amin Rajput**	**Wajeeh Uddin Sheikh**
Chairperson	Managing Director	Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
EQUITY AND LIABILITIES		--------(Rupees in '000)--------	
Share Capital and Reserves			
Share capital		**8,809,163**	8,809,163
Capital reserves			
Reserves		**234,868**	234,868
Surplus on re-measurement of FVTOCI securities		**221,427**	115,177
Surplus on revaluation of property, plant and equipment		**59,835,137**	59,835,137
Revenue reserves			
General reserves		**4,672,533**	4,672,533
Accumulated losses		**(69,722,769)**	(76,354,791)
		4,050,359	(2,687,913)
LIABILITIES			
Non-current liabilities			
Long term financing	10	**21,746,964**	27,335,388
Deferred credit	11	**8,529,933**	8,536,788
Contract liabilities	12	**9,982,175**	9,766,898
Lease liabilities		**19,596**	13,287
Payable against transfer of pipeline		**545,016**	607,696
Long term deposits		**28,850,899**	27,779,873
Employee benefits		**8,282,453**	7,472,303
Total non-current liabilities		**77,957,036**	81,512,233
Current liabilities			
Current portion of :			
Long term financing	10	**5,791,424**	4,853,924
Deferred credit	11	**454,267**	510,445
Contract liabilities	12	**259,496**	296,964
Lease liabilities		**68,017**	53,028
Payable against transfer of pipeline		**82,655**	77,285
Trade and other payables	13	**1,029,196,963**	927,114,910
Unclaimed dividend		**285,338**	285,340
Interest accrued	14	**17,878,406**	19,502,136
Short term borrowings	15	**47,301,382**	34,095,705
Total current liabilities		**1,101,317,948**	986,789,737
Total liabilities		**1,179,274,984**	1,068,301,970
TOTAL EQUITY AND LIABILITIES		**1,183,325,343**	1,065,614,057
CONTINGENCIES AND COMMITMENTS	16		

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

Dr. Shamshad Akhtar	**Muhammad Amin Rajput**	**Wajeeh Uddin Sheikh**
Chairperson	Managing Director	Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2024

		Nine months period ended		Quarter ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	Note	--------------------(Rupees in '000)--------------------			
Revenue from contract with customers - Gas sales	17	291,125,419	177,700,555	114,522,267	54,229,931
Add: Tariff adjustments	18	56,013,105	151,933,775	(388,505)	66,680,938
Net revenue		347,138,524	329,634,330	114,133,762	120,910,869
Cost of revenue	19	(339,457,360)	(312,737,607)	(114,582,692)	(101,816,487)
Gross profit / (loss)		7,681,164	16,896,723	(448,930)	19,094,382
Administrative and selling expenses		(5,122,947)	(4,043,844)	(1,763,198)	(1,412,956)
Other operating expenses	20	(1,049,078)	(32,056,738)	(397,874)	(25,799,561)
Allowance for expected credit loss		(1,286,741)	(1,500,024)	(579,573)	(352,756)
		(7,458,766)	(37,600,606)	(2,740,645)	(27,565,273)
Operating profit / (loss)		222,398	(20,703,883)	(3,189,575)	(8,470,891)
Other income	21	19,436,259	11,158,276	8,192,898	3,955,279
Profit / (loss) before interest and taxation		19,658,657	(9,545,607)	5,003,323	(4,515,612)
Finance cost		(9,823,336)	(5,227,544)	(3,248,081)	(2,318,532)
Profit / (loss) before taxation		9,835,321	(14,773,151)	1,755,242	(6,834,144)
Taxation	22	(3,203,299)	(2,577,018)	(940,586)	(942,272)
Profit / (loss) for the period		6,632,022	(17,350,169)	814,656	(7,776,416)
Earnings / (loss) per share - basic and diluted	23	7.53	(19.70)	0.92	(8.83)

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

Dr. Shamshad Akhtar	**Muhammad Amin Rajput**	**Wajeeh Uddin Sheikh**
Chairperson	Managing Director	Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2024

	Nine months period ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	--------------------(Rupees in '000)--------------------			
Profit / (loss) for the period	**6,632,022**	(17,350,169)	**814,656**	(7,776,416)
Other comprehensive income / (loss) for the period				
Items that will not be reclassified subsequently to unconsolidated condensed interim statement of profit or				
Unrealised gain / (loss) on re-measurement of FVTOCI	**106,250**	(7,111)	**(32,581)**	1,793
Total comprehensive income / (loss) for the period	**6,738,272**	(17,357,280)	**782,075**	(7,774,623)

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

Dr. Shamshad Akhtar
Chairperson

Muhammad Amin Rajput
Managing Director

Wajeeh Uddin Sheikh
Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS PERIOD AND AS AT MARCH 31, 2024

	Issued, subscribed and paid-up capital	Capital reserves			Revenue reserves		Total
		Reserves	Surplus on re-measurement of FVTOCI securities	Surplus on revaluation of property, plant and equipment	General Reserves	Accumulated losses	
	(Rupees in '000)						
Balance as at July 01, 2022 (Audited)	8,809,163	234,868	115,836	54,107,435	4,672,533	(72,418,688)	(4,478,853)
Total comprehensive loss for the period ended March 31, 2023							
Loss for the period	-	-	-	-	-	(17,350,169)	(17,350,169)
Other comprehensive loss for the period	-	-	(7,111)	-	-	-	(7,111)
	-	-	(7,111)	-	-	(17,350,169)	(17,357,280)
Balance as at March 31, 2023 (Un-audited)	8,809,163	234,868	108,725	54,107,435	4,672,533	(89,768,857)	(21,836,133)
Balance as at July 01, 2023 (Audited)	**8,809,163**	**234,868**	**115,177**	**59,835,137**	**4,672,533**	**(76,354,791)**	**(2,687,913)**
Total comprehensive profit for the period ended March 31, 2024							
Profit for the period	**-**	**-**	**-**	**-**	**-**	**6,632,022**	**6,632,022**
Other comprehensive income for the period	**-**	**-**	**106,250**	**-**	**-**	**-**	**106,250**
	-	**-**	**106,250**	**-**	**-**	**6,632,022**	**6,738,272**
Balance as at March 31, 2024 (Un-audited)	**8,809,163**	**234,868**	**221,427**	**59,835,137**	**4,672,533**	**(69,722,769)**	**4,050,359**

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

Dr. Shamshad Akhtar	**Muhammad Amin Rajput**	**Wajeeh Uddin Sheikh**
Chairperson	Managing Director	Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2024

	Note	Nine months period ended March 31, 2024	Nine months period ended March 31, 2023
		--------(Rupees in '000)--------	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		**9,835,321**	(14,773,151)
Cash generated from operations	24	**13,888,110**	24,320,112
Financial charges paid		**(13,100,920)**	(7,113,129)
Employee benefits paid		**(148,332)**	(200,614)
Payment for retirement benefits		**(1,425,469)**	(1,712,245)
Long term deposits - net		**1,117,351**	2,342,782
Loans and advances to employees- net		**522,834**	(169,510)
Income taxes paid		**(2,523,176)**	(1,277,672)
Net cash generated from / (used in) operating activities		**8,165,719**	1,416,573
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		**(16,392,979)**	(8,257,441)
Proceeds from sale of property, plant and equipment		**114,689**	95,374
Payment for payable against transfer of pipeline		**(101,799)**	(101,799)
Payments for intangible assets		**(123,333)**	(76,586)
Dividend received		**3,915**	20,123
Interest income received		**224,266**	125,630
Net cash used in investing activities		**(16,275,241)**	(8,194,699)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from loans		**-**	14,961,375
Repayments of loans		**(4,650,718)**	(6,466,667)
Repayment of customer finance		**(206)**	(12,334)
Repayment of lease liabilities		**(76,477)**	(68,032)
Net cash (used in) / generated from financing activities		**(4,727,401)**	8,414,342
Net decrease in cash and cash equivalents		**(12,836,923)**	1,636,216
Cash and cash equivalents at beginning of the period		**(33,711,686)**	(23,115,283)
Cash and cash equivalents at end of the period	25	**(46,548,609)**	(21,479,067)

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

Dr. Shamshad Akhtar	**Muhammad Amin Rajput**	**Wajeeh Uddin Sheikh**
Chairperson	Managing Director	Chief Financial Officer

1. STATUS AND NATURE OF BUSINESS

1.1 Sui Southern Gas Company Limited ("the Company") is a public limited Company incorporated in Pakistan under the Companies Act, 2017 (repealed Companies Ordinance, 1984) and is listed on Pakistan Stock Exchange. The Company came into being on March 30, 1989 after the amalgamation of Karachi Gas Company, Indus Gas Company and Sui Gas Transmission Company. 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 for laying of pipelines.

The registered office of the Company is situated at SSGC House, Sir Shah Muhammad Suleman Road, Block 14, Gulshan-e-Iqbal, Karachi. The meter manufacturing plant is situated at its' registered office.

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	SSGC Karachi Terminal Opposite Safari Park Main University Road, Karachi.
Hyderabad	SSGC Regional Office, Opposite 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 the license given by the Oil and Gas Regulatory Authority (OGRA) under the OGRA Ordinance, 2002, the Company is provided with a minimum annual return before taxation based on the Weighted Average Cost of Capital (‘WACC’) applied on the average net operating assets excluding financial, other non-operating expenses and non-operating income from the reference figures.

The determination of annual required return is reviewed by OGRA, under the terms set by OGRA for the license of transmission, distribution and sale of natural gas, targets and parameters. Income earned in excess / short of the guaranteed return is payable to / recoverable from the Government of Pakistan (the GoP).

1.3 Status of the Company's Operations - Financial Performance

As of the reporting date, the Company has accumulated losses amounting to Rs. 69,723 million (June 30, 2023: Rs. 76,355). The Company's equity has nearly turned up to be a positive, primarily due to the inclusion of surplus on revaluation of property, plant and equipment. Further, its current liabilities exceed its current assets by Rs. 128,282 million (June 30, 2023: 119,173). These factors may cast doubt on the Company's ability to continue as a going concern.

Below enumerated matters are emphasising the financial performance and sustainability of the Company:

- 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 Unaccounted For Gas (UFG) based on Regassified Liquefied Natural Gas (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 of Final Revenue Requirement (FRR) for the financial year June 30, 2018 and there after till June 30, 2023, carrying financial impact aggregating to Rs 91,790 million as of the reporting date, OGRA did not consider implementing the aforementioned decision and advised to take up the matter with Sui Northern Gas Pipelines Limited (SNGPL) in consultation with Ministry of Energy (Petroleum Division). The Company has reiterated its earlier position of higher UFG due to RLNG, thus to sort out this issue, ECC constituted a Committee comprising Secretaries of Petroleum & Finance division. In line with Committee recommendations and having an independent view as requested by the Company, OGRA hired the 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.
- The Company has undertaken actions for reduction in UFG / enhancement of UFG benchmark based on Key Monitoring Indicators (KMI) as well as implementation of ECC decision on RLNG volume handling which will help in significant reduction in UFG disallowances.

- The Company has devised a strategy to control UFG, duly approved by the Board of Directors and the same is under implementation.

- The Government of Pakistan (the GoP), being the majority shareholder has also been taking significant measures to resolve gas sector circular debt issues through tariff rationalization and gas pricing reforms. It has also been actively pursuing the Company to devise a tangible and sustainable UFG reduction plan and bring down UFG losses to single digit or below OGRA allowed UFG benchmark to make it a viable business entity.

  Further, the GoP's (Finance Division), vide its letter dated October 28, 2024 has shown commitment to extend all support to meet its working capital requirements.

The management is confident that, in view of the above-mentioned factors, the Company's profitability and financial position will improve in the next few years and hence, believes that no material uncertainty exists and going concern basis of accounting is appropriate. Accordingly, these unconsolidated condensed interim financial statements are prepared on a going concern basis.

2 BASIS FOR PREPARATION

2.1 Statement of compliance

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

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

- Provisions of and directives issued under the Companies Act, 2017 and State-Owned Enterprises (Governance and Operations) Act, 2023.

Where the provisions of and directives issued under the Companies Act, 2017 and State-Owned Enterprises (Governance and Operations) Act, 2023 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 and State-Owned Enterprises (Governance and Operations) Act, 2023 have been followed.

2.2 These unconsolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and Listing Regulations of the Pakistan Stock Exchange Limited.

2.3 These unconsolidated condensed interim financial statements do not include all the information required for annual unconsolidated financial statements and should be read in conjunction with the annual unconsolidated financial statements of the Company for the year ended June 30, 2023.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual unconsolidated financial statements.

2.4 The comparative unconsolidated statement of financial position presented in these unconsolidated condensed interim statement of financial position has been extracted from the annual audited unconsolidated financial statements of the Company for the year ended June 30, 2023, whereas the comparative unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity are extracted from the unaudited unconsolidated condensed interim financial statements for the nine months ended March 31, 2023.

2.5 Functional and presentation currency

These unconsolidated condensed interim financial statements have been presented in Pakistani Rupees ('Rupees' or 'Rs'), which is the functional and presentation currency of the Company.

3 Initial application of standards, amendments or an interpretation to existing standards

3.1 Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2023, but are considered not to be relevant or expected to have any significant effect on the Company's operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Company's accounting periods beginning on or after January 1, 2024, but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these unconsolidated condensed interim financial statements.

4 MATERIAL ACCOUNTING POLICIES ESTIMATES AND JUDGEMENTS

4.1 The accounting policies adopted for the preparation of these unconsolidated condensed interim financial statements are same as these applied to the preparation of the preceding annual unconsolidated financial statements of the Company for the year ended June 30, 2023.

4.2 The preparation of these unconsolidated condensed interim financial statements requires the management to make estimates, assumptions and judgments that affect the application of accounting 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 annual audited unconsolidated financial statements for the year ended June 30, 2023, except for the following:

The charge in respect of staff retirement benefits has been recognised on the basis of actuarial projection for FY 2023-24, hence it does not include consideration for actuarial gains / losses which will be determined at the year end.

	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		--------(Rupees in '000)--------	
5 PROPERTY, PLANT AND EQUIPMENT			
Operating assets	5.1	**181,226,081**	174,831,452
Capital work-in-progress	5.4	**17,331,702**	12,582,893
		198,557,783	187,414,345

5.1 Following is the movement in property, plant and equipment during the period / year:

	Note	March 31, 2024	June 30, 2023
Operating fixed assets - Net book value (NBV)			
Opening balance		**174,831,452**	160,332,379
Add: Additions (transfers from CWIP) during the period / year - at cost	5.2	**13,412,571**	16,515,200
Add: Revaluation surplus during the year		**-**	5,727,702
		188,244,023	182,575,281
Less: Disposals during the period / year	5.3	**(611,243)**	(690,042)
Depreciation charge for the period / year		**(6,406,699)**	(7,053,787)
Closing balance		**181,226,081**	174,831,452

5.2 Additions during the period / year - at cost

	March 31, 2024	June 30, 2023
Leasehold land	**-**	6,904
Buildings on leasehold land	**118,590**	168,398
Gas transmission pipeline	**466,217**	2,746,801
Gas distribution system	**10,757,614**	11,971,547
Compressors	**857,073**	346,755
Telecommunication	**6,929**	56,822
Plant and machinery	**710,262**	460,014
Tools and equipment	**28,440**	36,439

	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		--------(Rupees in '000)--------	
Motor vehicles		**146,674**	484,706
Furniture and fixture		**19,058**	31,005
Office equipment		**60,090**	43,514
Computer and ancillary equipments		**241,624**	130,380
Supervisory control and data acquisition system		**-**	31,915
		13,412,571	16,515,200

5.3 Disposal during the period / year - NBV

Gas distribution system		**592,429**	653,031
Telecommunication		**127**	554
Plant and machinery		**3,448**	2,355
Tools and equipment		**1**	33,811
Motor vehicles		**14,061**	-
Furniture & Fixture		**2**	
Office equipment		**-**	4
Computer and ancillary equipments		**-**	167
Supervisory control and data acquisition system		**1,175**	120
		611,243	690,042

5.4 Capital work in progress

Projects:			
Gas distribution system		**6,806,671**	4,849,255
Gas transmission system		**340,148**	151,277
Cost of buildings under construction and others		**951,572**	559,187
		8,098,391	5,559,719
Impairment of capital work in progress		**(452,552)**	(452,552)
		7,645,839	5,107,167
Stores and spares held for capital projects	5.4.2	**9,420,737**	7,216,646
LPG air mix plant		**265,126**	259,080
		9,685,863	7,475,726
		17,331,702	12,582,893

5.4.1 In the current period, the capital work in progress includes additions of Rs. 16,516 million (June 30, 2023: Rs. 12,701 million) and transfers to operating assets of Rs. 13,413 million (June 30, 2023: Rs. 16,515 million).

	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
	--------(Rupees in '000)--------	

5.4.2 Stores and spares held for capital projects

Stores and spares held for capital projects	**9,913,240**	7,760,289
Provision for impairment	**(492,503)**	(543,643)
	9,420,737	7,216,646

		Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
			--------(Rupees in '000)--------	
6	**LONG TERM INVESTMENTS**			
	At cost			
	Investment in subsidiary		**1,083,708**	1,083,708
	At fair value through other comprehensive income			
	Associates and other investments		**257,954**	151,704
			1,341,662	1,235,412
7	**TRADE DEBTS**			
	Considered good			
	Secured		**47,083,893**	28,501,759
	Unsecured		**87,338,998**	89,743,277
		7.1 & 7.2	**134,422,891**	118,245,036
	Considered doubtful		**26,824,152**	25,495,071
			161,247,043	143,740,107
	Less: Allowance for expected credit loss		**(26,824,152)**	(25,495,071)
			134,422,891	118,245,036

7.1 The 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, and effective from July 01, 2012, the Company decided to account for LPS from KE on receipt basis based on opinions from firms of Chartered Accountants.

The trade debts includes Rs. 26,361 million (June 30, 2023: Rs. 26,289 million) as at March 31, 2024 receivables from KE against sale of indigenous gas excluding GIDC and LPS. The aggregate legal claim of the Company from KE amounts to Rs. 197,129 million (June 30, 2023: Rs. 176,412 million). This amount has been arrived at as per the policy of the Company to charge LPS to customers who do not make timely payments. However, the balance of Rs. 26,289 (June 30, 2023: Rs. 26,289 million) remains overdue as at March 31, 2024.

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 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 highest of:

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

Further, as per the above agreement and 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 a case against the Company in the Honorable High Court of Sindh (SHC) 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. 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. It was later agreed that the Company would make additional 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 additional quantity of natural gas as per terms of the agreement.

In view of the legal counsel of the Company, there is a strong case for recovery of the outstanding amount, hence, based on that management considers outstanding balance as good and recoverable. The legal counsel also viewed 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, the Company 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 to March 31, 2016. Upon expiry, the second addendum was included to the original payment plan on June 18, 2016 effective from April 1, 2016 to March 31, 2017. Currently, management is in a process to negotiate payment plan, which has not been finalized till the filing of these unconsolidated financial statements but the supply of gas and payment is continuing as per old plan.

In June 2022, a Task Force was constituted by the then Prime Minister to resolve issues / disputes related to KE. Accordingly, after deliberations a Mediation Agreement has been initialed executed between the Company & KE (the Stakeholders). The Federal Cabinet also ratified the decision and the Mediation Agreement was also cleared by Law & Justice Division. Parties have submitted their respective claims with the Mediator and the mediation proceedings have been started after taking necessary Board approvals. Recently, the Mediation Agreement has been signed by the stakeholders and the same has been pending for commencement of Mediation process. A formal letter from Federal Government is awaited.

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. Term of reference has been signed and shared with KE. However, no response received from KE.

7.2 The 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 based on opinions from a firm of Chartered Accountants.

The trade debts includes Rs. 23,426 million (June 30, 2023: Rs. 22,272 million) as at March 31, 2024 recoverable from PSML excluding GIDC and LPS. The aggregate legal claim of the Company from PSML amounts to Rs. 95,078 million (June 30, 2023: Rs. 89,405 million). This amount has been arrived at as per the policy of the Company to charge LPS to customers who do not make timely payments. However, the balance of Rs. 23,264 (June 30, 2023: Rs. 22,181 million) remains overdue as at March 31, 2024.

The Company filed a suit in the Honorable High Court of Sindh (SHC) 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 SHC 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.

Subsequent to the period end, in the ECC meeting dated May 23, 2024 funds were released to PSML amounting to Rs. 2,125 million for payment of gas bills and it was further decided by the ECC that no further payment against consumption of gas supply to PSML will be made after it so no further liability of Federal Government against SSGC could accrue. Hence, in view of the ECC decision, SSGC sent disconnection notice to PSML on July 01, 2024 and the gas supply to PSML was disconnected on July 04, 2024.

	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
	--------(Rupees in '000)--------	
8 INTEREST ACCRUED		
Interest accrued on late payment of bills / invoices from:		
Water and Power Development Authority (WAPDA)	**6,437,127**	5,857,934
Sui Northern Gas Pipelines Limited (SNGPL)	**12,948,871**	12,093,081
Jamshoro Joint Venture Limited (JJVL)	**239,689**	239,689
	19,625,687	18,190,704
Interest accrued on sales tax refund	**487,739**	487,739
Bank deposits	**30,989**	-
Interest accrued on loan to related party	**29,512**	29,265
	20,173,927	18,707,708
Less: Allowance for expected credit loss	**(112,400)**	(112,400)
	20,061,527	18,595,308

9 OTHER RECEIVABLES

	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		--------(Rupees in '000)--------	
Tariff adjustments indigenous gas - receivable from GoP	9.1	**556,038,523**	498,763,608
Receivable for sale of gas condensate		**4,347**	46,470
Receivable from SNGPL	9.2	**140,391,710**	118,058,521
Receivable from Jamshoro Joint Venture Limited (JJVL)	9.3	**2,501,824**	2,501,824
Receivable from SSGC LPG (Private) Limited		**7,714**	7,600
Receivable from Pakistan LNG Limited		**1,243,240**	1,010,173
Gas infrastructure development cess receivable		**6,841,706**	6,834,735
Receivable from GPO against gas collection		**2,315,215**	2,315,215
Sales tax receivable	9.4	**89,067,465**	80,113,037
Sindh sales tax		**2,451**	2,451
Asset contribution		**252,735**	337,646
Miscellaneous receivables		**215,201**	11,519
		798,882,131	710,002,799
Allowance for expected credit loss		**(2,544,767)**	(2,586,874)
		796,337,364	707,415,925

9.1 Tariff adjustments indigenous gas - receivable from GoP

Opening balance	**498,763,608**	295,488,261
Recognized during the year	**55,907,410**	201,684,882
Subsidy for LPG air mix operations	**1,367,505**	1,590,465
Closing balance	**556,038,523**	498,763,608

9.2 At the reporting date, receivable balance from SNGPL comprises of the following:

Differential tariff	**4,284,080**	4,284,080
Uniform cost of indigeneous gas	**15,818,846**	15,818,845
Uniform cost of RLNG	**20,000,000**	
Lease rentals	**1,611,868**	1,611,868
Contingent rent	**10,324**	10,338
LSA margins of RLNG	**3,278,097**	2,991,015
Capacity and utilisation charges of RLNG	**54,831,591**	54,076,191
RLNG transportation income	**40,556,904**	39,266,184
	140,391,710	118,058,521

9.2.1 Upto March 31, 2024, the Company has invoiced an amount of Rs. 240,677 million including Sindh Sales Tax of Rs. 27,831 million to SNGPL in respect of capacity and utilization charges (terminal charges), LSA margins and transportation charges relating to RLNG.

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.

In addition to the same, 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, in which it was decided that from June 2020 onwards all the invoices will be paid on a monthly basis by SNGPL, however, outstanding receivable balances before June 2020 amounting to Rs. 99,197 million included in the aggregate receivable balance of Rs. 140,392 million stands disputed as of the reporting date. OGRA, appointed a consultant for technical, commercial and managerial audits to ascertain the accuracy of Unaccounted-for Gas (UFG) of gas companies, encompassing both indigenous gas and imported RLNG and certain other matters.

Subsequent to the period end, the Company received draft reports (the "Report") on technical, commercial, and managerial audits from a consultant appointed by OGRA. The purpose of these audits was to assess the accuracy of Unaccounted for Gas (UFG) for gas companies, covering both indigenous gas and imported RLNG, as well as other related matters. The Company raised several concerns regarding the report issued by the consultant in its letter dated June 3, 2024, addressed to OGRA. In response, OGRA issued a letter to the Company on December 11, 2024, providing recommendations aimed at measuring and preventing UFG losses. Interalia, OGRA has also observed in its above letter that the Company’s claim to experience the higher UFG losses while handling the RLNG & Indigenous gas is also not tenable. The Company has once again approached the OGRA and communicated its concern vide their letter dated December 23, 2024. The management believes that the final outcome is yet to be determined by OGRA, preferably in the presence of both the parties.

9.3 This amount comprises of receivable in respect of royalty income & fuel charges, sale of liquid petroleum gas, sale of natural gas liquids, federal excise duty (FED), sindh sales tax (SST) on franchise services, receivable against excess paid processing charges from JJVL and receivable from JJVL at the rate of ad-hoc 57% value of LPG / NGL extraction as per the agreement signed between the Company and JJVL pursuant to Honorable Supreme Court of Pakistan (SCP) order dated December 04, 2018 amounting to Rs. 22 million (June 30, 2023: Rs. 22 million), Rs 159.6 (June 30, 2023: Rs. 159.6 million), Rs. 178 million (June 30, 2023: Rs. 178 million), Rs. 1,070 million (June 30, 2023: Rs. 1,070 million), Rs. 646 million (June 30, 2023: Rs. 646 million), Rs. 6.6 million (June 30, 2023: Rs. 6.6 million), Rs. 419.6 million (June 30, 2023: Rs. 419.6 million) respectively.

9.4 This represents sales tax refunds arise due to excess of Average Purchase Cost over Average Sales Price, uniform purchase price adjustment with SNGPL and zero rating of sales tax on gas sales for various industries. Theses refunds are processed through FBR's Sales Tax Automated Refund Repository System (STARR) . Due to several snags in the functioning of STARR, valid input sales tax claims of the Company are deferred and then 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. Subsequent to period-end, sales tax refunds of Rs. 1,599 million were realized by the Company while management is making vigorous efforts for realisation of remaining refunds.

	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		--------(Rupees in '000)--------	
10 LONG-TERM FINANCING			
Secured			
Loans from banking companies	10.1, 10.2 & 10.3	**26,615,164**	31,268,633
Unsecured			
Customer finance		**119,433**	119,640
Government of Sindh loans		**803,791**	801,039
		923,224	920,679
		27,538,388	32,189,312
Less: Current portion shown under current liabilities			
Loans from banking companies		**(5,604,167)**	(4,666,667)
Customer finance		**(590)**	(590)
Government of Sindh loans		**(186,667)**	(186,667)
		(5,791,424)	(4,853,924)
		21,746,964	27,335,388

10.1 This includes a long term finance facility amounting to Rs. 21,000 million was sanctioned in March 2022 from a syndicate of banks. This financial arrangement has been secured by the GoP guarantee. During the period repayment of Rs.4,667 million has been made.

10.2 This also includes finance facility amounting to Rs. 15,000 million was sanctioned in December 2022 by a syndicate of banks.

10.3 These loans / financial arrangements are secured by pari passu charge by way of hypothecation on all present and future movable fixed assets of the Company comprising of compressor stations, transmission pipelines, distribution pipelines, pipeline construction machinery and equipments.

		Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
			--------(Rupees in '000)--------	
11	**DEFERRED CREDIT**			
	Deferred credit	11.1	**5,852,958**	5,199,216
	Advance received from Government		**2,676,975**	3,337,572
			8,529,933	8,536,788
11.1	**DEFERRED CREDIT**			
	Government of Pakistan contributions / grants			
	Opening balance		**3,840,646**	2,762,110
	Additions / adjustments during the period / year		**916,242**	1,407,570
	Amortized during the period / year	21	**(261,280)**	(329,034)
	Closing balance		**4,495,608**	3,840,646
	Government of Sindh (Conversion of loan into grant)			
	Opening balance		**1,784,919**	1,889,931
	Additions during the period / year		**44,168**	22,052
	Amortized during the period / year	21	**(96,609)**	(127,064)
	Closing balance		**1,732,478**	1,784,919
	Government of Sindh grants			
	Opening balance		**84,096**	96,124
	Amortized during the period / year		**(4,957)**	(12,028)
	Closing balance		**79,139**	84,096
			6,307,225	5,709,661
	Less: Current portion of deferred credit		**(454,267)**	(510,445)
			5,852,958	5,199,216

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

		Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
			--------(Rupees in '000)--------	
12	**CONTRACT LIABILITIES**			
	Contribution from customers	12.1&12.2	**3,522,059**	3,544,995
	Advance received from customers	12.1	**6,460,116**	6,221,903
			9,982,175	9,766,898

	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		--------(Rupees in '000)--------	

12.1 This represents amount received from the consumers as contribution towards the cost of supplying and laying transmission, service and main lines.

12.2 Contribution from customers

Opening balance		**3,841,959**	3,238,534
Additions / adjustments during the period / year		**166,535**	891,195
Amortized during the period / year		**(226,939)**	(287,770)
		3,781,555	3,841,959
Less: current portion		**(259,496)**	(296,964)
Closing balance		**3,522,059**	3,544,995

13 TRADE AND OTHER PAYABLES

	Note		
Creditors for:			
Indigenous gas	13.1	**870,790,907**	769,786,888
RLNG	13.2	**103,676,853**	106,680,422
		974,467,760	876,467,310
Tariff adjustments - RLNG payable to the GoP	13.3	**23,721,295**	23,826,990
Service charges payable to Engro Elengy Terminal Limited (EETL)		**3,420,693**	3,272,567
Accrued liabilities / bills payable		**10,923,771**	8,437,763
Provision for compensated absences - Non executives		**365,657**	365,657
Payable to gratuity fund		**5,238,934**	5,484,519
Payable to pension fund		**252,647**	107,986
Payable to provident fund		**10,206**	10,204
Deposits / retention money		**1,100,597**	903,110
Advance for sharing right of way		**18,088**	18,088
Withholding tax		**56,035**	31,375
Sales tax and federal excise duty		**622,534**	312,234
Sindh sales tax		**5,351**	25,948
Gas infrastructure development cess		**6,841,706**	6,834,735
Unclaimed term finance certificate redemption profit		**1,800**	1,800
Workers' profit participation fund		**932,154**	376,347
Others		**1,217,735**	638,277
		1,029,196,963	927,114,910

13.1 The creditors for indigenous gas supplies include Rs. 681,846 million (June 30, 2023: Rs. 588,195 million) payable to Oil and Gas Development Company Limited (OGDCL), Pakistan Petroleum Limited (PPL) and Government Holdings (Private) Limited in respect of gas purchases along with interest of Rs. 15,832 million (June 30, 2023: Rs. 15,832 million) on their balances which have been presented in note 14.1 to these unconsolidated condensed interim financial statements.

In addition to the above, it also includes payable to SNGPL amounting to Rs. 10,013 million (June 30, 2023: Rs. 7,839 million) which stands outstanding as at March 31, 2024.

13.2 On December 12, 2017, the Ministry of Energy (MOE) in pursuance of the decision of ECC vide case submitted on September 03, 2015, allocated 12 BCF RLNG volume to the Company and thereafter, allocated further 37 BCF. The ECC in it's decision dated March 03, 2020 has allocated 71 BCF (in total to the Company) in order to resolve the matter of short supply with the direction to enter into an agreement with SNGPL.

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 allocated volumes.

During the period, the Company has recorded purchases of 21 BCF (June 2023: 16 BCF) from SNGPL amounting to Rs. 91,280 million (June 2023: Rs. 82,624 million) based on OGRA's decision dated November 20, 2018.

Based on initial agreement between the Company and SNGPL dated January 25, 2021 in which it was decided that from June 2020 onwards all the invoices will be paid on monthly basis by the Company, however, outstanding payable balances in respect of RLNG purchases before June 2020 amounting to Rs. 86,643 million included in the aggregate payable of Rs. 103,677 million stands disputed as of the reporting date. OGRA appointed a consultant for technical, commercial and managerial audit to ascertain accurate Unaccounted-for Gas (UFG) of both companies, encompassing both indigenous gas and imported RLNG and other matters.

Subsequent to the period end, the Company received draft reports (the "Report") on technical, commercial, and managerial audits from a consultant appointed by OGRA. The purpose of these audits was to assess the accuracy of Unaccounted-for Gas (UFG) for gas companies, covering both indigenous gas and imported RLNG, as well as other related matters. The Company raised several concerns regarding the report issued by the consultant in its letter dated June 3, 2024, addressed to OGRA. In response, OGRA issued a letter to the Company on December 11, 2024, providing recommendations aimed at measuring and preventing UFG losses. Interalia, OGRA has also observed in its above letter that the Company’s claim to experience the higher UFG losses while handling the RLNG & Indigenous gas is also not tenable. The Company has once again approached the OGRA and communicated its concern vide their letter dated December 23, 2024. The management believes that the final outcome is yet to be determined by OGRA, preferably in the presence of both the parties.

	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		--------(Rupees in '000)--------	
13.3 Tariff adjustments - RLNG payable to the GoP			
Opening balance		**23,826,990**	28,923,211
Charge / (reversal) during the period / year		**(105,695)**	(4,742,920)
GOP (subsidy) on RLNG tariff		**-**	(353,301)
Closing balance		**23,721,295**	23,826,990

14 INTEREST ACCRUED

	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
Long term financing		**143,142**	1,039,407
Long term deposits		**609,292**	762,451
Short term borrowings		**1,194,278**	1,768,584
Late payment surcharge on processing charges		**99,283**	99,283
Late payment surcharge on gas supplies	14.1	**15,832,411**	15,832,411
		17,878,406	19,502,136

14.1 As disclosed in note 7.1 and 7.2, effective from July 1, 2012, the Company has been accounting for LPS from KE and PSML on receipt basis as per International Financial Reporting Standards 15: “Revenue from Contracts with Customers”. However, the 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 accounting and reporting standards as applicable in Pakistan, 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 fulfilment 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.

Based on the aforesaid letter and legal opinion obtained by the Company, the aggregate unrecognized accrued markup up to March 31, 2024 stands at Rs. 239,173 million (June 30, 2023: Rs. 176,291 million).

15 SHORT TERM BORROWINGS

These represent facilities for short term running finance / short term money market loan available from various banks amounting to Rs. 50,000 million (June 30, 2023: Rs. 45,000 million) and carry mark-up ranging from 0.1% to 0.20% (June 30, 2023: 0.1% to 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.

As at March 31, 2024, the aggregate unavailed short term borrowing facilities amounting to Rs. 2,699 million (June 30, 2023: Rs. 10,904 million).

16 CONTINGENCIES AND COMMITMENTS

16.1 There is no significant change in contingencies from the preceding audited financial statements of the Company for the year end June 30, 2023, except for the following:

16.1.1 Jamshoro Power Company Limited (JPCL) lodged an aggregate claim amounting to Rs. 144,120 million (2023: Rs.144,120 million) which includes Rs. 44,990 million on account of the short supply of gas, utilization of alternate fuel amounting to Rs. 99,130 million, and 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 amounting to Rs. 5.79 million under the provisions of an agreement dated April 10, 1995, between the Company and JPCL.

The ministry of Petroleum and Natural Resources (the ministry) vide its letter dated April 24, 2017 directed that the outstanding issues pertaining to the claims by JPCL shall be resolved and the ministry has proposed that a committee be constituted comprising of members from two companies and the other concerned Ministries to resolve the matter as it involves parties who represent/relate to the Government of Pakistan (GoP). Furthermore, this matter was also pending in the Public Accounts Committee (PAC).

Pursuant to the directives of PAC, urgent meeting of the Secretaries Committee was held on May 08, 2023 and the Committee directed JPCL and the Company to submit data regarding actual loss suffered by the Companies.

Both parties had submitted their reports, wherein JPCL reduced its claim from 144,000 million to 5,838 million and the Company revised its Take or pay claim from 2,828 million up to April 2023 to 2,114 million considering the difference between industrial and domestic tariff, whereas, the amount pertaining to gas bills remains at Rs. 2,778 million which is outstanding balance up to April 2023, and late payment surcharge (LPS) amounting to Rs. 3,615 million which stands outstanding up to June 2022. As a result, the claims summary stands as follows:

JPCL claims = Rs 5,838 million
Company claims = Rs 4,892 million

Afterwards a Meeting of the Sub-Committee of PAC was held on May 25, 2023 and the Committee settled the relevant paras subject to verification of record by the Audit. In compliance to the above directives of the Sub-Committee of PAC, Audit has been requested to conduct verification of above mentioned number of SSGC i.e. Rs. 4,892 million and other relevant record.

As at March 31, 2024, the Company has made further increase in LPS receivable to Rs. 4,462 million against non-payment of gas bills. The Company is of the view that if the settlement is made on the aforesaid claims as mentioned above including LPS receivable, remaining LPS would stand at Rs. 3,516 million. Subsequent to the period end, on the recommendation of the Inter-Ministerial steering committee (IMSC), the Company has adjusted its claim of Rs. 4,892 million (includes take or pay claim of Rs. 2,117 million and receivable on account of gas bills of Rs. 2,775 million) against the JPCL claim of Rs. 5,838 million in the books resultantly a net liability of Rs. 945 million is payable to JPCL.

The net of JPCL Liquidated Damages claim Rs. 5,838 million and SSGC Take or Pay Claim Rs. 2,117 million i.e., Rs. 3,721 million has been recognized as Liquidated Damages Expense in books of account and is being claimed from OGRA in petition for FY 2023- 24 on account of recognized liquidated damages claim of JPCL. Accordingly, no provisions have been made in the unconsolidated condensed interim financial statements as at March 31, 2024.

16.1.2 On May 04, 2024, the Tax Laws (Amendment) Act, 2024 was enacted requiring State Owned Enterprises (SOEs) to apply to FBR for appointment of Alternative Dispute Resolution Committee (ADRC) for resolution of pending Tax Disputes at the level of Commissioner (Appeals), Appellate tribunal level or any other forum. Accordingly section 134A was amended in the Income Tax Law to give effect to the above change. In order to seek clarity on the application / enforcement of the newly amended law the company has sought a legal opinion and in response the legal counsel has opined that fiscal statutes shall apply prospectively (including amendments), especially where the statute is to affect vested rights and past and closed transactions and there is no corresponding provision to the effect requiring the Company to withdraw its cases from the original forum (Appellate tribunal, etc.) and file an application to avail the compulsory ADR method as is specified under Section 134A of the Income Tax Ordinance, 2001.

The management of the Company has drawn inference from the above and accordingly decided as under:

- Old cases (pending before enactment of said Act) would continue at original forum (Commissioner Appeals, Appellate Tribunal, etc.) where case was pending (except in cases where Company voluntarily opts to follow ADRC process).
- While for any new Assessment Order, Company has to apply for ADRC.

The management of the Company believes that the Company's position is maintainable in the eyes of Law and hence may not lead to adverse consequences from any of the Regulatory or Revenue authorities.

16.1.3 The tax authorities had passed an order for FY 2017-18 creating Federal Excise Duty (FED) demand on Re-gasification of LNG into RLNG, supply of RLNG to customers and supply of Natural Gas to customers (on which LPG / NGL extraction process was performed).

The Commissioner (Appeals) based on the appeals had passed an order by deciding the issues of re-gasification and supply of RLNG to customers against SSGC. The issue of supply of natural gas to customers was remanded back to tax authorities.

The Company has filed an appeal against the said order to Commissioner (Appeals) on RLNG, the Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR), which is pending adjudication.

The Company has also filed application with FBR for constitution of Alternative Dispute Resolution Committee (ADRC) on the matter of FED on LNG into RLNG. Subsequently, on January 15, 2025 FBR has constituted ADR in respect to this matter.

Based on the advice of its tax advisor, the Company is confident that the case will be in its favor, therefore, no provision has been made in these unconsolidated condensed interim financial statements.

16.1.4 Tax Authorities had passed sales tax order for FY 2017-18 on issues of non-charging of Sales Tax on RLNG – Indigenous Gas Swap, Gas Development Surcharge (GDS), RLNG transportation income among other observations.

The said order was contested before Commissioner (Appeals) who upheld LTO Order. Upon appeal, the Appellate Tribunal Inland Revenue (ATIR) decided the issue of GDS in favour of SSGC while other matters are still sub-judice before the Appellate Tribunal Inland Revenue.

The Company has also filed application with FBR for constitution of Alternative Dispute Resolution Committee (ADRC) on the matter of sales tax on RLNG – Indigenous Gas Swap which has been constituted subsequent to the period end on January 15, 2025.

Based on the advice of its tax advisor, the Company is confident that the case will be in its favor, therefore, no provision has been made in these unconsolidated condensed interim financial statements as the Company.

16.1.5 Income tax authorities have passed Orders disallowing Cost of Gas purchased but lost as UFG (in excess of OGRA Benchmark) for Financial Year (FY) 2008-09, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21.

All the Orders were contested before Commissioner (Appeals) who decided the cases in Company's favor except for FY-2019-20, which has been remanded back by the Commissioner Appeals. However, the said orders had been challenged by the tax authorities before the Appellate Tribunal Inland Revenue.

The Company has filed an application for case related to FY 2020-21 with the FBR for the constitution of an Alternate Dispute Resolution Committee (ADRC) and committee has been formed, as a result, the recovery of tax demand has been deemed to be stayed in terms of sub section (7) of section 134A till final decision or dissolution of committee.

Based on the advice of its tax advisor, the Company is confident that the case will be in its favor, therefore, no provision has been made in these unconsolidated condensed interim financial statements as the Company.

16.1.6 There are several other pending litigations in the nature of billing disputes, employees disputes and related matters in which the Company is defendant/ respondent. The management, based on the view of the in-house legal advisor, is of the view that the aggregate exposure in all the said cases is not material to the Company. Accordingly, no provision has been made in these unconsolidated condensed interim financial statements.

		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		--------(Rupees in '000)--------	
16.1.7	Claims against the Company not acknowledged as debt	**3,631,197**	3,623,797
	The management is confident that ultimately these claims would not be payable.		
16.2	**Commitments**		
16.2.1	Guarantees issued on behalf of the Company	**11,378,122**	8,938,470
16.2.2	Commitments for capital and other expenditure	**8,559,638**	7,565,788

		Note	Nine months period ended		Quarter ended	
			March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
			(Un-audited)			
			-----------(Rupees in '000)--------------			
17	**REVENUE FROM CONTRACT WITH CUSTOMERS - GAS SALES -NET**					
	Gross Sales:					
	Indigenous gas		**229,756,511**	141,267,691	**94,093,446**	51,139,273
	RLNG		**113,496,025**	68,042,990	**40,025,523**	12,941,360
			343,252,536	209,310,681	**134,118,969**	64,080,633
	Less: Sales tax					
	Indigenous gas		**(34,815,714)**	(21,574,653)	**(13,468,354)**	(7,900,991)
	RLNG		**(17,311,403)**	(10,035,473)	**(6,128,348)**	(1,949,711)
			(52,127,117)	(31,610,126)	**(19,596,702)**	(9,850,702)
			291,125,419	177,700,555	**114,522,267**	54,229,931
18	**TARIFF ADJUSTMENTS**					
	Indigenous gas	18.1	**55,907,410**	141,437,256	**(2,896,235)**	64,281,068
	RLNG	18.2	**105,695**	10,496,519	**2,507,730**	2,399,870
			56,013,105	151,933,775	**(388,505)**	66,680,938
18.1	**Tariff adjustment - indigenous gas**					
	Price increase adjustment for the period		**57,274,926**	142,508,904	**(2,353,594)**	64,726,814
	Subsidy for LPG air mix operations		**(1,367,516)**	(1,071,648)	**(542,641)**	(445,746)
			55,907,410	141,437,256	**(2,896,235)**	64,281,068
18.2	**Tariff adjustment - RLNG**					
	The GOP subsidy on RLNG tariff		**(6,357)**	1,770,962	**-**	558,078
	Price increase adjustment for the period		**112,052**	8,725,557	**2,507,730**	1,841,792
			105,695	10,496,519	**2,507,730**	2,399,870
19	**COST OF REVENUE**					
	Cost of gas	19.1	**321,000,741**	295,631,423	**108,241,142**	95,808,012
	Transmission and distribution costs		**18,456,619**	17,106,184	**6,341,550**	6,008,475
			339,457,360	312,737,607	**114,582,692**	101,816,487

	Nine months period ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Un-audited)			
19.1 Cost of gas	-----------(Rupees in '000)--------------			
Opening gas in pipelines	**1,945,446**	1,285,918	**2,309,721**	1,776,750
RLNG purchases	**91,280,195**	66,889,955	**34,495,495**	11,641,954
Indigenous purchases	**230,662,789**	231,415,801	**73,959,115**	85,083,901
	323,888,430	299,591,674	**110,764,331**	98,502,605
Gas consumed internally	**(602,439)**	(2,083,002)	**(237,939)**	(817,344)
Closing gas in pipelines	**(2,285,250)**	(1,877,249)	**(2,285,250)**	(1,877,249)
	(2,887,689)	(3,960,251)	**(2,523,189)**	(2,694,593)
	321,000,741	295,631,423	**108,241,142**	95,808,012
20 OTHER OPERATING EXPENSES				
Workers' profit participation fund	**517,648**	-	**92,381**	-
Auditors' remuneration	**6,362**	5,254	**2,122**	1,752
Sports expenses	**26,783**	1,756	**6,594**	683
Corporate social responsibility	**1,575**	6,392	**1,208**	4,922
Exchange loss	**-**	31,956,491	**-**	25,759,343
Provision against impaired stores and spares	**-**	58,260	**-**	34,292
Loss on disposal of property, plant and equipment	**496,710**	28,585	**295,569**	(1,431)
	1,049,078	32,056,738	**397,874**	25,799,561
21 OTHER INCOME				
Income from financial assets				
Income for receivable against asset contribution	**21,094**	26,923	**5,906**	9,303
Interest income on loan to related party	**97,517**	78,028	**29,560**	27,971
Late payment surcharge	**2,863,121**	1,663,312	**1,558,712**	602,886
Interest income on late payment of gas bills from SNGPL - related party	**855,790**	852,678	**283,189**	280,077
Liquidity damaged recovered	**68,023**	67,463	**37,934**	14,257
Income from net investment in finance lease	**-**	3,980	**-**	1,326
'Return on term deposits and profit and loss bank accounts	**157,985**	29,437	**73,884**	19,069
Interest income on late payment of gas bills from Water & Power Development Authority (WAPDA)	**579,193**	438,722	**194,650**	160,453
Dividend income	**3,915**	20,123	**1,305**	1,068
	4,646,638	3,180,666	**2,185,140**	1,116,410
Income from other than financial assets				
Sale of gas condensate - net	**23,837**	10,939	**(964)**	13,167
Meter manufacturing division (loss) / profit - net	**297,608**	(19,531)	**367,586**	(26,700)
Meter rentals - net	**1,203,698**	1,213,631	**400,321**	403,430
RLNG transportation income	**6,124,398**	4,995,029	**2,483,490**	1,802,864
Recognition of income against deferred credit	**564,276**	511,765	**173,831**	171,580
Exchange gain	**4,952,626**	-	**2,052,108**	-
Income from LPG air mix distribution - net	**188,471**	80,615	**66,305**	26,416
Income from sale of tender documents	**6,786**	6,587	**2,765**	1,249
Scrap sales	**48,776**	16,315	**24,568**	(4,785)
Recoveries from customers	**87,151**	84,494	**28,786**	44,513
Reversal against impaired stores and	**16,557**	-	**(11,312)**	-
Amortization of Government grant	**4,957**	8,963	**1,652**	2,988
Rental income from SSGC LPG (Pvt) Limited	**1,044**	931	**341**	311
LSA margins against RLNG	**1,205,796**	1,048,839	**402,877**	397,892
Miscellaneous	**63,640**	19,033	**15,404**	5,944
	19,436,259	11,158,276	**8,192,898**	3,955,279

22	TAXATION	Note	Nine months period ended March 31, 2024	Nine months period ended March 31, 2023	Quarter ended March 31, 2024	Quarter ended March 31, 2023
			(Un-audited)			
			(Rupees in '000)			
	Current tax		4,265,809	2,577,018	180,201	942,272
	Deferred tax	22.1	(1,062,510)	-	2,784,269	-
			3,203,299	2,577,018	2,964,470	942,272

22.1 As at March 31, 2024, the Company has aggregate deferred tax asset on deductible temporary differences amounting to Rs. 56,421 million (2023: Rs. 61,126 million) out of which deferred tax asset amounting to Rs. 27,793 million has been recognised and remaining balance of Rs 28,628 Million is unrecognised. As at year end, the Company's minimum tax credit amounted to Rs. 10,178 million (2023: Rs. 12,284 million) having expiry period ranging between 2024 and 2027.

23	PROFIT / (LOSS) PER SHARE - BASIC AND DILUTED		Nine months period ended March 31, 2024	Nine months period ended March 31, 2023	Quarter ended March 31, 2024	Quarter ended March 31, 2023
			(Un-audited)			
	Profit / (loss) for the period	(Rupees in '000)	6,632,022	(17,350,169)	814,656	(7,776,416)
	Average number of ordinary shares	(Number of shares)	880,916,309	880,916,309	880,916,309	880,916,309
	Profit / (loss) per share - basic and diluted	(Rupees)	7.53	(19.70)	0.92	(8.83)

24	CASH GENERATED FROM OPERATIONS	Note	March 31, 2024	March 31, 2023
			(Un-audited)	
			(Rupees in '000)	
	Adjustments for non-cash and other items	24.1	18,858,990	13,217,990
	Working capital changes	24.2	(4,970,880)	11,102,122
			13,888,110	24,320,112
24.1	**ADJUSTMENTS FOR NON-CASH AND OTHER ITEMS**			
	Provisions	24.1.1	3,549,659	3,166,016
	Depreciation on operating assets	5.1	6,466,381	5,414,305
	Depreciation on projects capitalised	5.1	(59,682)	(18,402)
	Depreciation on right of use assets		63,442	60,171
	Amortization of intangibles		103,881	86,305
	Finance cost		9,748,937	5,167,698
	Amortization of transaction cost		15,949	24,587
	Amortization of Government grant		(4,957)	(8,963)
	Recognition of income against deferred credit and contract liability		(589,785)	(540,230)
	Dividend income		(3,915)	(20,123)
	Interest income and return on term deposits		(1,690,485)	(1,425,788)
	Income from net investment in finance lease		-	(3,980)
	Loss on disposal of property plant and equipment		496,554	28,459
	Lease rental from net investment in finance lease		-	47,341
	Decrease in long term advances		(660,597)	533,108
	Increase in deferred credit and contract liability		1,365,158	461,966
	Finance cost on lease liability		13,961	10,447
	Investment at cost in subsidiary		-	185,674
	Increase in payable against transfer of pipeline		44,489	49,399
			18,858,990	13,217,990

	Nine months period ended March 31, 2024	Nine months period ended March 31, 2023
	(Un-audited)	
	-----------(Rupees in '000)-----------	
24.1.1 Provisions		
(Reversal) / Provision against slow moving / obsolete stores	**(15,511)**	9,146
Provision for compensated absences	**-**	118,626
Provision for post retirement medical and free gas supply facilities	**958,482**	843,238
Provision against retirement benefit	**1,277,607**	684,166
Provision for expected credit loss	**1,329,081**	1,510,840
	3,549,659	3,166,016
24.2 WORKING CAPITAL CHANGES		
Decrease in current assets		
Stores and spares	**(199,985)**	18,783
Stock-in-trade	**(688,936)**	(955,941)
Customers' installation work-in-progress	**(16,879)**	(21,701)
Trade debts	**(17,506,936)**	(15,615,980)
Advances, deposits and short term prepayments	**180,319**	(490,203)
Other receivables	**(88,921,440)**	(177,399,219)
	(107,153,857)	(194,464,261)
Increase in current liabilities		
Trade and other payables	**102,182,977**	205,566,383
	(4,970,880)	11,102,122
25 CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD		
Cash and bank balances	**752,773**	675,368
Short term borrowings	**(47,301,382)**	(22,154,435)
	(46,548,609)	(21,479,067)

26 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiary company, 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.

		Nine months period ended March 31, 2024	Nine months period ended March 31, 2023
		(Un-audited)	
		-----------(Rupees in '000)-----------	
26.1 Transactions during the period	**Relationship**		
Government related entities - various	Associated Company		
- Purchase of fuel and lubricant		**115,099**	77,850
- Sale of gas and allied charges inclusive of sales tax		**36,281,343**	52,176,263
- Mark-up expense on short term finance		**79,813**	171,781
- Mark-up expense on long term finance			15,760
- Income from net investment in finance lease			3,980
- Gas purchases - Indigenous gas		**131,577,858**	126,537,593
- Gas purchases - RLNG		**91,280,195**	66,889,955
- Sale of gas condensate		**26,679**	30,592
- Sale of gas meters and spare parts		**976,989**	10,053
- Rent		**9,649**	14,109
- Insurance premium		**108,740**	56,256
- Royalty		**790**	560
- License fee		**104,149**	85,046
- Telecommunication		**14,679**	7,336
- Electricity expenses		**243,363**	171,513
- Interest income		**1,434,983**	1,291,400
- RLNG transportation income		**6,124,398**	4,995,029
- Income against LNG service agreement		**1,205,796**	1,048,839
- LPG purchases		**1,059,960**	841,942
- Dividend income		**-**	18,106
Karachi Grammar School	Associated undertaking		
- Sale of gas and allied charges inclusive of sales tax		**81**	43
Key management personnel			
- Remuneration		**143,688**	117,604
Pakistan Institute of Corporate Governance	Associated Company		
- Subscription / Trainings		**150**	876
* **Engro Fertilizers Limited**	Associated company		
- Sale of gas and allied charges inclusive of sales tax		**2,265**	17,637

		Relationship	Nine months period ended March 31, 2024 (Un-audited)	March 31, 2023
			-----------(Rupees in '000)-----------	
	Indus Hospital & Health Welfare	Associated company		
	- Sale of gas and allied charges inclusive of sales tax		**1,037**	1,150
	Pakistan Stock Exchange Limited	Associated company		
	- Sale of gas and allied charges inclusive of sales tax		**223**	112
	- Subscription		**1,986**	1,771
**	**Pakistan Cables Ltd**	Associated company		
	- Sale of gas and allied charges inclusive of sales tax		**207,828**	-
	SSGC LPG (Private) Limited	Wholly owned subsidiary		
	- Interest on loan		**97,517**	78,028
	- Rental Income		**1,044**	931
	SSGC Alternate Energy (Private) Limited	Wholly owned subsidiary		
	- To pay off liabilities against expenses		**6,105**	-
	Staff retirement benefit plans	Employee benefit plan		
	- Contribution to provident fund		**361,139**	273,380
	- Contribution to pension fund		**869,888**	385,364
	- Contribution to gratuity fund		**407,720**	298,802

* Current balances with these parties have been disclosed till the month of common directorship.

** Comparative balances with these parties have not been disclosed as these parties were not related parties in last year.

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

26.1.2 Remuneration to the executive and 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.

	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
	------------(Rupees in '000)------------	
26.2 Period / year end balances		
Receivable from related parties	**224,231,253**	225,811,980
Payable to related parties	**(815,923,796)**	(722,715,707)

27 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 asses 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.

	Nine months period ended March 31, 2024	Nine months period ended March 31, 2023
	(Un-audited)	
	------------(Rupees in '000)------------	
Return on Assets net of UFG disallowance		
Gas transmission	**9,224,273**	6,294,817
Gas distribution and marketing		
- Lower Sindh	**7,731,886**	(1,970,791)
- Upper Sindh	**2,373,561**	(1,099,242)
- Balochistan	**(9,014,095)**	(16,717,757)
	1,091,352	(19,787,790)
Meter manufacturing	**12,939**	9,150
Total segment results	**10,328,564**	(13,483,823)
Unallocated		
Finance cost	**(9,823,336)**	(5,227,544)
Other income - net	**9,330,093**	3,938,216
Profit / (loss) before tax	**9,835,321**	(14,773,151)

	March 31, 2024 (Un-audited)	June 30 2023 (Audited)
	------------(Rupees in '000)------------	
Segment assets and liabilities		
Segment assets		
Gas transmission	**280,457,486**	252,824,175
Gas distribution and marketing		
- Lower Sindh	**633,887,434**	566,143,988
- Upper Sindh	**132,297,474**	120,206,375
- Balochistan	**120,019,002**	108,273,978
	886,203,910	794,624,341
Meter manufacturing	**1,988,709**	1,593,590
Total segment assets	**1,168,650,105**	1,049,042,106
Unallocated		
- Loans and advances	**1,332,977**	1,855,811
- Taxation - net	**12,101,749**	13,844,382
- Interest accrued	**487,739**	487,739
- Cash and bank balances	**752,773**	384,019
	14,675,238	16,571,951
Total assets as per unconsolidated condensed interim statement of financial position	**1,183,325,343**	1,065,614,057
Segment liabilities		
Gas transmission	**157,049,834**	134,308,007
Gas distribution and marketing		
- Lower Sindh	**658,951,175**	600,142,869
- Upper Sindh	**138,672,543**	125,642,677
- Balochistan	**224,404,086**	208,028,372
	1,022,027,804	933,813,918
Meter manufacturing	**197,346**	180,045
Total liabilities as per unconsolidated condensed interim statement of financial position	**1,179,274,984**	1,068,301,970

28 FAIR VALUE 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.

The carrying values of all financial assets and liabilities reflected in these unconsolidated condensed interim financial statements approximate their fair values except for investment in unquoted companies which are reflected at cost less impairment losses.

Fair value hierarchy

The fair value hierarchy has the following levels:

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, either 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).

Valuation techniques used in determination of fair values within level 1 and level 2

The table below analyses financial and non-financial assets carried at fair value. The different levels have been defined as follows:

Level 1- Listed securities

The valuation has been determined through closing rates of Pakistan Stock Exchange.

Level 2 - Operating fixed assets (Freehold and lease land)

The fair value of the freehold and leasehold land are derived using the Sale Comparison approach. The sales value is determined by physically analysing the condition of land and by ascertaining the market value of similar land, which is by selling in near vicinity.

	As at March 31, 2024 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	----------Rupees in '000----------			
Assets				
Non-financial assets				
Operating fixed assets - free hold and lease hold land	**-**	**60,531,864**	**-**	**60,531,864**
Fair value through OCI Financial Financial Assets				
Quoted equity securities	**257,954**	**-**	**-**	**257,954**
	As at June 30, 2023 (Audited)			
	Level 1	**Level 2**	**Level 3**	**Total**
	----------Rupees in '000----------			
Assets				
Non-financial assets				
Operating fixed assets - free hold and lease hold land	-	60,531,864	-	60,531,864
Fair value through OCI Financial Assets				
Quoted equity securities	151,704	-	-	151,704

There have been no transfers during the period (June 30, 2023: no transfers in either direction).

29 EVENTS AFTER THE REPORTING DATE

There were no events occurred after the reporting period, other than those disclosed, which requires disclosure and adjustments in the financial statements.

30 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary.

31 DATE OF AUTHORISATION

These unconsolidated condensed interim financial statements were authorised for issue in Board of Directors meeting held on 22 February 2025.

32 GENERAL

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

Dr. Shamshad Akhtar	**Muhammad Amin Rajput**	**Wajeeh Uddin Sheikh**
Chairperson	Managing Director	Chief Financial Officer

Sui Southern Gas Company Limited

Consolidated Condensed Interim Financial Information (Un-Audited)
for the nine months period ended March 31, 2024

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		--------(Rupees in '000)--------	
ASSETS			
Non-current assets			
Property, plant and equipment	5	**202,073,530**	190,958,742
Right of use assets		**109,544**	87,343
Intangible assets		**215,208**	195,756
Long term investments	6	**257,954**	151,704
Long term loans		**156,122**	141,249
Long term deposits		**21,749**	21,136
Deferred taxation		**9,354,652**	8,398,508
Total non-current assets		**212,188,759**	199,954,438
Current assets			
Stores, spares and loose tools		**3,833,284**	3,672,903
Stock-in-trade		**5,407,872**	4,465,329
Customers' installation work-in-progress		**283,191**	266,312
Trade debts	7	**134,461,922**	118,296,349
Loans and advances		**33,997**	318,846
Advances, deposits and short term prepayments		**798,110**	725,535
Interest accrued	8	**20,033,126**	18,566,043
Other receivables	9	**796,704,963**	707,804,709
Taxation - net		**14,121,219**	15,041,933
Short term investments		**129,223**	129,223
Cash and bank balances		**2,038,784**	553,746
Total current assets		**977,845,691**	869,840,928
Total assets		**1,190,034,450**	1,069,795,366

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

Dr. Shamshad Akhtar	**Muhammad Amin Rajput**	**Wajeeh Uddin Sheikh**
Chairperson	Managing Director	Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
EQUITY AND LIABILITIES		--------(Rupees in '000)--------	
Share Capital and Reserves			
Share capital		**8,809,163**	8,809,163
Capital reserves			
Reserves		**234,868**	234,868
Surplus on re-measurement of FVTOCI securities		**221,427**	115,177
Surplus on revaluation of property, plant and equipment		**60,742,638**	60,742,638
Revenue reserves			
General reserves		**4,672,533**	4,672,533
Accumulated losses		**(67,771,805)**	(75,591,728)
		6,908,824	(1,017,349)
LIABILITIES			
Non-current liabilities			
Long term financing	10	**21,746,964**	27,335,388
Deferred credit	11	**8,529,933**	8,536,788
Contract liabilities	12	**9,982,175**	9,766,898
Lease liabilities		**41,433**	33,559
Payable against transfer of pipeline		**545,016**	607,696
Long term deposits		**29,840,123**	28,694,971
Employee benefits		**8,292,019**	7,479,525
Total non-current liabilities		**78,977,663**	82,454,825
Current liabilities			
Current portion of :			
Long term financing	10	**5,791,424**	4,853,924
Deferred credit	11	**454,267**	510,445
Contract liabilities	12	**259,496**	296,964
Lease liabilities		**68,569**	53,295
Payable against transfer of pipeline		**82,655**	77,285
Trade and other payables	13	**1,031,961,431**	927,692,564
Short term deposits		**64,995**	96,324
Unclaimed dividend		**285,338**	285,340
Interest accrued	14	**17,878,406**	19,510,174
Short term borrowings	15	**47,301,382**	34,981,575
Total current liabilities		**1,104,147,963**	988,357,890
Total liabilities		**1,183,125,626**	1,070,812,715
TOTAL EQUITY AND LIABILITIES		**1,190,034,450**	1,069,795,366
CONTINGENCIES AND COMMITMENTS	16		

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

Dr. Shamshad Akhtar	**Muhammad Amin Rajput**	**Wajeeh Uddin Sheikh**
Chairperson	Managing Director	Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2024

	Note	Nine months period ended		Quarter ended	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
		--------------------(Rupees in '000)--------------------			
Revenue from contract with customers - Gas sales	17	**291,125,419**	177,700,555	**114,522,267**	54,229,931
Add: Tariff adjustments	18	**56,013,105**	151,933,775	**(388,505)**	66,680,938
Net revenue		**347,138,524**	329,634,330	**114,133,762**	120,910,869
Cost of revenue	19	**(339,457,360)**	(312,737,607)	**(114,582,692)**	(101,816,487)
Gross profit / (loss)		**7,681,164**	16,896,723	**(448,930)**	19,094,382
Administrative and selling expenses		**(5,282,900)**	(4,191,354)	**(1,821,318)**	(1,466,322)
Other operating expenses	20	**(1,049,627)**	(32,057,395)	**(397,874)**	(25,800,183)
Allowance for expected credit loss		**(1,286,741)**	(1,500,024)	**(579,573)**	(352,756)
		(7,619,268)	(37,748,773)	**(2,798,765)**	(27,619,261)
		61,896	(20,852,050)	**(3,247,695)**	(8,524,879)
Other income	21	**21,655,092**	12,447,843	**9,110,949**	4,651,715
Operating profit / (loss)		**21,716,988**	(8,404,207)	**5,863,254**	(3,873,164)
Finance cost		**(9,844,864)**	(5,569,126)	**(3,241,409)**	(2,557,646)
Profit / (loss) before taxation		**11,872,124**	(13,973,333)	**2,621,845**	(6,430,810)
Taxation	22	**(4,052,201)**	(2,853,735)	**(1,306,242)**	(1,078,629)
Profit / (loss) for the period		**7,819,923**	(16,827,068)	**1,315,603**	(7,509,439)
Earnings / (loss) per share - basic and diluted	23	**8.88**	(19.10)	**1.49**	(8.52)

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

Dr. Shamshad Akhtar	**Muhammad Amin Rajput**	**Wajeeh Uddin Sheikh**
Chairperson	Managing Director	Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2024

	Nine months period ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	--------------------(Rupees in '000)--------------------			
Profit / (loss) for the period	**7,819,923**	(16,827,068)	**1,315,603**	(7,509,439)
Other comprehensive income / (loss) for the period				
Items that will not be reclassified subsequently to unconsolidated condensed interim statement of profit or				
Unrealised gain / (loss) on re-measurement of FVTOCI investments	**106,250**	(7,111)	**(32,581)**	1,793
Total comprehensive income / (loss) for the period	**7,926,173**	(16,834,179)	**1,283,022**	(7,507,646)

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

Dr. Shamshad Akhtar	**Muhammad Amin Rajput**	**Wajeeh Uddin Sheikh**
Chairperson	Managing Director	Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD AND AS AT MARCH 31, 2024

	Issued, subscribed and paid-up capital	Capital reserves			Revenue reserves		Total
		Reserves	Surplus on re-measurement of FVTOCI securities	Surplus on revaluation of property, plant and equipment	General Reserves	Accumulated losses	
	--------	--------	--------	(Rupees in '000)	--------	--------	--------
Balance as at July 01, 2022 (Audited)	8,809,163	234,868	115,836	55,014,936	4,672,533	(72,421,784)	(3,574,448)
Total comprehensive loss for the period ended March 31, 2023							
Loss for the period	-	-	-	-	-	(16,827,068)	(16,827,068)
Other comprehensive loss for the period	-	-	(7,111)	-	-	-	(7,111)
	-	-	(7,111)	-	-	(16,827,068)	(16,834,179)
Balance as at March 31, 2023 (Un-audited)	8,809,163	234,868	108,725	55,014,936	4,672,533	(89,248,852)	(20,408,627)
Balance as at July 01, 2023 (Audited)	**8,809,163**	**234,868**	**115,177**	**60,742,638**	**4,672,533**	**(75,591,728)**	**(1,017,349)**
Total comprehensive profit for the period ended March 31, 2024							
Profit for the period	-	-	-	-	-	7,819,923	7,819,923
Other comprehensive income for the period	-	-	106,250	-	-	-	106,250
	-	-	106,250	-	-	7,819,923	7,926,173
Balance as at March 31, 2024 (Un-audited)	**8,809,163**	**234,868**	**221,427**	**60,742,638**	**4,672,533**	**(67,771,805)**	**6,908,824**

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

Dr. Shamshad Akhtar
Chairperson

Muhammad Amin Rajput
Managing Director

Wajeeh Uddin Sheikh
Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD AND QUARTER ENDED MARCH 31, 2024

	Note	Nine months period ended March 31, 2024	Nine months period ended March 31, 2023
		--------(Rupees in '000)--------	
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		**11,872,124**	(13,973,333)
Cash generated from operations	24	**15,846,170**	25,993,978
Financial charges paid		**(13,143,910)**	(7,606,841)
Employee benefits paid		**(164,534)**	(200,614)
Payment for retirement benefits		**(1,429,570)**	(1,728,055)
Long term deposits - net		**1,187,725**	2,837,510
Short term deposits (paid) / received - net		**(31,329)**	59,659
Loans and advances to employees- net		**269,976**	(211,690)
Income taxes paid		**(4,151,136)**	(2,057,014)
Net cash generated from / (used in) operating activities		**10,255,516**	3,113,600
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		**(16,533,299)**	(8,886,371)
Proceeds from sale of property, plant and equipment		**117,904**	96,941
Payment for payable against transfer of pipeline		**(101,799)**	(101,799)
Payments for intangible assets		**(123,333)**	(77,222)
Dividend received		**3,915**	20,123
Interest income received		**274,810**	56,360
Net cash used in investing activities		**(16,361,802)**	(8,891,968)
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from loans		**-**	14,961,375
Repayments of loans		**(4,650,718)**	(6,466,667)
Repayment of customer finance		**(206)**	(12,334)
Repayment of lease liabilities		**(77,559)**	(69,290)
Net cash (used in) / generated from financing activities		**(4,728,483)**	8,413,084
Net decrease in cash and cash equivalents		**(10,834,769)**	2,634,716
Cash and cash equivalents at beginning of the period		**(34,427,829)**	(22,908,716)
Cash and cash equivalents at end of the period	25	**(45,262,598)**	(20,274,000)

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

Dr. Shamshad Akhtar
Chairperson

Muhammad Amin Rajput
Managing Director

Wajeeh Uddin Sheikh
Chief Financial Officer

1 THE GROUP AND ITS OPERATIONS

1.1 The "Group" consists of:

Holding Company

- Sui Southern Gas Company Limited

	Percentage of holding	
	2024	**2023**
Subsidiary Company	%	%
- SSGC LPG (Private) Limited	**100**	100
- SSGC Alternate Energy (Private) Limited	**100**	100

Sui Southern Gas Company Limited

Sui Southern Gas Company Limited ("the Company") is a public limited Company incorporated in Pakistan under the Companies Act, 2017 (repealed Companies Ordinance, 1984) and is listed on Pakistan Stock Exchange. The Company came into being on March 30, 1989 after the amalgamation of Karachi Gas Company, Indus Gas Company and Sui Gas Transmission Company. 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 for laying of pipelines.

The registered office of the Company is situated at SSGC House, Sir Shah Muhammad Suleman Road, Block 14, Gulshan-e-Iqbal, Karachi. The meter manufacturing plant is situated at its' registered office.

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	SSGC Karachi Terminal Opposite Safari Park Main University Road, Karachi.
Hyderabad	SSGC Regional Office, Opposite 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.

SSGC LPG (Private) Limited

SSGC LPG (Private) Limited ("the Subsidiary Company") 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.

The Subsidiary Company acquired the assets including:

- LPG import terminal, bulk storage at North West Industrial Zone, Port
- Bottling plants at Sara-e-Gadai Stop, Kot Najeebullah Road, Industrial Estate Hattar-22610 Haripur, KPK and Sheikhhupura 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 providing of terminal and storage services.

SSGC Alternate Energy (Private) Limited

SSGC Alternate Energy (Private) Limited ("the Subsidiary Company") is a wholly owned subsidiary of Sui Southern Gas Company Limited. Its registered office of the is situated at SSGC House, Sir Shah Muhammad Suleman Road, Block 14, Gulshan- e-Iqbal, Karachi.

The main activity of the Subsidiary Company is production, storage, sale, supply and distribution of conventional and alternate energy. However, the subsidiary Company has not commenceits operations till the reporting period.

1.2 Basis of consolidation

These consolidated condensed interim financial statements include the condensed interim financial statements of the Holding Company and its Subsidiary.

A company is a subsidiary, if the Holding Company directly or indirectly controls, beneficially owns or holds more than fifty percent of its voting securities or otherwise has power to elect and appoint more than fifty percent of its directors.

Subsidiaries are consolidated from the date on which the Holding Company obtains control and continue to be consolidated until the date when such.

Control is achieved when the company:

- has power over the investee;
- is exposed or has rights, to variable returns from involvement with the investee ; and
- has the ability to use its power to affect its returns.

The assets and liabilities of the subsidiary have been consolidated on a line by line basis and the carrying value of the investment held by the Holding Company has been eliminated against corresponding holding in subsidiary' shareholders' equity in the consolidated financial statements.

Inter-company transactions, balances and unrealized gain / (losses) on transactions between group are eliminated. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

Where the ownership of a subsidiary is less than hundred percent and therefore, a non-controlling interest (NCI) exists, the NCI is allocated its share of the total comprehensive income of the period, even if that results in a deficit balance. However, there is no NCI is recorded, as the subsidiary is 100% owned by the Holding Company.

However, the Holding Company and its subsidiaries constitute a Group. Wherever a matter in these consolidated financial statements specifically pertains to the Holding Company or its subsidiary, the terms 'Holding Company' or 'the Subsidiary Company' are used. Otherwise, the term 'Group' is used to collectively refer to the Holding Company and the Subsidiary Company.

1.3 Regulatory framework

Under the provisions of the license given by the Oil and Gas Regulatory Authority (OGRA) under the OGRA Ordinance, 2002, the Holding Company is provided with a minimum annual return before taxation based on the Weighted Average Cost of Capital ('WACC') applied on the average net operating assets excluding financial, other non-operating expenses and non-operating income from the reference figures.

The determination of annual required return is reviewed by OGRA, under the terms set by OGRA for the license of transmission, distribution and sale of natural gas, targets and parameters. Income earned in excess / short of the guaranteed return is payable to / recoverable from the Government of Pakistan (the GoP).

1.4 Status of the Company's Operations - Financial Performance

As of the reporting date, the Group has accumulated losses amounting to Rs. 67,772 million (June 30, 2023: Rs. 75,592). The Group's equity has nearly turned up to be a positive, primarily due to the inclusion of surplus on revaluation of property, plant and equipment. Further, its current liabilities exceed its current assets by Rs. 126,302 million (June 30, 2023: 118,517). These factors may cast doubt on the Group's ability to continue as a going concern.

Below enumerated matters are emphasising the financial performance and sustainability of the Holding Company:

- 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 Unaccounted For Gas (UFG) based on Regassified Liquefied Natural Gas (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 of Final Revenue Requirement (FRR) for the financial year June 30, 2018 and there after till June 30, 2023, carrying financial impact aggregating to Rs 91,790 million as of the reporting date, OGRA did not consider implementing the aforementioned decision and advised to take up the matter with Sui Northern Gas Pipelines Limited (SNGPL) in consultation with Ministry of Energy (Petroleum Division). The Holding Company has reiterated its earlier position of higher UFG due to RLNG, thus to sort out this issue, ECC constituted a Committee comprising Secretaries of Petroleum & Finance division. In line with Committee recommendations and having an independent view as requested by the Holding Company, OGRA hired the 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.

- The Holding Company has undertaken actions for reduction in UFG / enhancement of UFG benchmark based on Key Monitoring Indicators (KMI) as well as implementation of ECC decision on RLNG volume handling which will help in significant reduction in UFG disallowances.

- The Holding Company has devised a strategy to control UFG, duly approved by the Board of Directors and the same is under implementation.

- The Government of Pakistan (the GoP), being the majority shareholder has also been taking significant measures to resolve gas sector circular debt issues through tariff rationalization and gas pricing reforms. It has also been actively pursuing the Holding Company to devise a tangible and sustainable UFG reduction plan and bring down UFG losses to single digit or below OGRA allowed UFG benchmark to make it a viable business entity.

  Further, the GoP's (Finance Division), vide its letter dated October 28, 2024 has shown commitment to extend all support to meet its working capital requirements.

  The management is confident that, in view of the above-mentioned factors, the Holding Company's profitability and financial position will improve in the next few years and hence, believes that no material uncertainty exists and going concern basis of accounting is appropriate. Accordingly, these consolidated condensed interim financial statements are prepared on a going concern basis.

2 BASIS FOR PREPARATION

2.1 Statement of compliance

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

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

- Provisions of and directives issued under the Companies Act, 2017 and State-Owned Enterprises (Governance and Operations) Act, 2023.

Where the provisions of and directives issued under the Companies Act, 2017 and State-Owned Enterprises (Governance and Operations) Act, 2023 differ from the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 and State-Owned Enterprises (Governance and Operations) Act, 2023 have been followed.

2.2 These consolidated condensed interim financial statements are un-audited and are being submitted to the shareholders as required under section 237 of the Companies Act, 2017 and Listing Regulations of the Pakistan Stock Exchange Limited.

2.3 These consolidated condensed interim financial statements do not include all the information required for annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements of the Group for the year ended June 30, 2023.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements.

2.4 The comparative consolidated statement of financial position presented in these consolidated condensed interim statement of financial position has been extracted from the annual audited consolidated financial statements of the Group for the year ended June 30, 2023, whereas the comparative consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of cash flows and consolidated condensed interim statement of changes in equity are extracted from the unaudited consolidated condensed interim financial statements for the nine months period ended March 31, 2023.

2.5 Functional and presentation currency

These consolidated condensed interim financial statements have been presented in Pakistani Rupees ('Rupees' or 'Rs'), which is the functional and presentation currency of the Group.

3 Initial application of standards, amendments or an interpretation to existing standards

3.1 Standards, amendments and interpretations to accounting standards that are effective in the current period

Certain standards, amendments and interpretations to approved accounting standards are effective for accounting periods beginning on July 01, 2023, but are considered not to be relevant or expected to have any significant effect on the Group’s operations (although they may affect the accounting for future transactions and events) and are, therefore, not detailed in these consolidated condensed interim financial statements.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

There are certain standards, amendments to the accounting standards and interpretations that are mandatory for the Group's accounting periods beginning on or after January 1, 2024, but are considered not to be relevant or to have any significant effect on the Group's operations and are, therefore, not detailed in these consolidated condensed interim financial statements.

4 MATERIAL ACCOUNTING POLICIES ESTIMATES AND JUDGEMENTS

4.1 The accounting policies adopted for the preparation of these consolidated condensed interim financial statements are same as these applied to the preparation of the preceding annual consolidated financial statements of the Group for the year ended June 30, 2023.

4.2 The preparation of these consolidated condensed interim financial statements requires the management to make estimates, assumptions and judgments that affect the application of accounting 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 Group'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, 2023, except for the following:

The charge in respect of staff retirement benefits has been recognised on the basis of actuarial projection for FY 2023-24, hence it does not include consideration for actuarial gains / losses which will be determined at the year end.

	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		--------(Rupees in '000)--------	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating assets	5.1	**184,666,731**	178,316,370
Capital work-in-progress	5.2	**17,406,799**	12,642,372
		202,073,530	190,958,742

5.1 Following is the movement in property, plant and equipment during the period / year:

Operating fixed assets (Net book value) - opening balance	**178,316,370**	163,318,855
Add: Additions (transfers from CWIP) during the period / year - at cost	**13,537,272**	17,207,679
Add: Revaluation surplus during the year		5,727,702
	191,853,642	186,254,236
Less: Disposals during the period / year	**(611,627)**	(691,618)
Depreciation charge for the period / year	**(6,575,284)**	(7,246,248)
Closing balance	**184,666,731**	178,316,370

5.1.1 Additions during the period / year - at cost

Leasehold land	**-**	6,904
Civil structure on lease hold land	**3,040**	76,569
Buildings on leasehold land	**118,590**	168,398
Gas transmission pipeline	**466,217**	2,746,801
Gas distribution system	**10,759,371**	11,971,547
Compressors	**857,073**	346,755
Telecommunication	**6,929**	56,822
Plant and machinery	**745,035**	463,774

		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		--------(Rupees in '000)--------	
	Tools and equipment	**29,047**	36,439
	Motor vehicles	**154,830**	494,697
	Bowsers and bobtails		19,308
	Furniture and fixture	**21,112**	33,347
	Office equipment	**61,426**	45,205
	Cylinder	**70,774**	576,643
	Spherical tanks	**323**	
	Supervisory control and acquisition system		31,915
	Computer and ancillary equipments	**243,505**	132,555
		13,537,272	17,207,679
5.1.2	Disposal during the period / year - NBV		
	Gas distribution	**592,429**	653,031
	Telecommunicatio	**127**	554
	Plant and	**3,832**	2,952
	Tools and	**1**	-
	Motor vehicles	**14,061**	34,790
	Office equipment		4
	Furniture & Fixture	**2**	
	Computer and ancillary equipments		167
	Supervisory control and data acquisition system	**1,175**	120
		611,627	691,618
5.2	Capital work in progress		
	Projects:		
	Gas distribution system	**6,846,281**	4,875,960
	Gas transmission system	**340,148**	173,363
	Cost of buildings under construction and others	**980,269**	559,187
	Impairment of capital work in progress	**(452,552)**	(452,552)
		7,714,146	5,155,958
	Stores and spares held for capital projects	**9,427,527**	7,227,334
	LPG air mix plant	**265,126**	259,080
		9,692,653	7,486,414
		17,406,799	12,642,372

5.2.1 In the current period, the capital work in progress includes additions of Rs. 16,657 million (June 30, 2023: Rs. 13,421 million) and transfers to operating assets of Rs. 13,537 million (June 30, 2023: Rs. 17,208 million).

	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		--------(Rupees in '000)--------	
6 LONG TERM INVESTMENTS			
At fair value through other comprehensive income			
Associates and other investments		**257,954**	151,704
		257,954	151,704
7 TRADE DEBTS			
Considered good			
		47,121,441	28,678,542
Unsecured		**87,377,080**	89,617,807
	7.1 & 7.2	**134,498,521**	118,296,349
Considered doubtful		**26,824,152**	25,531,670
		161,322,673	143,828,019
Less: Allowance for expected credit loss		**(26,860,751)**	(25,531,670)
		134,461,922	118,296,349

7.1 The 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, and effective from July 01, 2012, the Holding Company decided to account for LPS from KE on receipt basis based on opinions from firms of Chartered Accountants.

The trade debts includes Rs. 26,361 million (June 30, 2023: Rs. 26,289 million) as at March 31, 2024 receivables from KE against sale of indigenous gas excluding GIDC and LPS. The aggregate legal claim of the Holding Company from KE amounts to Rs. 197,129 million (June 30, 2023: Rs. 176,412 million). This amount has been arrived at as per the policy of the Company to charge LPS to customers who do not make timely payments. However, the balance of Rs. 26,289 (June 30, 2023: Rs. 26,289 million) remains overdue as at March 31, 2024.

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

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

Further, as per the above agreement and 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 a case against the Holding Company in the Honorable High Court of Sindh (SHC) 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. 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. It was later agreed that the Holding Company would make additional 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 additional quantity of natural gas as per terms of the agreement.

In view of the legal counsel of the Holding Company, there is a strong case for recovery of the outstanding amount, hence, based on that management considers outstanding balance as good and recoverable. The legal counsel also viewed 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, the Holding Company 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 to March 31, 2016. Upon expiry, the second addendum was included to the original payment plan on June 18, 2016 effective from April 1, 2016 to March 31, 2017. Currently, management is in a process to negotiate payment plan, which has not been finalized till the filing of these unconsolidated financial statements but the supply of gas and payment is continuing as per old plan.

In June 2022, a Task Force was constituted by the then Prime Minister to resolve issues / disputes related to KE. Accordingly, after deliberations a Mediation Agreement has been initialed executed between the Holding Company & KE (the Stakeholders). The Federal Cabinet also ratified the decision and the Mediation Agreement was also cleared by Law & Justice Division. Parties have submitted their respective claims with the Mediator and the mediation proceedings have been started after taking necessary Board approvals. Recently, the Mediation Agreement has been signed by the stakeholders and the same has been pending for commencement of Mediation process. A formal letter from Federal Government is awaited.

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. Term of reference has been signed and shared with KE. However, no response received from KE.

7.2 The 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 based on opinions from a firm of Chartered Accountants.

The trade debts includes Rs. 23,426 million (June 30, 2023: Rs. 22,272 million) as at March 31, 2024 recoverable from PSML excluding GIDC and LPS. The aggregate legal claim of the Holding Company from PSML amounts to Rs. 95,078 million (June 30, 2023: Rs. 89,405 million). This amount has been arrived at as per the policy of the Holding Company to charge LPS to customers who do not make timely payments. However, the balance of Rs. 23,264 (June 30, 2023: Rs. 22,181 million) remains overdue as at March 31, 2024.

The Holding Company filed a suit in the Honorable High Court of Sindh (SHC) 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 SHC 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.

Subsequent to the period end, in the ECC meeting dated May 23, 2024 funds were released to PSML amounting to Rs. 2,125 million for payment of gas bills and it was further decided by the ECC that no further payment against consumption of gas supply to PSML will be made after it so no further liability of Federal Government against SSGC could accrue. Hence, in view of the ECC decision, SSGC sent disconnection notice to PSML on July 01, 2024 and the gas supply to PSML was disconnected on July 04, 2024.

	March 31, 2024 (Un-audited)	**June 30, 2023 (Audited)**
	--------(Rupees in '000)--------	
8 INTEREST ACCRUED		
Interest accrued on late payment of bills / invoices from:		
Water and Power Development Authority (WAPDA)	**6,437,127**	5,857,934
Sui Northern Gas Pipelines Limited (SNGPL)	**12,948,871**	12,093,081
Jamshoro Joint Venture Limited (JJVL)	**239,689**	239,689
	19,625,687	18,190,704
Interest accrued on sales tax refund	**487,739**	487,739
Bank deposits	**32,100**	-
	20,145,526	18,678,443
Less: Allowance for expected credit loss	**(112,400)**	(112,400)
	20,033,126	18,566,043

9 OTHER RECEIVABLES

	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		--------(Rupees in '000)--------	
Tariff adjustments indigenous gas - receivable from GoP	9.1	**556,038,534**	498,763,608
Receivable from gratuity fund		**-**	1,129
Receivable for sale of gas condensate		**4,347**	46,470
Receivable from SNGPL	9.2	**140,391,709**	118,058,521
Receivable from Jamshoro Joint Venture Limited (JJVL)	9.3	**2,501,824**	2,501,824
Receivable from Pakistan LNG Limited		**1,243,240**	1,010,173
Gas infrastructure development cess receivable		**6,841,706**	6,834,735
Receivable from GPO against gas collection		**2,315,215**	2,315,215
Sales tax receivable	9.4	**89,440,283**	80,510,925
Sindh sales tax		**2,451**	2,451
Asset contribution		**252,735**	337,646
Accrued markup		**12,530**	1,845
Miscellaneous receivables		**205,156**	7,041
		799,249,730	710,391,583
Provision against loss allowance		**(2,544,767)**	(2,586,874)
		796,704,963	707,804,709

9.1 Tariff adjustments indigenous gas - receivable from GoP

Opening balance	**498,763,608**	295,488,261
Recognized during the year	**55,907,410**	201,684,882
Subsidy for LPG air mix operations	**1,367,516**	1,590,465
Closing balance	**556,038,534**	498,763,608

9.2 At the reporting date, receivable balance from SNGPL comprises of the following:

Differential tariff	**4,284,080**	4,284,080
Uniform cost of indigeneous gas	**15,818,845**	15,818,845
Uniform cost of RLNG	**20,000,000**	
Lease rentals	**1,611,868**	1,611,868
Contingent rent	**10,324**	10,338
LSA margins of RLNG	**3,278,097**	2,991,015
Capacity and utilisation charges of RLNG	**54,831,591**	54,076,191
RLNG transportation income	**40,556,904**	39,266,184
	140,391,709	118,058,521

9.2.1 Upto March 31, 2024, the Holding Company has invoiced an amount of Rs. 240,677 million including Sindh Sales Tax of Rs. 27,831 million to SNGPL in respect of capacity and utilization charges (terminal charges), LSA margins and transportation charges relating to RLNG.

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.

In addition to the same, 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, in which it was decided that from June 2020 onwards all the invoices will be paid on a monthly basis by SNGPL, however, outstanding receivable balances before June 2020 amounting to Rs. 99,197 million included in the aggregate receivable balance of Rs. 140,392 million stands disputed as of the reporting date. OGRA, appointed a consultant for technical, commercial and managerial audits to ascertain the accuracy of Unaccounted-for Gas (UFG) of gas companies, encompassing both indigenous gas and imported RLNG and certain other matters.

Subsequent to the period end, the Holding Company received draft reports (the "Report") on technical, commercial, and managerial audits from a consultant appointed by OGRA. The purpose of these audits was to assess the accuracy of Unaccounted for Gas (UFG) for gas companies, covering both indigenous gas and imported RLNG, as well as other related matters. The Holding Company raised several concerns regarding the report issued by the consultant in its letter dated June 3, 2024, addressed to OGRA. In response, OGRA issued a letter to the Holding Company on December 11, 2024, providing recommendations aimed at measuring and preventing UFG losses. Interalia, OGRA has also observed in its above letter that the Holding Company’s claim to experience the higher UFG losses while handling the RLNG & Indigenous gas is also not tenable. The Holding Company has once again approached the OGRA and communicated its concern vide their letter dated December 23, 2024. The management believes that the final outcome is yet to be determined by OGRA, preferably in the presence of both the parties.

9.3 This amount comprises of receivable in respect of royalty income & fuel charges, sale of liquid petroleum gas, sale of natural gas liquids, federal excise duty (FED), sindh sales tax (SST) on franchise services, receivable against excess paid processing charges from JJVL and receivable from JJVL at the rate of ad-hoc 57% value of LPG / NGL extraction as per the agreement signed between the Holding Company and JJVL pursuant to Honorable Supreme Court of Pakistan (SCP) order dated December 04, 2018 amounting to Rs. 22 million (June 30, 2023: Rs. 22 million), Rs 159.6 (June 30, 2023: Rs. 159.6 million), Rs. 178 million (June 30, 2023: Rs. 178 million), Rs. 1,070 million (June 30, 2023: Rs. 1,070 million), Rs. 646 million (June 30, 2023: Rs. 646 million), Rs. 6.6 million (June 30, 2023: Rs. 6.6 million), Rs. 419.6 million (June 30, 2023: Rs. 419.6 million) respectively.

9.4 This represents sales tax refunds arise due to excess of Average Purchase Cost over Average Sales Price, uniform purchase price adjustment with SNGPL and zero rating of sales tax on gas sales for various industries. Theses refunds are processed through FBR's Sales Tax Automated Refund Repository System (STARR) . Due to several snags in the functioning of STARR, valid input sales tax claims of the Holding Company are deferred and then 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. Subsequent to period-end, sales tax refunds of Rs. 1,599 million were realized by the Holding Company while management is making vigorous efforts for realisation of remaining refunds.

	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		--------(Rupees in '000)--------	
10 LONG-TERM FINANCING			
Secured			
Loans from banking companies	10.1, 10.2 & 10.3	**26,615,164**	26,601,966
Unsecured			
Customer finance		**119,433**	119,050
Government of Sindh loans		**803,791**	614,372
		923,224	733,422
		27,538,388	27,335,388
Less: Current portion shown under current liabilities			
Loans from banking companies		**(5,604,167)**	(4,666,667)
Customer finance		**(590)**	(590)
Government of Sindh loans		**(186,667)**	(186,667)
		(5,791,424)	(4,853,924)
		21,746,964	22,481,464

10.1 This includes a long term finance facility amounting to Rs. 21,000 million was sanctioned in March 2022 from a syndicate of banks. This financial arrangement has been secured by the GoP guarantee. During the period repayment of Rs.4,667 million has been made.

10.2 This also includes finance facility amounting to Rs. 15,000 million was sanctioned in December 2022 by a syndicate of banks.

10.3 These loans / financial arrangements are secured by pari passu charge by way of hypothecation on all present and future movable fixed assets of the Holding Company comprising of compressor stations, transmission pipelines, distribution pipelines, pipeline construction machinery and equipments.

	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		--------(Rupees in '000)--------	
11 DEFERRED CREDIT			
Deferred credit	11.1	**5,852,958**	5,199,216
Advance received from Government		**2,676,975**	3,337,572
		8,529,933	8,536,788
11.1 DEFERRED CREDIT			
Government of Pakistan contributions / grants			
Opening balance		**3,840,646**	2,762,110
Additions / adjustments during the period / year		**916,242**	1,407,570
Amortized during the period / year	21	**(261,280)**	(329,034)
Closing balance		**4,495,608**	3,840,646
Government of Sindh (Conversion of loan into grant)			
Opening balance		**1,784,919**	1,889,931
Additions during the period / year		**44,168**	22,052
Amortized during the period / year	21	**(96,609)**	(127,064)
Closing balance		**1,732,478**	1,784,919
Government of Sindh grants			
Opening balance		**84,096**	96,124
Amortized during the period / year		**(4,957)**	(12,028)
Closing balance		**79,139**	84,096
		6,307,225	5,709,661
Less: Current portion of deferred credit		**(454,267)**	(510,445)
		5,852,958	5,199,216

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

	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		--------(Rupees in '000)--------	

12 CONTRACT LIABILITIES

	Note	March 31, 2024	June 30, 2023
Contribution from customers	12.1&12.2	**3,522,059**	3,544,995
Advance received from customers	12.1	**6,460,116**	6,221,903
		9,982,175	9,766,898

12.1 This represents amount received from the consumers as contribution towards the cost of supplying and laying transmission, service and main lines.

12.2 Contribution from customers

	March 31, 2024	June 30, 2023
Opening balance	**3,841,959**	3,238,534
Additions / adjustments during the period / year	**166,535**	891,195
Amortized during the period / year	**(226,939)**	(287,770)
	3,781,555	3,841,959
Less: current portion	**(259,496)**	(296,964)
Closing balance	**3,522,059**	3,544,995

13 TRADE AND OTHER PAYABLES

	Note	March 31, 2024	June 30, 2023
Creditors for:			
Indigenous gas	13.1	**870,790,907**	769,786,888
RLNG	13.2	**103,676,853**	106,680,422
		974,467,760	876,467,310
Tariff adjustments - RLNG payable to the GoP	13.3	**23,721,295**	23,826,990
Service charges payable to Engro Elengy Terminal Limited (EETL)		**3,420,693**	3,272,567
Accrued liabilities / bills payable		**13,155,702**	8,530,795
Provision for compensated absences - Non executives		**365,657**	365,657
Payable to gratuity fund		**5,238,934**	5,484,519
Payable to pension fund		**252,647**	107,986
Payable to provident fund		**10,206**	10,204
Deposits / retention money		**1,104,210**	908,269
Advance for sharing right of way		**18,088**	18,088
Withholding tax		**56,784**	31,625
Sales tax and federal excise duty		**623,387**	312,549
Sindh sales tax		**12,059**	26,936
Gas infrastructure development cess		**6,841,706**	6,834,735
Advance from customers and distibutors		**347,810**	376,032
Transport and advertisement services		**89,983**	70,353
Unclaimed term finance certificate redemption profit		**1,800**	1,800
Workers's profit participation fund		**932,154**	376,347
Provision		**-**	18,546
Others		**1,300,556**	651,256
		1,031,961,431	927,692,564

13.1 The creditors for indigenous gas supplies include Rs. 681,846 million (June 30, 2023: Rs. 588,195 million) payable to Oil and Gas Development Company Limited (OGDCL), Pakistan Petroleum Limited (PPL) and Government Holdings (Private) Limited in respect of gas purchases along with interest of Rs. 15,832 million (June 30, 2023: Rs. 15,832 million) on their balances which have been presented in note 14.1 to these consolidated condensed interim financial statements.

In addition to the above, it also includes payable to SNGPL amounting to Rs. 10,013 million (June 30, 2023: Rs. 7,839 million) which stands outstanding as at March 31, 2024.

13.2 On December 12, 2017, the Ministry of Energy (MOE) in pursuance of the decision of ECC vide case submitted on September 03, 2015, allocated 12 BCF RLNG volume to the Holding Company and thereafter, allocated further 37 BCF. The ECC in it's decision dated March 03, 2020 has allocated 71 BCF (in total to the Holding Company) in order to resolve the matter of short supply with the direction to enter into an agreement with SNGPL.

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 allocated volumes.

During the period, the Holding Company has recorded purchases of 21 BCF (June 2023: 16 BCF) from SNGPL amounting to Rs. 91,280 million (June 2023: Rs. 82,624 million) based on OGRA's decision dated November 20, 2018.

Based on initial agreement between the Holding Company and SNGPL dated January 25, 2021 in which it was decided that from June 2020 onwards all the invoices will be paid on monthly basis by the Holding Company, however, outstanding payable balances in respect of RLNG purchases before June 2020 amounting to Rs. 86,643 million included in the aggregate payable of Rs. 103,677 million stands disputed as of the reporting date. OGRA appointed a consultant for technical, commercial and managerial audit to ascertain accurate Unaccounted-for Gas (UFG) of both companies, encompassing both indigenous gas and imported RLNG and other matters.

Subsequent to the period end, the Holding Company received draft reports (the "Report") on technical, commercial, and managerial audits from a consultant appointed by OGRA. The purpose of these audits was to assess the accuracy of Unaccounted-for Gas (UFG) for gas companies, covering both indigenous gas and imported RLNG, as well as other related matters. The Holding Company raised several concerns regarding the report issued by the consultant in its letter dated June 3, 2024, addressed to OGRA. In response, OGRA issued a letter to the Holding Company on December 11, 2024, providing recommendations aimed at measuring and preventing UFG losses. Interalia, OGRA has also observed in its above letter that the Holding Company’s claim to experience the higher UFG losses while handling the RLNG & Indigenous gas is also not tenable. The Holding Company has once again approached the OGRA and communicated its concern vide their letter dated December 23, 2024. The management believes that the final outcome is yet to be determined by OGRA, preferably in the presence of both the parties.

	Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		--------(Rupees in '000)--------	
13.3 Tariff adjustments - RLNG payable to the GoP			
Opening balance		**23,826,990**	28,923,211
Charge / (reversal) during the period		**(105,695)**	(4,742,920)
GOP (subsidy) on RLNG tariff		**-**	(353,301)
Closing balance		**23,721,295**	23,826,990
14 INTEREST ACCRUED			
Long term financing		**143,142**	1,039,407
Long term deposits		**609,292**	762,451
Short term borrowings		**1,194,278**	1,776,622
Late payment surcharge on processing charges		**99,283**	99,283
Late payment surcharge on gas supplies	14.1	**15,832,411**	15,832,411
		17,878,406	19,510,174

14.1 As disclosed in note 7.1 and 7.2, effective from July 1, 2012, the Holding Company has been accounting for LPS from KE and PSML on receipt basis as per International Financial Reporting Standards 15: “Revenue from Contracts with Customers”. 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 Holding Company Limited (OGDCL), Pakistan Petroleum Limited (PPL) and Government Holding (Private) Limited (GHPL) to comply with the requirements of accounting and reporting standards as applicable in Pakistan, 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 fulfilment 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.

Based on the aforesaid letter and legal opinion obtained by the Holding Company, the aggregate unrecognized accrued markup up to March 31, 2024 stands at Rs. 239,173 million (June 30, 2023: Rs. 176,291 million).

15 SHORT TERM BORROWINGS

These represent facilities for short term running finance / short term money market loan available from various banks amounting to Rs. 50,000 million (June 30, 2023: Rs. 45,000 million) and carry mark-up ranging from 0.1% to 0.20% (June 30, 2023: 0.1% to 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.

As at March 31, 2024, the aggregate unavailed short term borrowing facilities amounting to Rs. 2,699 million (June 30, 2023: Rs. 10,018 million).

16 CONTINGENCIES AND COMMITMENTS

In respect of the Holding Company

16.1 There is no significant change in contingencies from the preceding audited financial statements of the Company for the year end June 30, 2023, except for the following:

16.1.1 Jamshoro Power Company Limited (JPCL) lodged an aggregate claim amounting to Rs. 144,120 million (2023: Rs.144,120 million) which includes Rs. 44,990 million on account of the short supply of gas, utilization of alternate fuel amounting to Rs. 99,130 million, and 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 amounting to Rs. 5.79 million under the provisions of an agreement dated April 10, 1995, between the Company and JPCL.

The ministry of Petroleum and Natural Resources (the ministry) vide its letter dated April 24, 2017 directed that the outstanding issues pertaining to the claims by JPCL shall be resolved and the ministry has proposed that a committee be constituted comprising of members from two companies and the other concerned Ministries to resolve the matter as it involves parties who represent/relate to the Government of Pakistan (GoP). Furthermore, this matter was also pending in the Public Accounts Committee (PAC).

Pursuant to the directives of PAC, urgent meeting of the Secretaries Committee was held on May 08, 2023 and the Committee directed JPCL and the Company to submit data regarding actual loss suffered by the Companies.

Both parties had submitted their reports, wherein JPCL reduced its claim from 144,000 million to 5,838 million and the Company revised its Take or pay claim from 2,828 million up to April 2023 to 2,114 million considering the difference between industrial and domestic tariff, whereas, the amount pertaining to gas bills remains at Rs. 2,778 million which is outstanding balance up to April 2023, and late payment surcharge (LPS) amounting to Rs. 3,615 million which stands outstanding up to June 2022. As a result, the claims summary stands as follows:

JPCL claims = Rs 5,838 million
Company claims = Rs 4,892 million

Afterwards a Meeting of the Sub-Committee of PAC was held on May 25, 2023 and the Committee settled the relevant paras subject to verification of record by the Audit. In compliance to the above directives of the Sub-Committee of PAC, Audit has been requested to conduct verification of above mentioned number of SSGC i.e. Rs. 4,892 million and other relevant record.

As at March 31, 2024, the Company has made further increase in LPS receivable to Rs. 4,462 million against non-payment of gas bills. The Company is of the view that if the settlement is made on the aforesaid claims as mentioned above including LPS receivable, remaining LPS would stand at Rs. 3,516 million. Subsequent to the period end, on the recommendation of the Inter-Ministerial steering committee (IMSC), the Company has adjusted its claim of Rs. 4,892 million (includes take or pay claim of Rs. 2,117 million and receivable on account of gas bills of Rs. 2,775 million) against the JPCL claim of Rs. 5,838 million in the books resultantly a net liability of Rs. 945 million is payable to JPCL.

The net of JPCL Liquidated Damages claim Rs. 5,838 million and SSGC Take or Pay Claim Rs. 2,117 million i.e., Rs. 3,721 million has been recognized as Liquidated Damages Expense in books of account and is being claimed from OGRA in petition for FY 2023- 24 on account of recognized liquidated damages claim of JPCL. Accordingly, no provisions have been made in the unconsolidated condensed interim financial statements as at March 31, 2024.

16.1.2 On May 04, 2024, the Tax Laws (Amendment) Act, 2024 was enacted requiring State Owned Enterprises (SOEs) to apply to FBR for appointment of Alternative Dispute Resolution Committee (ADRC) for resolution of pending Tax Disputes at the level of Commissioner (Appeals), Appellate tribunal level or any other forum. Accordingly section 134A was amended in the Income Tax Law to give effect to the above change. In order to seek clarity on the application / enforcement of the newly amended law the company has sought a legal opinion and in response the legal counsel has opined that fiscal statutes shall apply prospectively (including amendments), especially where the statute is to affect vested rights and past and closed transactions and there is no corresponding provision to the effect requiring the Company to withdraw its cases from the original forum (Appellate tribunal, etc.) and file an application to avail the compulsory ADR method as is specified under Section 134A of the Income Tax Ordinance. 2001.

The management of the Company has drawn inference from the above and accordingly decided as under:

- Old cases (pending before enactment of said Act) would continue at original forum (Commissioner Appeals, Appellate Tribunal, etc.) where case was pending (except in cases where Company voluntarily opts to follow ADRC process).

- While for any new Assessment Order, Company has to apply for ADRC.

The management of the Company believes that the Company's position is maintainable in the eyes of Law and hence may not lead to adverse consequences from any of the Regulatory or Revenue authorities.

16.1.3 The tax authorities had passed an order for FY 2017-18 creating Federal Excise Duty (FED) demand on Re-gasification of LNG into RLNG, supply of RLNG to customers and supply of Natural Gas to customers (on which LPG / NGL extraction process was performed).

The Commissioner (Appeals) based on the appeals had passed an order by deciding the issues of re-gasification and supply of RLNG to customers against SSGC. The issue of supply of natural gas to customers was remanded back to tax authorities.

The Company has filed an appeal against the said order to Commissioner (Appeals) on RLNG, the Company has filed an appeal before Appellate Tribunal Inland Revenue (ATIR), which is pending adjudication.

The Company has also filed application with FBR for constitution of Alternative Dispute Resolution Committee (ADRC) on the matter of FED on LNG into RLNG. Subsequently, on January 15, 2025 FBR has constituted ADR in respect to this matter.

Based on the advice of its tax advisor, the Company is confident that the case will be in its favor, therefore, no provision has been made in these unconsolidated condensed interim financial statements.

16.1.4 Tax Authorities had passed sales tax order for FY 2017-18 on issues of non-charging of Sales Tax on RLNG – Indigenous Gas Swap, Gas Development Surcharge (GDS), RLNG transportation income among other observations.

The said order was contested before Commissioner (Appeals) who upheld LTO Order. Upon appeal, the Appellate Tribunal Inland Revenue (ATIR) decided the issue of GDS in favour of SSGC while other matters are still sub-judice before the Appellate Tribunal Inland Revenue.

The Company has also filed application with FBR for constitution of Alternative Dispute Resolution Committee (ADRC) on the matter of sales tax on RLNG – Indigenous Gas Swap which has been constituted subsequent to the period end on January 15, 2025.

Based on the advice of its tax advisor, the Company is confident that the case will be in its favor, therefore, no provision has been made in these unconsolidated condensed interim financial statements as the Company.

16.1.5 Income tax authorities have passed Orders disallowing Cost of Gas purchased but lost as UFG (in excess of OGRA Benchmark) for Financial Year (FY) 2008-09, 2010-11, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 2016-17, 2017-18, 2018-19, 2019-20 and 2020-21.

All the Orders were contested before Commissioner (Appeals) who decided the cases in Company's favor except for FY-2019-20, which has been remanded back by the Commissioner Appeals. However, the said orders had been challenged by the tax authorities before the Appellate Tribunal Inland Revenue.

The Company has filed an application for case related to FY 2020-21 with the FBR for the constitution of an Alternate Dispute Resolution Committee (ADRC) and committee has been formed, as a result, the recovery of tax demand has been deemed to be stayed in terms of sub section (7) of section 134A till final decision or dissolution of committee.

Based on the advice of its tax advisor, the Company is confident that the case will be in its favor, therefore, no provision has been made in these unconsolidated condensed interim financial statements as the Company.

16.1.6 There are several other pending litigations in the nature of billing disputes, employees disputes and related matters in which the Company is defendant/ respondent. The management, based on the view of the in-house legal advisor, is of the view that the aggregate exposure in all the said cases is not material to the Company. Accordingly, no provision has been made in these unconsolidated condensed interim financial statements.

		March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
		--------(Rupees in '000)--------	
16.1.7	Claims against the Company not acknowledged as debt	**3,631,197**	3,623,797

The management is confident that ultimately these claims would not be payable.

16.2 **Commitments**

16.2.1	Guarantees issued on behalf of the Company	**11,378,122**	8,938,470
16.2.2	Commitments for capital and other expenditure	**8,559,638**	7,565,788

16.3 In respect of the Subsidiary

16.3.1 The Additional Commissioner Inland Revenue (ACIR) passed the order u/s 122(5A) of the Income Tax Ordinance, 2001 for tax year 2013 on the basis that sale of LPG is not covered by SRO 586 of 1991 and created a demand of Rs. 46.2 million. The Subsidiary had filed an appeal against the said order before Commissioner Inland Revenue - Appeals (CIR (A)). Later CIR (A) passed the order dated May 15, 2015 and remanded back the case to the ACIR for reassessment on various issues as per grounds of appeal. The Subsidiary has filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the order passed by CIR (A).

The ATIR in its order dated June 23, 2022 held that Subsidiary Company is not a manufacturer and upheld the order of the department, however the ATIR on certain points remanded back the issue with department and CIR (A) for detail findings after giving fair opportunity of being heard to the taxpayer. The department issued fresh order without giving fair opportunity of being heard to the taxpayer and created demand amount of Rs.46.2 million irrespective of the fact that main issue was whether chargeability of FTR is applicable on complete sale or otherwise. The taxpayer being aggrieved with in impugned order preferred an appeal before CIR (A) and hearing was fixed on December 14, 2022. On the day of hearing before learned CIR (A), the appellant submitted written arguments and argued about the scope of chargeability of FTR and NTR on the appellant.

The CIR (A) in its order dated December 29, 2022 remanded back the case to the department with directions to bifurcate sale revenue into FTR and NTR and allocation of expenses accordingly. No provision has been made due to the fact that CIR (A) has remanded back the case to the department with further directions to follow the order of the learned ATIR on "Manufacturer Status" of the Subsidiary Company, the Subsidiary Company is confident that decision will come in its favor, hence no provision has been recorded in these consolidated financial statements for the year ended June 30, 2023.

Meanwhile, the Subsidiary Company has filed rectification application before the learned ATIR on ground that in Case Reference NO: ITA 890/KB/2015: the Subsidiary Company Vs. ACIR for TY 2013, the learned ATIR did not consider or overlooked case reference number PTD 2018 of Hazara Efficient Gas which was binding on the learned ATIR while disposing off the case of the appellant. The ATIR has accepted the miscellaneous application and moved the application to larger bench. The ATIR has also granted stay against recovery of demand for tax year 2013 till the order of learned ATIR in miscellaneous application filed by the appellant.

However, the ACIR passed the fresh order on June 15. 2022 by ignoring the directions of the learned ATIR where it had been directed to the department quote “We direct the department not to initiate any proceedings or recovery of any demand outstanding against the taxpayer till the decision of full or larger bench". Unquote, the Subsidiary Company being aggrieved against the impugned order tax year 2013 preferred an appeal before the learned CIR (A) and waiting for the hearing of the same. No provision has been recorded against the impugned order as management is confident that outcome will come in favor the Subsidiary Company.

During the current period our tax lawyer has filed an application to the Chairman ATIR for formation of the larger bench, upon the application the registrar of ATIR has responded that the ATIR appeal has already been disposed off therefore the larger bench cannot be created once the appeal been disposed off. The Subsidiary Company's tax lawyer has filed rectification application in ATIR to reconsider the order in which on once side there is a direction of formation of larger bench and on the other side the appeal become disposed. The Subsidiary Company's lawyer is of the opinion that appeal will become alive if the order become rectified by the ATIR. The rectification application is under reviewed by the ATIR.

Subsequent to the year end, ATIR in its rectification order made the decision in Company's favor and held that Subsidiary Company is a manufacturer and engage in the manufacturing process.

16.3.2 For tax year 2014, under similar case, the Additional Commissioner Inland Revenue (ACIR) passed order dated January 11, 2017 and created demand of Rs.116.6 million. The Subsidiary Company filed an appeal before the CIR (A) against the said order. The CIR (A) passed the order dated March 21, 2017 and remanded back the case. To date, the tax department has not filed any appeal against the CIR (A) order with any appellate authority. As per tax advisor, the appeal is not filed within 60 days of decision of CIR (A), it will be considered as if the tax department has no objection against decision of CIR (A).

As per tax advisor, the decision of CIR(A) for tax year 2014 will support the pending appeal relating to tax year 2013 as issue involved is similar in nature. Hence, management is confident that the outcome of this case will be in favor of the Subsidiary Company and no provision is recorded in these consolidated financial statements.

16.3.3 The ACIR passed order dated July 11, 2014 and created demand of Rs. 5.91 million on account of input tax disallowed with reference to SRO 490/2004 pertaining to the tax year 2013 and 2014. The Subsidiary Company has filed an appeal before the Commissioner Appeals. During the process of appeal, the tax department issued a recovery notice and recovered entire demand amount from the Subsidiary Company's bank account.

The Subsidiary Company's legal counsel is of the opinion that the case will be decided in favor of the Subsidiary Company and the entire amount will be refunded.

16.3.4 The Inland Revenue Department has also issued a show cause notice u/s 122(9) for amendment of assessment u/s 122(5A) of the Income Tax Ordinance, 2001 for the tax years 2015 & 2016 on January 13, 2017 and required the Subsidiary Company to submit necessary documents for reassessment of tax liability. Against the said notice the Subsidiary Company filed petition in Sindh High Court (SHC). The SHC granted stay to the Subsidiary Company and link the case with the decision of Tribunal for tax period 2013. However, ATIR in its order dated June 23, 2022 regarding manufacturing status of the Subsidiary Company upheld the order of the department for tax year 2013 and remanded back some issues to the department and CIR(A) for further findings.

However, after the order of the learned ATIR, the ACIR issued fresh show cause notices to the Subsidiary Company for TY 2015-2022 and subsequently without giving fair opportunity of being heard to the appellant passed order u/s 122(5A) of the Income Tax Ordinance, 2001 and raised demand amount of Rs. 1,352 million for TY 2015-2022.The Subsidiary Company being aggrieved with the impugned order passed by the learned ACIR preferred an appeal before learned CIR (A) for TY 2015-2022.

The Learned CIR(A) remanded back the impugned orders TY 2015 - 2020 and annulled order TY 2021 with directions to bifurcate the sales revenue into FTR and NTR and allocation of expenses for TY 2015-2020 and for TY 2021 on the basis of clause 46AA of part IV of second schedule of the Income Tax Ordinance, 2001 introduced through Finance Act, 2020 being exempt from applicability of withholding of the income tax u/s 153 of the Income Tax Ordinance, 2001 .The management has not record any provision as these orders have been set aside from CIR(A) and department has not issued fresh order under the direction of CIR(A), furthermore because of the fact that learned ATIR has accepted the rectification application u/s 221 of the Income Tax Ordinance, 2001 for TY 2013 and issue for TY 2015-2020 are connected with TY 2013.

16.3.5 On April 20, 2018, the Subsidiary Company has received the notice from SRB for alleged short payment of Sindh Sales Tax amounting to Rs. 7.39 million for the tax periods from July, 2016 to November, 2017 on account of royalty fee paid to Port Qasim Authority. Against the said notice, the Subsidiary Company has filed petition in SHC. On May 23, 2018, the SHC has granted stay to the Subsidiary Company and the final decision is pending before the learned SHC.

The Subsidiary Company's legal counsel is of the opinion that the case will be decided in favor of the Subsidiary Company and the entire amount will be refunded by the department to the Subsidiary Company.

16.3.6 In the year 2020, SRB has issued notice regarding payment of Sindh Workers Profit Participation Fund contribution. According to said notice, the Subsidiary Company fall under the definition of "Industrial Undertaking" mentioned in Sindh Workers Profit Participation Act, 2015. As a result of which the WPPF contribution of amounting Rs. 2.78 million and 9.24 million has been claimed by SRB for two immediate profitable years of 2017 and 2018 respectively.

The Subsidiary Company has filed a petition against the said notice and granted a stay from Sindh High Court on the basis that Sindh Workers Profit Participation Act, 2015 is not applicable due to trans-provincial operations. The management is confident, based on legal opinion that outcome of this case will be in favor of the Subsidiary Company.

16.3.7 The Inland Revenue Department also issued notice on selection in audit u/s 25 of the Sales Tax Act, 1990 and subsequent to the issuance of show cause notice and passed an order u/s 11 of the Sales Tax Act, 1990 and raised impugned demand amount of Rs. 55 million.The management being aggrieved with the impugned order preferred an appeal before the learned CIR(A) u/s 45 of the Sales Tax Act,1990.The

CIR(A) has partially upheld the order of the department and partially annulled the demand raised by the department. Being aggrieved with the order of the Commissioner(A), the Subsidiary Company has filed appeal before the ATIR.

No provision has been made in these consolidated financial statements as the management is confident, based on legal opinion, that the outcome of the case will be in favor of the Subsidiary Company.

16.3.8 The Sindh Revenue Board passed an order amount Rs. 24 million on alleged violation of section 15,15A(1)(a) of the Sindh Sales Tax on Services Act, 2011 on account of inadmissible input tax for tax periods December 2016, February 2017, March 2017, April 2017, August 2017, November 2017, December 2017, January 2018 to May 2019 & July 2019.

Being aggrieved with the impugned order passed by the AC-SRB, the Subsidiary Company has preferred an appeal before the learned CIR(A)-SRB on the ground that input tax claimed on account of transportation and construction services are genuine as the taxpayer has not made any violation of relevant section of the Sindh Sales Tax on Services Act, 2011 because of the fact that if Form "I" has not been submitted by the service provider then it is a dispute between the service provider and SRB, whereas the Subsidiary Company has claimed input tax on account of sales tax invoices at the statutory rate of 13% issued by the service provider and payment has been made through banking channels.

No provision has been made in these consolidated financial statements as the management and tax advisors are confident that the outcome of the case will be in favor of the Subsidiary Company.

16.3.9 After assessment under section 122(9) read with section 124(2),122(4)(5A) for the tax year 2017, 2018, 2019 and 2020 raised a demand of Rs. 688.38 million on dated June 22, 2023 and June 23, 2023 for not considering the status of Subsidiary Company as manufacturer and deemed the LPG income under FTR. The Subsidiary Company had filed Appeals before Commissioner Inland Revenue (Appeals) against orders / notices. As per the view of the legal advisor, the Subsidiary Company has fair chance to succeed in the said case.

16.3.10 After assessment under section 122(9) read with section 124(2),122(4)(5A) for the tax year 2021, the ACIR has issued the order and decreased the tax refund for the tax year 2021 from 38.1 to 24.2 million on dated June 26, 2023 by not considering the status of Subsidiary Company as manufacturer. The Subsidiary Company had filed Appeal before Commissioner Inland Revenue (Appeals) against order. The cases are pending before this forum. Based on the advice of its tax counsel, management is confident that the outcome of the above appeals would be favorable, hence no provision has been made in these consolidated financial statements.

16.3.11 During the year ended June 30, 2023, The Subsidiary Company received an order from DCIR under section 161(1A) for tax year 2017 on dated June 26, 2023 whereby a tax demand of Rs. 13.5 million including a default surcharge under section 205(1) of Rs. 1.44 million was established. The Subsidiary Company has filed an appeal against aforesaid order before the Commissioner Inland Revenue (Appeals). The Subsidiary Company has fair chance to succeed in the said case.

		Note	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
			--------(Rupees in '000)--------	
16.4	**Commitments**			
	Guarantees issued on behalf of			
	the Subsdiary Company		**104,970**	104,970
	For Port Qasim Authority Customs	16.4.1	**12,003**	12,003
	For Sindh High Court		**116,973**	116,973
	Contracts for capital and other expenditure			
	Opex		**27,761**	27,761
	Capex		**244,283**	244,283
	LPG purchase		**866,962**	866,962
			1,139,006	1,139,007

16.4.1 This represent the bank guarantee provided by the Subsidiary Company to Port Qasim Authority against the compliance of rules and regulations.

		Note	Nine months period ended March 31, 2024	Nine months period ended March 31, 2023	Quarter ended March 31, 2024	Quarter ended March 31, 2023
			(Un-audited)			
17	**REVENUE FROM CONTRACT WITH CUSTOMERS - GAS SALES -NET**		-----------(Rupees in '000)--------------			
	Gross Sales:					
	Indigenous gas		**229,756,511**	141,267,691	**94,093,446**	51,139,273
	RLNG		**113,496,025**	68,042,990	**40,025,523**	12,941,360
			343,252,536	209,310,681	**134,118,969**	64,080,633
	Less: Sales tax					
	Indigenous gas		**(34,815,714)**	(21,574,653)	**(13,468,354)**	(7,900,991)
	RLNG		**(17,311,403)**	(10,035,473)	**(6,128,348)**	(1,949,711)
			(52,127,117)	(31,610,126)	**(19,596,702)**	(9,850,702)
			291,125,419	177,700,555	**114,522,267**	54,229,931
18	**TARIFF ADJUSTMENTS**					
	Indigenous gas	18.1	**55,907,410**	141,437,256	**(2,896,235)**	64,281,068
	RLNG	18.2	**105,695**	10,496,519	**2,507,730**	2,399,870
			56,013,105	151,933,775	**(388,505)**	66,680,938
18.1	**Tariff adjustment - indigenous gas**					
	Price increase adjustment for the period		**57,274,926**	142,508,904	**(2,353,594)**	64,726,814
	Subsidy for LPG air mix operations		**(1,367,516)**	(1,071,648)	**(542,641)**	(445,746)
			55,907,410	141,437,256	**(2,896,235)**	64,281,068
18.2	**Tariff adjustment - RLNG**					
	The GOP subsidy on RLNG tariff		**(6,357)**	1,770,962	**-**	558,078
	Price increase adjustment for the period		**112,052**	8,725,557	**2,507,730**	1,841,792
			105,695	10,496,519	**2,507,730**	2,399,870
19	**COST OF REVENUE**					
	Cost of gas	19.1	**321,000,741**	295,631,423	**108,241,142**	95,808,012
	Transmission and distribution costs		**18,456,619**	17,106,184	**6,341,550**	6,008,475
			339,457,360	312,737,607	**114,582,692**	101,816,487
19.1	**Cost of gas**					
	Opening gas in pipelines		**1,945,446**	1,285,918	**2,309,721**	1,776,750
	RLNG purchases		**91,280,195**	66,889,955	**34,495,495**	11,641,954
	Indigenous purchases		**230,662,789**	231,415,801	**73,959,115**	85,083,901
			323,888,430	299,591,674	**110,764,331**	98,502,605
	Gas consumed internally		**(602,439)**	(2,083,002)	**(237,939)**	(817,344)
	Closing gas in pipelines		**(2,285,250)**	(1,877,249)	**(2,285,250)**	(1,877,249)
			(2,887,689)	(3,960,251)	**(2,523,189)**	(2,694,593)
			321,000,741	295,631,423	**108,241,142**	95,808,012
20	**OTHER OPERATING EXPENSES**					
	Workers' profit participation fund		**517,648**	-	**92,381**	-
	Auditors' remuneration		**6,911**	5,911	**2,122**	1,911
	Sports expenses		**26,783**	1,756	**6,594**	683
	Corporate social responsibility		**1,575**	6,392	**1,208**	4,922
	Exchange loss		**-**	31,956,491	**-**	25,759,343
	Provision against impaired stores and spares		**-**	58,260	**-**	34,292
	Loss on disposal of property, plant and equipment		**496,710**	28,585	**295,569**	(968)
			1,049,627	32,057,395	**397,874**	25,800,183

	Nine months period ended		Quarter ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Un-audited)			
	-----------(Rupees in '000)--------------			
21 OTHER INCOME				
Income from financial assets				
Income for receivable against asset contribution	**21,094**	26,923	**5,906**	9,303
Late payment surcharge	**2,863,121**	1,663,312	**1,558,712**	602,886
Interest income on late payment of from SNGPL - related party	**855,790**	852,678	**283,189**	280,077
Liquidity damaged recovered	**77,166**	122,746	**37,934**	69,540
Income from net investment in finance lease	**-**	3,980	**-**	1,326
Return on term deposits and profit and loss	**-**		**-**	
bank accounts	**302,995**	29,437	**138,718**	(10,150)
Interest income on late payment of gas bills from	**579,193**	438,722	**194,650**	160,453
Water & Power Development Authority (WAPDA)			**-**	
Dividend income	**3,915**	20,123	**1,305**	1,068
	4,703,274	3,157,921	**2,220,414**	1,114,503
Income from other than financial assets				
Income from LPG / NGL - net	**2,087,196**	1,312,359	**839,559**	698,310
Sale of gas condensate - net	**23,837**	10,939	**(964)**	13,167
Meter manufacturing division (loss) / profit - net	**297,608**	(19,531)	**367,586**	(26,700)
Meter rentals	**1,203,698**	1,213,631	**400,321**	403,430
RLNG transportation income	**6,124,398**	4,995,029	**2,483,490**	1,802,864
Recognition of income against deferred credit	**564,276**	511,765	**173,831**	171,580
Exchange gain	**4,992,585**	-	**2,092,067**	
Income from LPG air mix	**188,471**	80,615	**66,305**	26,416
Income from sale of tender documents	**6,786**	6,733	**2,765**	1,395
Scrap sales	**48,776**	16,315	**24,568**	(4,785)
Recoveries from customers	**87,151**	84,494	**28,786**	44,513
Reversal against impaired stores and spares	**16,557**	-	**(11,312)**	-
Amortization of Government grant	**4,957**	8,963	**1,652**	2,988
LSA margins against RLNG	**1,205,796**	1,048,839	**402,877**	397,892
Gain on disposal of property, plant and equipment	**2,831**	-	**-**	-
Liabilities written back	**31,847**	-	**2,905**	-
Miscellaneous	**65,048**	19,771	**16,099**	6,142
	21,655,092	12,447,843	**9,110,949**	4,651,715

			Nine months period ended		Quarter ended	
			March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
			(Un-audited)			
22	**TAXATION**	**Note**	--------------------(Rupees in '000)--------------------			
	Current Tax		**5,071,850**	2,794,396	**1,722,776**	1,047,130
	Deferred tax	22.1	**(1,019,649)**	59,339	**(416,534)**	31,499
			4,052,201	2,853,735	**1,306,242**	1,078,629

22.1 As at March 31, 2024, the Holding Company has aggregate deferred tax asset on deductible temporary differences amounting to Rs. 56,421 million (2023: Rs. 61,126 million) out of which deferred tax asset amounting to Rs. 27,793 million has been recognised and remaining balance of Rs 28,628 Million is unrecognised. As at year end, the Holding Company's minimum tax credit amounted to Rs. 10,178 million (2023: Rs. 12,284 million) having expiry period ranging between 2024 and 2027.

			Nine months period ended		Quarter ended	
23	**PROFIT / (LOSS) PER SHARE - BASIC AND DILUTED**		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
			(Un-audited)			
	Profit / (loss) for the period	(Rupees in '000)	**7,819,923**	(16,827,068)	**1,315,603**	(7,509,439)
	Average number of ordinary shares	(Number of shares)	**880,916,309**	880,916,309	**880,916,309**	880,916,309
	Profit / (loss) per share - basic and diluted	(Rupees)	**8.88**	(19.10)	**1.49**	(8.52)

			March 31, 2024	March 31, 2023
			(Un-audited)	
		Note	--------(Rupees in '000)--------	
24	**CASH GENERATED FROM OPERATIONS**			
	Adjustments for non-cash and other items	24.1	**19,099,294**	13,643,305
	Working capital changes	24.2	**(3,253,124)**	12,350,673
			15,846,170	25,993,978

24.1	**ADJUSTMENTS FOR NON-CASH AND OTHER ITEMS**			
	Provisions	24.1.1	**3,576,049**	3,211,176
	Depreciation on operating assets	5.1	**6,528,286**	5,553,236
	Depreciation on projects capitalised	5.1	**46,998**	(18,402)
	Depreciation on right of use assets		**64,558**	67,061
	Amortization of intangibles		**103,881**	86,694
	Finance cost		**9,844,864**	5,506,685
	Amortization of transaction cost		**15,949**	24,587
	Amortization of Government grant		**(4,957)**	(8,963)
	Recognition of income against deferred credit and contract liability		**(589,785)**	(540,230)
	Dividend income		**(3,915)**	(20,123)
	Interest income and return on term deposits		**(1,741,893)**	(1,347,760)
	Income from net investment in finance lease		**-**	(3,980)
	Loss on disposal of property plant and equipment		**493,723**	28,468
	Lease rental from net investment in finance lease		**-**	47,341
	Decrease in long term advances		**(660,597)**	533,108
	Increase in deferred credit and contract liability		**1,365,158**	461,966
	Finance cost on lease liability		**16,486**	13,042
	Increase in payable against transfer of pipeline		**44,489**	49,399
			19,099,294	13,643,305

	Nine months period ended	
	March 31, 2024	March 31, 2023
	(Un-audited)	
	-----------(Rupees in '000)-----------	
24.1.1 Provisions		
(Reversal) / Provision against slow moving / obsolete stores	**(15,511)**	9,146
Provision for compensated absences	**-**	118,626
Provision for post retirement medical and free gas supply facilities	**977,028**	843,238
Provision against retirement benefit	**1,285,451**	692,727
Provision for expected credit loss	**1,329,081**	1,547,439
	3,576,049	3,211,176
24.2 WORKING CAPITAL CHANGES		
Decrease in current assets		
Stores and spares	**(194,964)**	14,742
Stock-in-trade	**(943,589)**	(864,086)
Customers' installation work-in-progress	**(16,879)**	(21,701)
Trade debts	**(17,494,654)**	(15,671,697)
Advances, deposits and short term prepayments	**(72,575)**	(305,209)
Other receivables	**(88,900,254)**	(177,603,741)
	(107,622,915)	(194,451,692)
Increase in current liabilities		
Trade and other payables	**104,369,791**	206,802,365
	(3,253,124)	12,350,673
25 CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD		
Cash and bank balances	**2,038,784**	1,880,435
Short term borrowings	**(47,301,382)**	(22,154,435)
	(45,262,598)	(20,274,000)

26 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of subsidiary Group, 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.

	Relationship	Nine months period ended March 31, 2024	March 31, 2023
		(Un-audited)	
		-----------(Rupees in '000)-----------	

26.1 Transactions during the period

	Relationship	March 31, 2024	March 31, 2023
Government related entities - various	Associated Company		
- Purchase of fuel and lubricant		**115,099**	77,850
- Sale of gas and allied charges inclusive of sales tax		**36,281,343**	52,176,263
- Mark-up expense on short term finance		**79,813**	171,781
- Mark-up expense on long term finance		**-**	15,760
- Income from net investment in finance lease		**-**	3,980
- Gas purchases - Indigenous gas		**131,577,858**	126,537,593
- Gas purchases - RLNG		**91,280,195**	66,889,955
- Sale of gas condensate		**26,679**	30,592
- Sale of gas meters and spare parts		**976,989**	10,053
- Rent		**9,649**	14,109
- Insurance premium		**108,740**	56,256
- Royalty		**790**	560
- License fee		**104,149**	85,046
- Telecommunication		**14,679**	7,336
- Electricity expenses		**243,363**	171,513
- Interest income		**1,434,983**	1,291,400
- RLNG transportation income		**6,124,398**	4,995,029
- Income against LNG service agreement		**1,205,796**	1,048,839
- LPG purchases		**1,059,960**	841,942
- Dividend income		**-**	18,106
Karachi Grammar School	Associated undertaking		
- Sale of gas and allied charges inclusive of sales tax		**81**	43
Key management personnel			
- Remuneration		**143,688**	117,604
Pakistan Institute of Corporate Governance	Associated Company		
- Subscription / Trainings		**150**	876
* **Engro Fertilizers Limited**	Associated company		
- Sale of gas and allied charges inclusive of sales tax		**2,265**	17,637

	Relationship	Nine months period ended March 31, 2024 (Un-audited)	March 31, 2023
		-----------(Rupees in '000)-----------	
Indus Hospital & Health Welfare	Associated company		
- Sale of gas and allied charges inclusive of sales tax		**1,037**	1,150
Pakistan Stock Exchange Limited	Associated company		
- Sale of gas and allied charges inclusive of sales tax		**223**	112
- Subscription		**1,986**	1,771
** **Pakistan Cables Ltd**	Associated company		
- Sale of gas and allied charges inclusive of sales tax		**207,828**	-
Staff retirement benefit plans	Employee benefit plan		
- Contribution to provident fund		**361,139**	273,380
- Contribution to pension fund		**869,888**	385,364
- Contribution to gratuity fund		**407,720**	298,802

* Current balances with these parties have been disclosed till the month of common directorship.

** Comparative balances with these parties have not been disclosed as these parties were not related parties in last year.

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

26.1.2 Remuneration to the executive and 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.

	March 31, 2024 (Un-audited)	June 30, 2023 (Audited)
	-----------(Rupees in '000)-----------	
26.2 Period / year end balances		
Receivable from related parties	**221,956,577**	223,207,655
Payable to related parties	**(815,923,796)**	(722,715,707)

27 OPERATING SEGMENTS

IFRS 8 - Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief operating decision maker in order to allocate resources to segments and to asses 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.

	Nine months period ended	
	March 31, 2024	March 31, 2023
	(Un-audited)	
	-------------(Rupees in '000)-------------	
	Segment profit / (loss)	
Return on Assets net of UFG disallowance		
Gas transmission	**9,224,273**	6,294,817
Gas distribution and marketing		
- Lower Sindh	**7,731,886**	(1,970,791)
- Upper Sindh	**2,373,562**	(1,099,242)
- Balochistan	**(9,014,095)**	(16,717,757)
	1,091,353	(19,787,790)
Meter manufacturing	**12,939**	9,150
Total segment results	**10,328,565**	(13,483,823)
Unallocated		
Finance cost	**(9,844,864)**	(5,569,126)
Other income - net	**11,388,423**	5,079,616
Profit / (loss) before tax	**11,872,124**	(13,973,333)

	March 31, 2024	June 30 2023
	(Un-audited)	(Audited)
	--------------(Rupees in '000)--------------	
Segment assets and liabilities		
Segment assets		
Gas transmission	**285,320,537**	252,824,175
Gas distribution and marketing		
- Lower Sindh	**633,570,867**	570,353,735
- Upper Sindh	**132,297,474**	120,206,375
- Balochistan	**120,019,002**	108,273,978
	885,887,343	798,834,088
Meter manufacturing	**1,988,709**	1,593,590
Total segment assets	**1,173,196,589**	1,053,251,853

	March 31, 2024 (Un-audited)	June 30 2023 (Audited)
	-------------(Rupees in '000)-------------	
Unallocated		
- Loans and advances	**190,119**	460,095
- Taxation - net	**14,121,219**	15,041,933
- Interest accrued	**487,739**	487,739
- Cash and bank balances	**2,038,784**	553,746
	16,837,861	16,543,513
Total assets as per consolidated condensed interim statement of financial position	**1,190,034,450**	1,069,795,366
Segment liabilities		
Gas transmission	**172,128,546**	134,914,345
Gas distribution and marketing		
- Lower Sindh	**647,723,105**	601,864,007
- Upper Sindh	**138,672,543**	125,799,502
- Balochistan	**224,404,086**	208,054,816
	1,010,799,734	935,718,325
Meter manufacturing	**197,346**	180,045
Total liabilities as per consolidated condensed interim statement of financial position	**1,183,125,626**	1,070,812,715

28 FAIR VALUE 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.

The carrying values of all financial instruments reflected in these consolidated condensed interim financial statements approximate their fair values except for investment in unquoted companies which are reflected at cost less impairment losses.

Fair value hierarchy

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, either 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).

Valuation techniques used in determination of fair values within level 1 and level 2

Level 1- Listed securities

The valuation has been determined through closing rates of Pakistan Stock Exchange.

Level 2 - Operating fixed assets (Freehold and lease land)

The fair value of the freehold and leasehold land are derived using the Sale Comparison approach. The sales value is determined by physically analysing the condition of land and by ascertaining the market value of similar land, which is by selling in near vicinity.

	As at March 31, 2024 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	------Rupees in '000------			
Assets				
Non-financial assets				
Operating fixed assets - free hold and lease hold land	**-**	**60,531,864**	**-**	**60,531,864**
Fair value through OCI Financial				
Financial Assets				
Quoted equity securities	**257,954**	**-**	**-**	**257,954**

	As at June 30, 2023 (Audited)			
	Level 1	Level 2	Level 3	Total
	------Rupees in '000------			
Assets				
Non-financial assets				
Operating fixed assets - free hold and lease hold land	-	60,531,864	-	60,531,864
Fair value through OCI				
Financial Assets				
Quoted equity securities	151,704	-	-	151,704

There have been no transfers during the period (June 30, 2023: no transfers in either direction).

28.1 The fair value of all other financial assets and liabilities are approximate to their carrying value.

29 EVENTS AFTER THE REPORTING DATE

There were no events occurred after the reporting period, other than those disclosed, which requires disclosure and adjustments in the financial statements.

30 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary.

31 DATE OF AUTHORISATION

These consolidated condensed interim financial statements were authorised for issue in Board of Directors meeting held on 22 February 2025.

32 GENERAL

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

Dr. Shamshad Akhtar	**Muhammad Amin Rajput**	**Wajeeh Uddin Sheikh**
Chairperson	Managing Director	Chief Financial Officer

KEY DATA

FRANCHISE AREA	SINDH AND BALOCHISTAN	
	nine months period ended March 31,	
	2024	2023
GAS SALES VOLUME (MMCF)	**186,039**	193,756
NUMBER OF CUSTOMERS (CUMULATIVE)		
INDUSTRIAL	**4,124**	4,510
COMMERCIAL	**20,449**	21,897
DOMESTIC	**3,200,474**	3,222,913
TOTAL	**3,225,047**	3,249,320
GAS METERS MANUFACTURED (NOS.)	**286,430**	285,400
TRANSMISSION NETWORK - CUMULATIVE (KM)		
DIAMETER		
6"	**36**	36
8"	**26**	26
12"	**591**	591
16"	**558**	558
18"	**940**	940
20"	**844**	844
24"	**751**	751
30"	**58**	58
42"	**371**	371
	4,175	4,175
DISTRIBUTION NETWORK - CUMULATIVE (KM)		
MAINS (1" - 30" DIAMETER)	**38,236**	38,056
SERVICES	**11,396**	11,369
	49,632	49,425

اوگرا کی مالی سال23-2022 کی منظوری یکم اکتوبر 2024 کو جاری ہوئی جس کے مطابق ،نو ماہ کے مالی نتائج میں یو ایف جی کی مد میں 8,412 ملین روپے کی عدم اجازت ریکارڈ کی گئی (مارچ 2023: 25,437 ملین روپے)۔اس عرصے میں مالی اخراجات 9,823 ملین روپے رہے (مارچ 2023: 5,228 ملین روپے)۔

آپریشنل طور پر، کراچی نے یو ایف جی کی سطح کو مسلسل 6% سے کم رکھا، جو اوگرا کے 7.4% کے معیار سے کہیں بہتر ہے۔اندرونِ سندھ اور بلوچستان میں بھی حوصلہ افزا بہتری دیکھنے میں آئی، جہاں یو ایف جی کی سطح 13.97% سے کم ہو کر 9%، جبکہ بلوچستان میں 61.55% سے کم ہو کر 38.72% ہو گئی۔بلوچستان میں یو ایف جی کو پائیدار سطح پر برقرار رکھنا وفاقی سطح پر پالیسی کے فیصلوں پر منحصر ہے،اور ایس ایس جی سی اس سلسلے میں ضروری مداخلت کے لیے سرگرم عمل ہے۔

آپریشنل بہتری

ایس ایس جی سی تنظیمی ڈھانچے کو مزید مستحکم کرنے کے لیے جدید تربیت، مہارت میں اضافے، اور وسائل کے بہتر استعمال پر توجہ دے رہی ہے۔چھوٹا کاروباری یونٹ (SBU) ماڈل، جو پہلے کراچی اور بلوچستان میں کامیابی سے نافذ کیا گیا تھا، اب پورے نیٹ ورک میں وسعت دی جا رہی ہے، جس سے آپریشنل کارکردگی اور صارفین کی خدمات میں بہتری آئے گی۔

ویٹڈ ایوریج کاسٹ آف گیس (WACOG) میں 6.27% اضافہ ہوا، جو 939.75 روپے فی MMCF سے بڑھ کر 998.67 روپے فی MMCF ہو گئی۔تاہم، یو ایف جی میں 18.64 بی سی ایف کمی کی بدولت، یو ایف جی عدم اجازت میں 17,025 ملین روپے کی کمی واقع ہوئی، جو اسٹریٹجک اقدامات کی کامیابی کو ظاہر کرتی ہے۔

ناقابلِ وصول قرضوں کے لیے گنجائش

اوگرا منقطع صارفین سے متعلق ناقابلِ وصول قرضوں کے لیے گنجائش فراہم کرتا ہے، تاہم، ایس ایس جی سی نے IFRS-9 اپنایا ہے، جو متوقع کریڈٹ نقصانات (ECL) کی بنیاد پر پرووِیژن کو لازمی قرار دیتا ہے، جس میں فعال صارفین بھی شامل ہیں۔یہ مستقبل بین پالیسی منافع پر اثر انداز ہو سکتی ہے، لیکن اس عرصے کے دوران کسی بھی ECL عدم اجازت کو تسلیم نہیں کیا گیا (مارچ 2023: 422 ملین روپے)۔

اہم منصوبے اور مستقبل کی حکمتِ عملی

ایس ایس جی سی آپریشنل اور مالیاتی استحکام کے لیے پرعزم ہے، اور درج ذیل اہم منصوبوں پر کام کر رہی ہے:

☆ اپر سندھ سے کراچی گیس کی ترسیل کو بہتر بنانے کے لیے 30 انچ کی 32 کلومیٹر ٹرانسمیشن پائپ لائن کی تکمیل۔

☆ کوئٹہ میں پائپ لائن منصوبے مکمل کرنا، جس سے گیس کی فراہمی میں بہتری اور یو ایف جی میں کمی آئے گی۔

☆ کراچی میں سات ڈسٹری بیوشن پائپ لائن منصوبوں پر پیش رفت، جن میں سے چار مکمل ہو چکے ہیں اور تین منصوبے جون 2024 تک تکمیل کے مراحل میں ہیں۔

☆ کراچی ویسٹ اور حب میں دباؤ اور گیس سپلائی کو بڑھانے کے لیے 24 انچ کی 31 کلومیٹر ہائی پریشر پائپ لائن کی تکمیل، جو جون 2024 میں مکمل ہو گی۔

☆ میٹر مینوفیکچرنگ پلانٹ کی کارکردگی میں بہتری، جس سے 97% مقامی پیداوار حاصل ہوئی۔ایس این جی پی ایل کے آرڈرز 1.26 ملین میٹرز تک پہنچ گئے، جن کی ترسیل جنوری 2024 سے شروع ہو چکی ہے۔

☆ صحت، تحفظ، ماحولیاتی اور معیار کی یقین دہانی (HSE&QA) کے سخت اقدامات اور نگرانی۔

☆ گیس چوری کے کنٹرول کے لیے قانونی فریم ورک اور ریکوری میکانزم کا مزید مؤثر نفاذ۔

اظہارِ تشکر

بورڈ اپنے معزز شیئر ہولڈرز، صارفین، اور ملازمین کا ان کی مسلسل محنت اور لگن کا تہہِ دل سے مشکور ہے۔ہم حکومتِ پاکستان، وزارتِ توانائی (پیٹرولیم ڈویژن)، اور اوگرا کی مسلسل حمایت اور رہنمائی کو بھی قدر کی نگاہ سے دیکھتے ہیں، جن کا تعاون ہمارے کارپوریٹ مقاصد کے حصول میں کلیدی حیثیت رکھتا ہے۔

بحکم بورڈ

ڈاکٹر شمشاد اختر
چیئر پرسن، بورڈ آف ڈائریکٹرز

ایم امین راجپوت
منیجنگ ڈائریکٹر

تاریخ: فروری 22، 2025
کراچی

ڈائریکٹرز کا جائزہ

31 مارچ 2024 کو ختم ہونے والی 9 ماہ کی مدت کے لیے

بورڈ آف ڈائریکٹرز، ایس ایس جی سی، نو ماہ کی مالیاتی اسٹیٹمنٹ برائے مدت 31 مارچ 2024 پیش کرتے ہوئے پُر مسرت ہے۔

مالی جائزہ

مالی سال 24-2023 کے پہلے نو ماہ کے دوران، ایس ایس جی سی نے آپریشنل کارکردگی اور مالیاتی نتائج میں نمایاں ترقی کا مظاہرہ کیا ہے۔ مالی سال 24-2023 کی پہلی ششماہی میں موجودہ پیش رفت کو برقرار رکھتے ہوئے، کمپنی نے گیس کے ضیاع Unaccounted-for Gas (UFG) میں نمایاں کمی کی ہے، جو گزشتہ سال کے اسی عرصے میں 17.70% تھی اور اب کم ہو کر 10.74% رہ گئی ہے۔ یہ غیر معمولی بہتری ایس ایس جی سی کی عملی مہارت، طریقہ کار میں بہتری، اور اعلیٰ کارکردگی پر مبنی تنظیمی کلچر کے عزم کی عکاسی کرتی ہے۔

چونکہ یو ایف جی (UFG) کا منافع پر نمایاں اثر پڑتا ہے، بورڈ آف ڈائریکٹرز نے انتظامیہ کے ساتھ مل کر یو ایف جی ڈویژن کے ذریعے شروع کیے گئے اصلاحاتی اقدامات کی قیادت جاری رکھی۔ یہ اقدامات اوگرا (OGRA) کے کلیدی مانیٹرنگ انڈیکیٹرز (KMI) کے ساتھ مکمل ہم آہنگی میں کیے گئے، جس کا مقصد مالی سال 24-2023 میں 100% تعمیل کو یقینی بنانا ہے۔ لیکج کے شکار اور پرانے نیٹ ورکس میں یو ایف جی میں کمی کے طویل المدتی حل کے طور پر، ایس ایس جی سی نے اپنے ڈسٹری بیوشن نیٹ ورک کی بحالی کے پروگرام کو مزید مستحکم کیا ہے۔ 750 کلومیٹر کی ابتدائی ہدف شدہ بحالی کو دگنا کر کے 1,500 کلومیٹر تک بڑھا دیا گیا ہے، جس میں سے 1,095 کلومیٹر مارچ 2024 تک کامیابی سے مکمل ہو چکے ہیں۔ آئندہ تین سالوں میں، کمپنی 7,500 کلومیٹر ڈسٹری بیوشن پائپ لائن نیٹ ورک کی بحالی کے لیے پُرعزم ہے، تاکہ مستحکم کارکردگی میں مزید بہتری کو یقینی بنایا جا سکے۔

اہم مالیاتی تفصیلات

ملین روپے میں	مارچ 2024	مارچ 2023	تضاد
فائدہ / نقصان قبل از ٹیکسیشن	9,835	(14,773)	24,608
ٹیکسیشن	(3,203)	(2,577)	626
فائدہ / نقصان بعد از ٹیکسیشن	6,632	(17,350)	23,982
فائدہ / نقصان فی شیئر (روپے)	7.53	(19.70)	27.23

نامساعد آپریٹنگ ماحول کے باوجود، ایس ایس جی سی کی اسٹریٹجک کارکردگی پر مستقل توجہ کے باعث یو ایف جی میں نمایاں بہتری آئی ہے۔ مالی سال 19-2018 سے مالی سال 23-2022 تک، کمپنی نے مجموعی طور پر تقریباً 21BCF یو ایف جی میں کمی کی، جو آپریشنل چیلنجز کے حل کے لیے اس کے پختہ عزم کو ظاہر کرتی ہے۔ منصوبوں کے بہتر نفاذ اور اُمور کے بہتر انتظام سے مالی استحکام مزید مضبوط ہوا، جس کے باعث سرمایہ کاری 17 ارب روپے (مالی سال 23-2022) سے بڑھ کر مالی سال 24-2023 میں متوقع 25 ارب روپے تک پہنچ سکتی ہے۔ جدید ٹیکنالوجی کے مطابق، ایس ایس جی سی نے 50 ٹی بی ایس سائٹس پر جدید ترین SCADA سسٹم نافذ کیا ہے، جو ریموٹ آپریشنل کنٹرول کو یقینی بناتا ہے۔ اس کے علاوہ، بلوچستان میں یو ایف جی سے متعلق قانونی اور ریگولیٹری مسائل کے حل کے لیے بھی بھرپور کوششیں کی جا رہی ہیں۔

مالیاتی اسٹیٹمنٹس کے مالی سال 23-2022 OGRA کے فائنل ریونیو ریکوائرمنٹ کے مطابق تیار کیے گئے ہیں، جو سخت ریگولیٹری ضوابط کو یقینی بناتے ہیں۔ کمپنی کا مستقبل کا لائحہ عمل مستحکم ہے، جس میں نیٹ ورک کی بحالی، زونل مینجمنٹ، اور تکنیکی ترقی میں اسٹریٹجک سرمایہ کاری شامل ہے۔ یہ اقدامات ایس ایس جی سی کے قابلِ اعتماد اور پائیدار گیس فراہمی کے عزم کو مزید تقویت دیتے ہیں، جبکہ صارفین کے اطمینان کو مسلسل بہتر بنایا جا رہا ہے۔

منافع بخش کارکردگی اور مالیاتی ایڈجسٹمنٹ

سوئی سدرن گیس کمپنی لمیٹڈ کی منافع بخش کارکردگی بنیادی طور پر اوگرا کے طے کردہ گارنٹی شدہ ریٹرن فارمولے پر مبنی ہے، جو ویٹڈ ایوریج کاسٹ آف کیپیٹل (WACC) کے مطابق متعین کی جاتی ہے۔ مالی سال 23-2022 کے لیے، ایس ایس جی سی کو مالیاتی اخراجات اور ٹیکس سے قبل نیٹ آپریٹنگ فکسڈ اثاثوں پر 23.45% منافع کی اجازت دی گئی (مارچ 2023: 16.60%)۔ تاہم، یو ایف جی، ہیومن ریسورس بینچ مارک لاگت، اور ناقابلِ وصول قرضوں کے انتظام جیسے عوامل مجموعی مالیاتی نتائج پر اثر انداز ہوتے ہیں۔

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